

MINUTES OF EVIDENCE.

WEDNESDAY, 1ST SEPTEMBER, 1915.

ROBERT DARLOW examined. (No. 1.)

1. *The Chairman.*] What are you?—I am president of the Auckland United Friendly Societies Conference. I appear here this morning in support of the petition on behalf of the Auckland United Friendly Societies. That petition is identical to the petition that has been presented by the societies in other parts of the Dominion. The petition sets out that the friendly societies feel that the operations of the National Provident Fund are injurious to friendly societies. The evidence of that is shown in the decrease in the membership of friendly societies. For some years the friendly societies have shown a fairly uniform normal growth. The membership of friendly societies in New Zealand numbers about 74,000, and during the past few years the increase of membership has been as follows: 1905, $4\frac{1}{2}$ per cent.; 1906, 6 per cent.; 1907, 7 per cent.; 1908, $6\frac{1}{2}$ per cent.; 1909, $2\frac{1}{4}$ per cent. There was a considerable drop in that year, but the following year it recovered somewhat, the increase for 1910 being $3\frac{1}{2}$ per cent.; 1911, $3\frac{1}{4}$ per cent.; and in 1912, $2\frac{1}{4}$ per cent. The lowest increase that had been recorded up to that time, in 1913—the last return for 1914 not having been presented to Parliament yet—shows an increase in membership of 0.15. Practically the increase in membership had vanished. During that time, from the 31st March, 1911, the operation of the National Provident Fund commenced. During that year there were 550 contributors to the National Provident Fund, a negligible quantity so far as the friendly societies were concerned. To the 31st December, 1912, there were 2,616 contributors to the National Provident Fund, and to the 31st December, 1913—again the last year for which we have statistics—there were 5,791 contributors. In 1912 lecturers and canvassers were appointed, and the result was a considerable increase in the number of contributors to the National Provident Fund, and the increase in the friendly societies' membership dropped to $2\frac{1}{4}$ per cent. The following year the contributors to the National Provident Fund were 7,538, and the increase in friendly societies' membership had practically vanished. I think that proves conclusively that the operations of the National Provident Fund must have been prejudicial to the friendly societies. It has practically stopped their natural growth. The Registrar of Friendly Societies, in his report for 1913, attributes the smallness in the increase of members of friendly societies to the fact that that year was a year of industrial unrest. The great strike took place in that year, and that is put forward as a reason for the smallness of the increase; but I would like to point out that in that year some 6,000 contributors were secured to the National Provident Fund, and the contributors to the National Provident Fund are secured from the very field to which the friendly societies look for their increase in membership. Friendly societies feel quite confident that the decrease in membership is due to the State-organized canvassing. The National Provident Fund is not loaded with its own expenses—and here is the grievance which the friendly societies have—and while they have to pay the whole cost of insurance, they are compelled by taxation to contribute partly to the cost of the assurance of the National Provident Fund, and seeing that the National Provident Fund members are at least as well able to pay the whole cost of their assurance as members of friendly societies, they consider they are unfairly handicapped. The friendly societies, as probably you may be aware, have been in negotiation with the Government for some time in regard to bringing forward a subvention scheme for friendly societies, but the societies realize that at this particular juncture it is probably unwise to expect that Parliament will be able to give attention to such a very large matter. It is a very important matter, because it has taken probably a century to build up the great friendly societies as we have them to-day, and any hasty legislation might easily do them irreparable injury, and the societies say they are quite content to leave the legislation until such time as Parliament is in a position to give it adequate consideration; but in the meantime the effect of the operations of the canvasser as against the friendly societies is practically bleeding the friendly societies to death, and the request of the petition is that such steps shall be taken as will relieve the societies in the meantime from the operations of the State-paid canvassers. You will realize that a canvasser, if he is worth his salary at all, can in nine cases out of ten out-talk the ordinary friendly-society member. The canvassing on behalf of the friendly society is entirely voluntary, and no one gets paid for it. It is left to the enthusiasm of members themselves, who, as a rule, are not particularly good talkers, and when they come into competition with the professional canvasser they are knocked out. Mr. McLeod, the secretary of the Conference in Auckland, has some other matters to bring before you. Those are the two points that I wish particularly to stress. The grievance is universally felt in New Zealand. It is not a local grievance, although this particular petition emanates from Auckland. The petition voices the universal dissatisfaction amongst the friendly societies in New Zealand, and that dissatisfaction would probably have been expressed but for the fact that friendly societies are not political institutions. The friendly societies studiously avoid any entrance into the political arena, and they are loth to set up any machinery that would voice their discontent, but the matter is so serious that they are compelled to take these means of bringing the matter forward. In conclusion, I would like to say that the relief that we seek is very necessary for us at this particular juncture, for the reason that the whole of the friendly societies are up against a very serious problem just now. With that share of patriotism that is generally felt in New Zealand at present they have all determined to pay the ordinary contributions of all the members who have gone to the front. That is to be done by voluntary subscription, as we cannot touch the ordinary benefit funds, which are properly tied up by the Friendly Societies Act for that purpose.