E. BURIAL GRANTS.

We do not advocate the introduction of these benefits at present, believing that they are more properly the concern of ordinary thrift and private insurance. If better insurance terms are required, these may be obtained by the control or nationalisation of such classes of insurance.

F. FAMILY ALLOWANCES.

We consider that these do not fall within our terms of reference.

G. POOR RELIEF.

The need for a system of poor relief or emergency assistance will remain, although we hope it will be diminished by provision for better old age, widows' and invalid pensions. We recommend the abolition of the family means test and a modification in certain cases of the present practice whereby no assistance is given to recipients of other forms of social service income. In the case of emergency, we can see no reason why cash relief should not be granted, under the supervision of welfare agencies, in addition to rations and rent allowances.

II. Part 2.

SICKNESS AND UNEMPLOYMENT INSURANCE.

1. We recommend that a national system of sickness and unemployment insurance be instituted forthwith, to be administered by a new Board of Commissioners, in close collaboration with the Departments of Health, Labour and Social Welfare, and with the advice and assistance of a specially constituted Council representing industry and labour.

2. The persons eligible for inclusion should be all those employed on a wage or salary basis in a number of industries and occupations to be scheduled. These should be at least as numerous as those covered by the Workmen's Compensation Act and should include commerce, mining and government, railway, provincial and municipal employment.

3. The scheme should be compulsory within the scheduled groups below a maximum figure of income to be decided.

4. It would probably be necessary to exclude at the beginning certain categories, such as casual workers, domestic servants, agricultural wage earners and labour tenants and merchant seamen.

5. Provision should be made, wherever possible, for the inclusion on special terms of independent (self-employed) craftsmen and professional workers. Small traders, farmers etc. should be encouraged to form their own mutual benefit societies, while agricultural assistance in general should continue to be of special kinds.

6. We recognise that special provision will have to be made for migratory, indentured and certain forms of compound-housed labour. We recommend that special study should at once be made into these problems, so that such employees can be included from the start.

7. A considerable body of employees, predominantly Europeans, are already members of government, industrial or voluntary associations providing sick benefits and in a few cases compensation for unemployment. Where they fall within the income limits referred to in Par. 3 above, they should be included in the national scheme. Thus they should look upon their membership of other schemes as providing supplementary protection. While it is likely that some of these benefit funds will have to alter the nature of their activities, (especially if a National Health Service is instituted), every encouragement should be given to them to extend their membership and make

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their work more efficient.

8. In the administration of the national scheme arrangements should be made to use suitable existing voluntary bodies as agencies for the collection of contributions and for the assessment of applicants' eligibility for benefit.

9. Experience shows the necessity for local boards of referees, to include official trade unions, employers and medical representatives, to adjudicate in disputed cases.

10. The fiance of the scheme should be tripartite, the insured person, his employer and the state all contributing to the fund on a per caput basis.

11. There is no escape in the Union from a system of differential contributions on the part of the insured. Probably three categories at least will be required, the lowest income group making merely nominal contributions.

12. Contributions by insured persons should be by deductions from wages or salaries either on a flat rate or a percentage basis (the latter is in force in the U.S.A.). Whichever method is adopted will apply also to the fixing of the contributions of employers and the state.

13. Similarly, differential rates of benefit will have to be provided for. The differences here should not, however, be so great as those between rates of contribution. To enable proportionately higher benefits to be paid to the lower income groups, the state's share should be sufficiently large for the purpose.

14. Rates of benefit should be equal for sickness and unemployment.

15. Dependant's allowances are essential and must be carefully worked out in the light of decisions as to the total cost of the scheme.

16. For the sake of simplicity a single deduction should be made from income in respect of both sickness and unemployment. However, it is essential that the finances of the two schemes should be kept entirely separate at the centre. For this purpose two accounts will be required.

17. An actuarial basis is theoretically attainable for the sickness insurance account. With regard to the unemployment fund it should be recognised at once that actuarial solvency is impossible. Parliament must recognise its obligation to vote extra sums to the fund in case of large-scale or prolonged unemployment. It may be necessary to assess contributions from all parties at levels high enough to enable the accumulation of reserves.

18. We are strongly of the opinion that insurance compensation for loss of earnings due to temporary sickness is an altogether different matter from the provision of health, medical and hospital services. We are opposed to what is known as national health insurance. All need preventive and curative health services; only a minority of our population suffer such loss of income from sickness as requires financial compensation. For farmers and peasants, moreover, a system of sickness pay is probably impracticable on administrative grounds. While we do not rule out the possibility that a national health service might require to provide certain forms of financial assistance to otherwise unprotected persons, we believe that its finances should be entirely separate from those of sickness insurance as described above. If,however, the country decides to introduce national health insurance, the scope of the scheme outlined above will have to be extended on familiar lines to include medical and hospital service benefits.

