

2. How long have you been connected with that society?—I have been district secretary for the last twenty years, controlling the Wanganui district, and Foxton, Palmerston, and right up the Main Trunk line.

3. I understand you wish to make a statement to the Committee?—Yes, I would like to make a statement on the subject of a subvention to friendly societies. The friendly societies have never yet approached the Government for any financial assistance. They are satisfied to conduct their own affairs. All that they want from the Government is assistance in such a direction as will not cost the Government any money at all, but which will widen the privileges and allow us to conduct our own affairs perhaps better than we are now conducting them. Generally speaking, the members object to any subsidy or monetary assistance from the Government. The work of friendly societies in New Zealand has progressed year by year since their establishment in New Zealand. The work of friendly societies has been actively established in New Zealand for over fifty years. We started without any capital, bequests, or assistance, but by thrift and good management of our affairs we have accumulated a million and a half of money. That is the position at the present time in New Zealand of friendly societies in general. In the last five or six years our funds have increased each year by £80,000 to £100,000. We think that in view of such splendid work as that we should be permitted to conduct our own affairs without the assistance of the Government. That is my own personal opinion, based upon thirty years of close companionship with friendly societies' work. I may say that I have not been instructed by the rest of the societies to give expression to these opinions. These are my own opinions based upon a general view of the position. We have been considering the question of consolidation of sick-funds. The only country that we have as a guide upon that matter is New South Wales, and it happens that New South Wales is the only country that has subsidized friendly societies. Consequently the subvention of friendly societies is closely interwoven with the consolidation of sick-funds. I am of opinion that there are special reasons in New South Wales for the institution of a subvention which do not appear in New Zealand. It is strange indeed that in 1910, when the subvention was introduced in New South Wales, the capital then stood at £10 3s. 7d. per member—that is, the capital of friendly societies—whereas New Zealand societies stood at £19 13s. 1d. per member. There are seven independent States operating in Australasia in friendly societies' matters. In 1910 there were two States at that time showing less capital per member than New South Wales—namely, Tasmania and Western Australia; but since the subvention has been brought into operation, whilst every other State has increased in capital, New South Wales has decreased, because in 1912 they dropped from £10 3s. 7d. to £9 2s. 8d., even with the subvention grant of from £17,000 to £20,000 a year; whereas in New Zealand we increased from £19 13s. 1d. to £20 1s. 8d. We are now the most prosperous society in the whole of Australasia.

4. *Mr. Anderson.*] Does that £20 represent all the societies or only your society?—All the societies. Although New South Wales has got a subvention it has gone back, whilst every other State has increased. What we really require is this—

5. *The Acting-Chairman.*] How do you account for this change?—I think it must be in the management of affairs. Whereas in New Zealand our money has been earning at the rate of 5 per cent. before the consolidation of sick-funds, by the Manchester Unity in New South Wales their money was only earning 3 per cent. What we really require is this greater assistance of our management. We do not want monetary assistance. At the present time we have a number of business men who take an interest in friendly society matters, and we are anxious to retain them. We are investing large sums of money, and we are anxious to retain these men. If a subvention was introduced and we received Government assistance, I think it would be the means of driving out a great number of these business men whom we are particularly anxious to retain.

6. *Mr. Anderson.*] Why?—Because even now we find that people are looking upon us as a sort of charitable institution. I think if the Government came forward with a subvention or subsidy to friendly societies it would strengthen that view, and many members would feel that in taking from the sick-fund of the lodge they would be receiving a certain amount of Government assistance. You would not think of offering an insurance company a subsidy although they are carrying on business after our own style. They provide a certain amount of money at death, and they give sickness and accident benefit. There are societies that are probably not so fortunate as our society, but that is owing to management. In the case of the Wanganui district, which I control, at the 1905 valuation the whole district—that is, the whole of the lodges—was valued together; there was a deficiency, and the officers considered that something should be done to remove that deficiency and make the district as a whole solvent. We communicated with the Registrar, and we considered that means should be taken to remedy the position, and what was the result? By careful management, by the time of the next valuation not only was the deficiency wiped off, but we showed a considerable surplus. So that it does not matter what subsidy you offer to friendly societies, unless there is good internal management you cannot help to make an improvement. The figures of our society show that in the last five years there has been a marked improvement. There never has been such an eagerness to improve the position of friendly societies as there is at the present time. The members are alive to the necessity of bettering their position, and never have they shown such a wish to improve their position as they are doing now. The complaint we have now is that the Government has set up an institution which is practically killing or doing the friendly societies a great deal of harm—that is, the National Provident Fund. I resent the operations of that fund very much. I consider that whilst we friendly societies have to pay the cost of managing our own concerns, we are also called upon to pay the cost of those people who are not members of friendly societies, because in the contributions to the National Provident Fund no charge is made for management, and after a person has been a contributor to that fund for two years he can get all his money back again. If the Government