

## Today in History

14 September



### 1938 Social Security Act passed

The cornerstone of the first Labour government's welfare policies, this act introduced revised pensions and extended benefits for families, invalids and the unemployed. Some described this legislation as 'the greatest political achievement in the country's history'.

From the late 19th century New Zealand had gained a reputation as the 'social laboratory of the world'. Measures such as the introduction of a pension for the elderly in 1898 saw this country lead the way in attitudes towards social welfare. This reputation was severely challenged by the harsh economic conditions of the Great Depression of the early 1930s. Successive governments cut government spending in a bid to balance the books. High unemployment, work camps and queues at soup kitchens shocked many New Zealanders.

Labour won the 1935 election with a policy that every New Zealand citizen had a right to a reasonable standard of living. The community was responsible for ensuring that people were safeguarded against economic conditions from which they could not protect themselves. Labour's ultimate response to the Depression was the Social Security Act.

The Act combined the introduction of a free-at-the-point-of-use health system with a comprehensive array of welfare benefits. It was financed by a tax surcharge of one shilling in the pound, or 5%. 'Pensions' were replaced by 'benefits'. The act made qualifying conditions less restrictive and created new classes of benefits. Prior to 1938 New Zealand's pensions were confined to the elderly, invalids, the blind, widows and miners. There was a limited system of family allowances. In extending the family benefit to all mothers irrespective of the family's income, the 1938 Act increased the number of allowances from 42,600 to 230,000.

The Act also established a Social Security Department to administer monetary benefits. All medical care benefits were administered by the Department of Health.

Supporters of the scheme now spoke of a welfare system that protected New Zealanders from the 'cradle to the grave'. These policies played a significant role in keeping Labour in power until 1949. But critics complained that by increasing the range of benefits and the bureaucracy involved, Labour had created a welfare state that was too expensive to run and made New Zealanders overly dependent on state handouts.

Image: Michael Joseph Savage (Te Ara)

#### Internal links

Children and adolescents, 1930-1960 Michael Joseph Savage Michael Joseph Savage

#### External links

Liberal to Labour (Te Ara) Social Security: scope of 1938 legislation (1966 encyclopaedia) Labour Party (1966 encyclopaedia) Michael Joseph Savage biography (DNZB)

## Timeline S

Month Calendar

Today in History

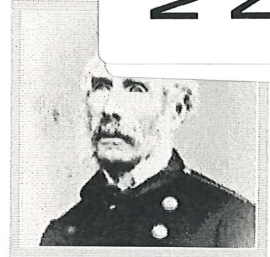
What happened

See historic day of the year date below. birthday?

DD

Visit the

Kiwi of the



Duncan Cameron

The historian James Belich believed Cameron was not only the best European commander to serve in New Zealand but 'among the best of Victorian generals'.

more

Get KotW as RSS

## THIS WEEK'S QUIZ

Test your knowledge of NZ history

page 108

## This Week in History



25 July 1981  
Anti-Springbok protestors derail Hamilton match



26 July 1928  
Kiwi boxer fights for world heavyweight title



27 July 1963  
Pioneer aviator George Bolt dies



28 July 1893  
Women's suffrage petition presented



29 July 1981  
Police baton anti-tour protestors near Parliament



30 July 1979  
Carless days introduced



31 July 1976  
John Walker wins gold in Montreal

### Culture and Society

PRE-1840 CONTACT  
HOLIDAYS AND EVENTS  
CRIME AND PUNISHMENT  
DISASTERS  
ARTS AND ENTERTAINMENT  
HEALTH AND WELFARE  
IMMIGRATION  
TRANSPORT

### Politics and Government

POLITICAL MILESTONES  
PROTEST AND REFORM  
TREATY OF WAITANGI  
MAORI LEADERSHIP  
THE GOVERNORS  
PARLIAMENT'S PEOPLE  
WORK OF GOVERNMENT  
NZ IN THE WORLD

POST SECOND WORLD WAR  
OTHER CONFLICTS  
WAR MEMORIALS

### The Classroom

NCEA LEVEL 1 HISTORY  
NCEA LEVEL 2 HISTORY  
NCEA LEVEL 3 HISTORY  
SOCIAL STUDIES LEVELS

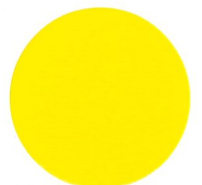
### Hands On History

LINKS AND RESOURCES  
HISTORY GUIDES

### Media Library

INTERACTIVES  
VIDEOS  
SOUNDS  
PHOTOS

### Other MCH websites



MCH nd

DECADE STUDIES  
SPORT  
LIFESTYLE  
PLACES  
THE GREAT OUTDOORS  
MEMORIALS

**War and Society**  
NZ'S INTERNAL WARS  
SOUTH AFRICAN WAR  
FIRST WORLD WAR  
SECOND WORLD WAR

4 AND 5  
PRIMARY SCHOOL  
HISTORY  
LINKS AND RESOURCES

**General**  
SITE INFORMATION  
QUIZZES  
CALENDAR  
BIOGRAPHIES



© Crown Copyright. All text is licensed under the Creative Commons Attribution-NonCommercial 3.0 New Zealand Licence.  
Commercial re-use may be allowed on request. All non-text content is subject to specific conditions.

This site is produced by the History Group of the New Zealand Ministry for Culture and Heritage. Meet the NZHistory.net.nz team

[Contact Us/Site Feedback](#)

[Copyright, Disclaimer and Privacy](#)

[newzealand.govt.nz](http://newzealand.govt.nz)

[Sign up for our free email newsletter](#)

[Other Ministry Websites](#)



[VietnamWar](#)

[28 MAORI BATTALION](#)

[ANZAC](#)

× × × × NATIONAL  
× × × × WAR MEMORIAL  
× × × ×  
× × × ×  
× × × ×