19. To discourage absenteeism, we are in favour of a waiting period of three days before sickness and unemployment benefit become payable, and a maximum duration of benefit of 26 weeks. After 26 weeks each case should be specially reviewed. Normally a sick person would at this stage come under the invalidity

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scheme and an unemployed person under the training scheme. Even if training and rehabilitation facilities were not available it is not recommended that benefit should be of indefinite duration.

20. In the case of unemployment insurance an equitable and practicable work test must be imposed.

21. The provision of an adequate network of Employment Exchanges, a training scheme and an economic policy designed to eliminate mass unemployment are essential prerequisites to the successful operation of a system of unemployment insurance and the administration of a work test.

22. A qualifying period will be necessary for both types of benefit and should be 26 weeks' contributions payable over not less than the two years immediately preceding an application for benefit. Detailed provisions will be required for re-entry into insurance.

23. Persons drawing either sickness or unemployment benefit should have both contributions credited to them, at least for a period of 26 weeks. It willprobably be necessary to have a system by which this privilege is graded according to length of employment and the total claims made by individuals on the funds (as in the sickness benefit scheme of the U.S.S.R.).

24. It is extremely difficult to estimate the cost of the above proposals. We have to know the number of persons eligible for inclusion in the scheme, the average incidence of sickness absenteeism and "normal" unemployment and the number of dependants involved. Experience would suggest that the cost of a unemployment insurance scheme providing benefits of not more than 50% of normal earnings and with unemployment not abnormally high, would be rather less than 6% of the total pay-roll. This sum would have to be divided between the insured person, the employers and the state in proportion to be decided. The cost of sickness insurance, on the lines indicated above, would be very considerably smaller. We do not believe that it is our function to propose rates of contribution and benefit. Presumably, when the government, or a government committee with access to official information, makes proposals, they will be accompanied by estimates of their cost. It would then be possible for us to suggest improvements. At present, since all unofficial calculations are mere guesswork, estimates which are later proved to be erroneous may be used to bring our proposals into disrepute.

IV. Part 3.

CONTRIBUTORY OLD-AGE INSURANCE.

1. We believe that there is a case for the institution of a contributory scheme of old age insurance, which would ultimately replace non-contributory old age pensions for a section of the population. It is not so clear,however, that it should be started forthwith. It will probably be better for it to wait upon the successful launching of sickness and unemployment insurance.

2. In the light of social conditions in the Union such a scheme should be regarded as collective thrift, or insurance in the strictest sense, and should thus be largely financed by the insured. The state would obviously require to advance funds necessary to enable the scheme to start paying benefits at a reasonable time after its inception. The state might also be exepcted to contribute at least as much as it saves on old age pensions.

3. The criteria of inclusion could be wider than in the case of sickness and unemployment insurance. Traders, professional men and farmers could be readily included. At the same time it must be recognised that the poorer classes could not afford to pay the necessary contributions, which might well amount to an average of something like 3% of earnings.

4. For the Union the type of scheme we favour is one in which both contributions and benefits are related to the size of earnings over a number of years, as is the case with the old age insurance scheme in the U.S.A.

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5. The problems of financing such a scheme are extremely complex. It should be entirely independent of other forms of social insurance. In our opinion the time is not ripe for the consolidation of different types of insurance, as proposed for Britain by the Beveridge Report.

6. We wish to utter a warning of the dangers in establishing either old age pensions or old age insurance on an ambitious scale in a country like the Union. American experience has shown the possibility of political parties being formed to represent the vested interest of the old and unproductive part of the community. In the balance of a social security scheme for the Union the claims of the younger generation for better health, education and economic opportunities take precedence over the claims of the aged to a high level of protection at a disproportionate cost to the community.

(undated)

MEDICAL, HOSPITAL AND RELATED SERVICES. as provided under a SOCIAL SECURITY CODE.

A Social Security Code which, on the principle of National Social Insurance, provides for all sections of the population against the contingencies of life is essential as the right frame-work within which to dispense Health and Medical Services on a national scale. The Social Security Fund would be built up by compulsory contributions from all sections of the population. This central fund would necessarily be subsidised by the State out of consolidated revenue. It is estimated that Social Security costs during the early years would be on an average per annum as follows:-

Age Benefits, Widows and Orphans Benefits	£10,000,000
Sickness, Disability, unemployment and Family Allowances	5,000,000
Health, Medical, Hospital and related services	8,000,000
Administration	1,000,000
	£24,000,000

The administration of the Social Security Act could best be carried out under five Social Security Commissioners whose duties would be advisory and arbitral and administrative. Thus they will administer the Social Security Benefits prescribed under the Act through the Department of Social Welfare, and the Medical and Health Services through the Department of Public Health, which in turn will necessarily operate both centrally and regionally under constituted boards appointed in consultation with the South African Medical Association.

