

75. We are satisfied that the service given to their members by friendly societies is a very valuable one and should not be prejudiced. We therefore recommend that the receipt of a sick benefit from a friendly society should not disqualify a sick person from receiving full benefit under the national scheme also, and, further, that friendly societies should be authorized to disburse the benefits under the national scheme to their own members.

(III) DISABILITY BENEFIT.

76. This benefit as proposed by the Government is intended to cover those persons who are physically or mentally disabled from earning a livelihood, but who cannot qualify for invalidity, sickness, or sustenance benefit or State superannuation. The class that would be covered by such a benefit is extremely wide and incapable of exact definition. At the same time the needs of individuals within this class vary so much that their cases could not be dealt with by a flat or standard rate of benefit. The relief of the distress of these people is one that calls for sympathy, understanding, and foresight, and the Committee considers that every case should be dealt with on its merits by persons with thorough qualifications. Quite apart from the relief of distress by the granting of assistance, the individuals coming within this benefit are in many cases those who have not had, for some reason or another, a fair chance of establishing themselves in the economic life of the community and who, without a special kind of assistance, will have very little chance in the future. Very striking evidence of this was given by the witnesses representing the Soldiers' Civil Re-establishment League and by the Director of the State Placement Service. They showed to the Committee what achievements are possible by the carrying-out of an intelligent and sympathetic plan for rehabilitation. This is so important a factor in the opinion of the Committee that it recommends that, where necessary, individuals applying for disability benefit should be examined by a Board of specialists in psychology, medicine, and social welfare, who would direct the form of assistance to be given whether by way of individual training or the affording of special opportunities, as well as monetary or other assistance. The amount suggested in the Government's proposals for this type of benefit is £500,000, and in view of the impossibility of determining from the evidence available what such a scheme will cost, the Committee recommends that this sum be allocated to the new Social Security Department for the first year and that the amount to be expended should be revised and budgeted for in the future in the light of the experience that will be gained.

(IV) SUSTENANCE.

77. Sustenance rates of payment have been very considerably increased, and in many cases practically doubled during the last two years and a half, so that the unemployed are at present receiving treatment which compares favourably with that of other recipients of benefit. In order, however, to bring their payments more into line with others under the scheme it is suggested that the amount payable for dependent children should be increased from 4s. to 5s., making the rate of benefit 20s. for an individual plus 15s. for his wife and 5s. for each dependent child under the age of sixteen in the case of married men. At the present time it appears that some eight thousand men are in receipt of sustenance who would not qualify under a strict interpretation of the qualification that applicants should be fit and available for work but genuinely unemployed.

Owing to various disabilities, this group of men are unable to earn their own living, and they have been placed on sustenance because no other assistance was available and they could not be allowed to starve. These men who are not fit for employment will be transferred to the classes receiving superannuation, sickness benefit, and disability benefit, thus leaving a class of sustenance recipients who are available for employment in every way, but unable for the time being to find it.

78. The Committee recommends to the Government that the rate proposed as set out above should be adopted and that qualification for sustenance benefits should be strictly limited to men who are physically and mentally capable of work when it is available. In the present economic condition of the Dominion sustenance will be required only by a changing group who are suffering temporary unemployment owing to the casual nature of their work and by reason of a change from one form or branch of industry to another.

(V) WIDOWED MOTHERS' BENEFITS.

79. The widow's pension now covered by the Pensions Act, 1926, has been a feature of New Zealand legislation for a number of years, and the principle of giving assistance to widows with dependent children is universally accepted throughout the Dominion. The rate of benefit was increased in 1936 to £1 per week for the widow and 10s. per week for each dependent child. On careful consideration of this benefit the Committee is satisfied that the proposal of the Government to make the benefit 10s. per week for each child plus 25s. per week for the widow, subject to the existing limitations, and to continue the benefit until the youngest child reaches the age of sixteen years and, in special circumstances, until the age of eighteen years so long as the child is still at school, is amply justified and recommends in this direction. The 1936 legislation extends the benefit to wives of inmates of mental hospitals and deserted wives who have dependent children under the age of fifteen years, and the Committee recommends that these classes should receive the benefit of the new proposals.

(VI) WIDOWS' BENEFITS.

80. The evidence of a number of witnesses, particularly those representing the Society for the Protection of Women and Children, made it very clear that there is a great deal of distress and need among childless widows or widows whose children have reached the age at which the previous pension ceases. These women, until they have reached the age to qualify for old-age pension, have in the past had no source of assistance except by resort to charitable aid.