

WEDNESDAY, 22ND OCTOBER, 1913.

JOHN KERSHAW further examined. (No. 3.)

1. *Hon. the Chairman.*] Will you continue your statement to the Committee?—*Mr. Chairman.*—When we adjourned last week I was just saying that there was another aspect of the National Provident Fund Act which we thought was affecting the interests of friendly societies, and that was the matter of canvassing. The Hon. Mr. Beehan referred to it in his remarks, and I just wish to emphasize that particular part of the report, for the reason that I believe it has materially affected the interests of friendly societies. I understood Mr. Hayes to state in his remarks that the lecturers would not give undue prominence particularly to the National Provident Fund as against friendly societies. I was not at the time sure whether I was in a position to ask Mr. Hayes any questions, nor am I sure now of the position; but if I am in order I would like to ask, before proceeding any further, on what basis is the remuneration of the lecturers fixed? Is it on commission, by salary, or what?

*Mr. Hayes:* I think that is quite outside the question. That is a departmental matter.

*Hon. the Chairman:* How can that affect you?

*Witness:* A man who receives commission in addition to a salary would more likely give his attention to that particular part of his duties as against the general question than if he was paid simply a salary; it would appear to me that his idea to win other business over to the National Provident Fund would be stronger.

*Mr. Hayes:* I will say this: that nobody would put a scheme like this in hand if there was not some incentive given to the men who are doing the work. It would be a waste of money to send people round the country if they were not paid according to the results of their work.

*Witness:* I heard it was 5s. a member.

*Mr. Hayes:* The amount varies.

*Witness:* That is a point I wish to get information upon. The Registrar says in the annual report of the National Provident Fund that a large number of young members have been enrolled into the scheme during the past year, and, "It will be observed that the average weekly contribution per member has, since the lecturing campaign began, gradually fallen from 2s. 3d. to 1s. 8d. per week. This is a satisfactory feature, as it is mainly due to a larger proportion of young lives being enrolled." Well, I desire to say that the recruiting-ground that we have for friendly societies is the young, and if energy is displayed in this particular line it will in a great measure reduce the supplies of members of friendly societies, and will leave them ultimately with just the older members to deal with. This bears very strongly on the matter of subvention. I might say that until the establishment of the National Provident Fund I had not considered that the question of subvention was of very great importance; but when we come face to face with competition of this kind as is displayed in the National Provident Fund Act and its working, it leads us to think that there should be some consideration for the friendly societies in the matter of subvention. Now, the provision in the National Provident Fund is that one-quarter of the total contributions of those who join that fund is paid from the Consolidated Fund, and, in addition to that, the whole expenses of management, and the salaries of the lecturers, and everything in connection with it is paid out of that fund, and provision is also made that such amounts as are required can be drawn from the Consolidated Fund for the working of this particular fund that I am referring to. I would like to say in passing that the question of management in friendly societies is one that gives a great deal of concern; we are met with it at every point. The great difficulty is in meeting the expenses of management, and consequently there are steps taken at times which have to be very carefully watched, as there is a danger of lodges trespassing on the benefit fund in order to sustain their management fund by reason of the limited contributions to that particular fund, and it does seem a somewhat hard or unfair competition when £1,970 is paid out of the Consolidated Fund for 2,110 contributors during the year 1912 when friendly societies in carrying out their work have to provide the whole of the management expenses out of their own fund, and, in addition to that, they have to pay out in connection with the National Provident Fund as well. I just bring that forward to show that in the matter of subvention the friendly societies have a greater claim for consideration than they at any other time had by reason of the establishment of this fund. I wish to say that I am not opposed to any system of thrift. I believe it is our duty, not only as friendly society men but as good colonists, to help any legitimate desire to encourage thrift in this Dominion; but when it comes in this form, as has already been pointed out, it does appear to us that it is bearing somewhat hard on the societies. That is one of the strongest reasons, I think, that the friendly societies can put forward in support of assistance from the Government in the matter of subvention. The cost of the propaganda work appears to have been fairly expensive, and I maintain that if the friendly societies had a somewhat similar fund to what has been provided here, where they could send out three or four canvassers, I fancy that our increase of membership would loom fairly large even in comparison with the National Provident Fund. It does appear, as I have already said, that the competition is somewhat unfair. The Registrar has said it would be likely to help the friendly societies. Well, that may be so—I am not prepared to contradict it. It would probably lead men to see the desire of making some provision in the way of thrift and self-help. As I remarked on Friday last, the order of reference has been somewhat widened: it has widened out to the question of social insurance. Those who have followed the institution of national insurance in England have been led to see, to my mind, that rich provision has been made for the working-classes particularly in England. Mr. Hayes in his remarks said that there were three hundred thousand workers of the ages from 15 to 45 in this Dominion, and out of that number there are only something like seventy-five thousand members of friendly societies.

*Mr. Hayes:* The correct figures are 270,000.