This co-ordination of all the provisions of the Social Security Act by the Commissioners will result in uniformity of administration and prevent overlapping of duties and of fields of activity.

MEDICAL AND RELATED SERVICES. essential to a Social Security Act.

We consider that our evidence as representing the National Social Security Council should be confined to the consideration of the general framework of Health and Medical and related services, as should be dispensed under the Social Security Act we cannot visualise such services as being satisfactory unless they are part of the National Social Security provisions. Economic security and a guaranteed standard of living based on health standards represent the goal of achievement for every modern state.

In the organisation which we visualise as the long-period aim, "it will be the general practitioners who will be in the first lines of defence against the encroachment of disease and for the maintenance and improvement of the nation's health. The family will constitute the health unit. Specialist help and all necessary auxiliary services will be available to the practitioners; working from health centres, provided, furnished, maintained, and administered by the local authority for the area; while the health centres will be linked with the teaching hospitals and municipal hospitals; in which medical students can receive all the training they require."

The type of service we recommend as a transition measure to the fuller service referred to above, is one provided on a contractual basis as between the medical profession, hospitals, midwives, dentists, chemists, nurses, opthalmologists, etc., on the one hand and the State on the other hand. The services will be prescribed in the Social Security Act and the method of payment through the Social Security Fund will be laid down.

This contractual or chartered service has the advantage of retaining the principle of "Free doctor; free public". For that reason, provided the co-operation of the medical profession is forthcoming, the service will work without disturbing existing arrangements unnecessarily.

The outline of the services recommended is given hereunder. It is recommended that these services be applied to Europeans, Asiatics and Coloureds, on the same basis, and as far as the Security Fund and the personnel and equipment and buildings permit.

In regard to the Native population we recommend the scheme given as an appendix to this report.

For remote districts of the Union a salaried medical service seems the only practical plan and this is recommended.

(a) SERVICES. A Universal General Practitioner service free to all members of the community requiring medical attention.

Medical practitioners will be requested to enter into agreement with patients to afford them medical services in return for payments from the Social Security Fund on a per capita basis. The Service contracts will be registered with the District Medical Officer of Health. It is recommended that in general the records to be rendered to be:-

Every South African who desires to take advantage of the free medical services available is to complete an application card, countersigned by the doctor of his choice; that is, provided the doctor is willing to accept him. This card will then be registered with the Medical Officer of Health, or Magistrate, as may be arranged. Thus a legal agreement is entered into under which the doctor must attend and care for the patient and will be responsible for his free treatment.

Children's Cards will be available and these cards will also be contracts. The doctor will then be obliged to give free to the patients the following services:-

(1) Provide suitable surgery arrangements and there attend at regular hours.

(2) Visit patients who are physically unable to visit him.

(3) Attend the patients in hospital if regulations permit.

(4) Prescribe drugs and appliances needed. These will be paid for out of the Security Fund.

(5) Maintain clinical records of pateints.

(6) Make proper arrangements for patients in conjunction with the Medical Officer of Health in cases where he himself cannot give treatment.

The regulations will lay down that the doctor will be answerable to the Medical Officer of Health regarding prescriptions certificates and recommendations. Further provisions for the change over of patients from the one doctor's list to another, for removal of patients from his list by the doctor, for complaints regarding medical service, and for termination of the doctor's contract under the Security Code will be necessary.

Every doctor who contracts to provide service under the Code will receive a capitation fee for all citizens on his list, children included. The per capita payment recommended is 18s. per annum. In consideration for this sum the doctor must give

free services to his patients who live within a radius of four miles from his surgery. Should he be required to go beyond this limit he shall receive mileage up to 30 miles beyond the first four miles. Beyond the 30 miles limit the charge will be on the patient, except in special cases.

As an alternative to the per capita payment an arrangement should be made whereby the medical practitioner might claim from the Security Fund 10/- for each consultation at his surgery or visit to the patient's house. For Sunday services between 9 p.m. and 7 a.m. the fee should be 12/6. Payment for other services would be laid down on a pro rata basis.

(b) HOSPITAL TREATMENT. Free hospital treatment for all shall be provided. This service will comprise full relief from personal liability in respect of the hospital care received at public hospitals in addition to partial relief from personal liability for care in private hospitals. A rate of 8/- per day per occupied bed is recommended as the fixed payment for such services from the Social Security Fund.

(c) MENTAL HOSPITALS. Free mental hospital care and treatment for the mentally afflicted is recommended.

