

38. Do you not think that the State in paying the whole of that 5s. allowance would encourage malingering and weaken the societies' control over that allowance?—The trouble is in regard to the small lodges scattered over the country that things are likely to happen. Some men may be seven or eight miles away from a lodge. There might be a possible chance of it under certain circumstances.

THOMAS FATHERS examined. (No. 11.)

1. *Hon. the Chairman.*] What are you?—I am district secretary of the Central District of the New Zealand Independent Order of Rechabites.

2. What do you wish to state to the Committee?—I have listened to the evidence, and there is a good deal of repetition about it, but the proposals of the Department to my mind have touched the weak spots in the friendly-society movement. The Department has a very much better and more general knowledge of the movement than we have. Our experience is naturally confined to the orders to which we belong, but the Department is brought into touch with every order in the Dominion, and they have a better knowledge of the weaknesses than we have ourselves. I think the proposal they have made touches the weakness of the movement, but under the heading (a) "Extend the principles of the National Provident Fund along the lines leading to universal social insurance," I am personally of opinion that the only effective way to deal with that would be on the lines of the British Act. Then you embrace all, and that to my mind is the only effective way to deal with it. If the State is not prepared to do that at the present time I know of no reason why the friendly societies should not be linked up with the National Provident Fund and work together in harmony in order to extend further the principles of the friendly-society movement to those who are unable to reach the standard set by the societies. Subvention would assist those, and result, I think, in greater privileges. In regard to the question of lapses, there are between six hundred and seven hundred lodges in the Dominion, which initiated 6,926 members last year, and there were 4,788 withdrawals during the same period. That has been the general experience of friendly societies right throughout this country, and that is the weakest spot in the whole movement. If that can be stopped to any degree I think a great deal of good will be done, and the proposals of the Department lead me to believe that subvention in a great measure will stop a large number of the steady withdrawals from the societies.

3. *Hon. Mr. Beehan.*] It has done so in New South Wales?—Yes. I think it would do so here. The societies throughout the Dominion are well organized, and they could be the medium through which any proposals could be worked satisfactorily and effectually. The question of carrying out the subsidy has been discussed by Mr. Jennings. I notice that the Department proposes "2s. 6d. per week towards the cost of the allowance paid by the society in respect of sickness of less than twelve months' duration in the case of a male member over 65 or a female over 60 years of age." I think that in order to strengthen the membership that assistance might be used to reduce definitely the contributions of members when they reach the age of 65. That is done by the New South Wales subvention, and I think that subvention under No. 2 heading might with advantage be applied in that direction. I do not know that I need repeat anything that has already been said, but I am quite in accord with any action on the part of the State to assist, because I know from my own experience that the saddest experience we have is when we find those who have been with us for twenty or thirty years dropping out. There is no provision in the friendly-society movement at the present time where help can be given in such cases. The old members are too proud to admit their circumstances to those who would assist, and after a period, as you know, their membership in the society ceases altogether. They are past the age at which they could be readmitted, and they have to lose the whole of the money they have paid in, and if the State aid in any direction could prevent that I believe it would be doing a great deal of good. Then there is the large section of people in this country who cannot reach the standard and who are anxious and desirous of making some provision, but their circumstances will not allow them to do very much. The National Provident Fund might perhaps cover a portion of those, but it does not cover all, and that leads me to think that any effective scheme should be universal and compulsory in its operation.

4. *Hon. the Chairman.*] Can you speak in regard to unemployment insurance at all?—No, that is a question I have not gone into. There is the question of facilities for exchange of Post Office Saving-bank accounts. You know there has been a movement for some time that all the societies should consolidate, and the order I belong to have practically adopted that. We are not wholly consolidated, because we are finding with the branches that are in the position that have been mentioned by Mr. Salek this morning that they hold on to their funds.

5. *Hon. Mr. Beehan.*] The wealthy societies?—Yes, the wealthy societies. They have been standing out. Considerably over forty of the lodges in the district I belong to have consolidated voluntarily, but those wealthy societies stand out because they are having a division of the surplus and they think that will continue, and so it might in one or two instances. I think consolidation has been growing in connection with the friendly-society movement in this Dominion for some time, and it is very near to an accomplished fact. That would very materially assist the Government in its subvention proposals, because it is part of their scheme that the orders should be consolidated, and they would be lifted up to a state of solvency before they could offer to any one any privilege other than we have at the present time. I think the proposals of the Department would lift most of the societies we have in the Dominion into a state of solvency, and would give them the privilege of extending to outsiders a better and easier privilege than we are having at present under the existing arrangements. That, I understand, is the tendency and desire of the people, and if the subvention is of a liberal character that could be done, and the societies could open their doors wider than they are at present doing.