(d) MEDICINE AND DRUGS. A form of contract shall be drawn up between licensed pharmacists and the Minister of Health. In terms of the contract the pharmacists will supply requirements as prescribed. Generally these will be such medicines, drugs, appliances and materials as are laid down in the S.A. regulations. Chemists will render their claims on the Fund monthly.

(e) MATERNITY BENEFITS. This class of benefits will be provided for by payments from the Social Security Fund for the following services:-

(1) Treatment in Maternity Hospitals maintained by Hospital Boards.
(2) Treatment in Maternity Hospitals conducted by the Department of Health,
(3) Treatment in licensed private Maternity Hospitals.
(4) The services of Obstetric Nurses in the home.
(5) The services of doctors.

The amount of £12 is the sum recommended from the Social Security Fund to the licensee of the private hospital for hospital care during the confinement period (£2.5.0 for day or days of labour, 12/6 a day for 14 days thereafter), whilst for any hospital treatment afforded prior to or subsequent to the confinement period, the Hospital Benefits payment of 8/- a day shall be made.

Contracts will be entered into with obstetric nurses whose names and addresses will be published for general information and who will undertake to provide nursing services in the patient's own home. The full-time services of these nurses will be available during the confinement period, or if the patient so wishes, the nurse may be engaged on a part-time visiting basis. The amount payable from the Fund for nursing services during the day or days of labour and the 14 days succeeding the date of birth of the child will be £11 or £10, depending upon whether or not the obstetric nurse acts in the capacity of the midwife, that is to say, without a doctor in attendance. A part-time visiting nurse will be paid £5.10.0 or £4.10.0 depending upon the capacity in which she attends the patient. These payments from the Fund must be accepted the the obstetric nurse in full satisfaction of her claim for nursing services in relation to maternity benefits, and the patient will be fully relieved from financial liability for such services.

The services comprising the benefits may be obtained as follows:-

The person desiring the services will simply apply to the

doctor, hospital or nurse of her choice. When the relative service has been afforded the patient or someone competent to act on her behalf shall be required to sign a certificate to that effect. This certificate forms the basis of the claim on the Social Security Fund and payment will be made directly to the person who has given the service.

From the patient's point of view maternity benefits will provide:-

(1) Free treatment by a general practitioner before, during and after birth, and

(2) Free accommodation and nursing in hospitals (though a patient may have to pay extra fees in respect of maintenance in certain private hospitals.) or

(3) Free treatment by a registered maternity nurse in the patients' home.

(f) HOSPITAL SERVICES FOR OUT PATIENTS. These services will include, all medical, surgical and other services to a patient by the staff of the hospital, but will not include dental treatment, the supply of drugs and appliances, X-ray services and laboratory services. The hospitals concerned will be paid by the Security Fund, in terms of the exependiture incurred.

(g) X RAY DIANOSTIC SERVICES. This type of service will include:-

(1) The making of X Ray examinations with the aid of flourescent screen.

(2) The taking of X Ray photographs.

(3) The supply and administration of any drugs or other substances for the purpose of any such examination or photograph.

(4) The provision of medical services incidental to any such examination or photograph except medical services of the kind that are not ordinarily performed by radiologists as such (whether in any particular case such services are performed by the radiologist or by any other medical practitioner.)

(5) The provision of any other incidental services for the purpose of any such examinations or photographs.

Benefits shall not be applicable with respect to X Ray examinations or X Ray photographs made or taken for the dental purposes or for the purposes of life insurance.

(h) SPECIALISTS AND CONSULTATION SERVICES. A complete medical service cannot be effective until specialists and consultant services are included with that of the general practitioner. It is therefore recommended that the State commence such services as soon as possible after the inauguration of the general practitioner service. Meantime the needs can be to a great extent met by making the services available at the public hospitals by either in-patient or out-patient treatment. Extension of the present practice in this respect is recommended.

The above is ONLY an outline of the services visualised. Reference has not been made to capital construction and training of personnel, or to such vitally important matters as health education, nutrition and housing. It is strongly recommended that the State seek the co-operation and advice of the B.M.A. in regard to policy in these matters and that every effort be made to inaugurate improvements in connection with them, to operate in conjunction with the social benefits and medical services, as will be provided by the Social Security Act.

Details of the regional, and central administration of the medical hospital, and health services have not been included as it is felt that this is part of the specific work of the B.M.A. in its recommendation to the Government.

The Social Security Council is mainly concerned in insisting on the provision of fullest possible health and medical services as being basic to the Social Security Code. Health services without Social Security will fall short; Social Security Benefits without health services will likewise fall short.

It is recognised that lack of personnel, buildings and equipment will delay the operation of a complete Health Service Scheme for the Union. Neverthless it is recommended that in the Social Security Act, full provisions be made for all Health Services, which could be implemented gradually as and when the Social Security Commissioners decide.