

2. Do you wish to make a statement to the Committee?—Yes. I think it may be taken for granted that Parliament, and, in fact, the country, is satisfied that friendly societies are desirable institutions, but in case there may be any one present who is not fully aware of how the friendly societies permeate the national life I should like to briefly refer to what they do. First of all, they absolutely prevent pauperism. I say that advisedly, because I have been connected with public institutions and the Hospital Board for years, and during the whole of my connection not one member of a friendly society was in a charitable institution at the cost of the State. It may be different in other parts of the Dominion, but I speak of the part I come from, and I think the largest charitable institution in the Dominion is in Auckland. Another point is the prevention of unemployment, a most difficult question for any country. The late Registrar-General of Great Britain laid very great emphasis on the value of friendly societies in preventing unemployment. Unemployment is prevented in this way: a member coming to a strange place from any other part of the Dominion or any other part of the Empire—because our operations permeate the whole Empire—presents credentials, and as soon as the society in the place he has come to receive the credentials they immediately do the very best they can to place that man in work, and consequently a very great and useful work is being done. No member of a friendly society who is travelling is likely to fall a charge on the State in any way, because the members of his organization are doing their very best to find employment for him. That is a point I should like to stress, and I think it will be borne out by the results that have been achieved. The promotion of thrift is a very strong point in regard to friendly societies. A member is encouraged to save from his early years of membership: that grows upon him; and naturally it is desirable in the life of a country with the working classes, because it is from the working classes that we recruit our membership: it is desirable they should be thrifty. The various societies have different methods of managing their businesses; they have certain ritual, and certain obligations are taken by the members. Those obligations are solemn obligations: they promote the spirit of fraternity, which is desirable. You want one portion of the community to be sympathetic with another, and I should feel it my duty as a member of the Manchester Unity to further the interests of a poor member of the society. All that is desirable, and friendly societies do it. Now, coming to the financial operations of friendly societies in this Dominion, the last report which I have is for 1913. It is shown there that the members of friendly societies paid in contributions for ensuring benefits for themselves the sum of £219,159, or a contribution per head of £2 19s. 6d. That is the actual contribution which was paid, but the contribution payable—if I take the case of one of the societies with which I am well acquainted—would be well under £4 per annum. That is the total contribution payable, and I will refer to the benefits which are paid by that particular society. It (the contribution) would probably be £3 10s., to be exact—that is the actual contribution payable to the society which pays benefits as large as any in New Zealand. In 1913 the friendly societies paid £74,783 to members in the shape of sick-benefits. They paid for medical benefits and doctors' attendance £70,016, and they paid in funeral benefits £15,229, or a total in benefits that appear on the surface of £160,028. When I say "benefits that appear on the surface" I refer to the actual benefits that members could demand and were paid to them. I do not refer to any acts of benevolence done, which are considerable. Now, I think it will be agreed that institutions that are doing work of this kind, paying such considerable benefits as that, ought to receive the sympathy and support of the State, and nothing whatever should be done that would be likely to injure them. We contend that the National Provident Fund is operating in exactly the same field as we are, and as that is the case a man cannot join the two. If he joins one he certainly cannot join the other, because he is a working-man, and with all the other claims upon him the contribution he is able to pay is only sufficient to find one benefit, and the question is which is the better institution for him to join. The numbers that have joined the National Provident Fund have already been referred to by Mr. Darlow. The number that joined up to 1913 was 7,538, and it appears there were secessions from the Fund of 1,747. The cost of management in 1911 was 56 per cent. of the contribution of income; in 1912, 28 per cent.; and in 1913, 19 per cent. Well, with the handicap that we have in the shape of 25 per cent. which is given to support it, it is considerably loaded when the expenses are put on, because the amount of 25 per cent. is not the only amount that the State must give to the National Provident Fund. We believe it is a different benefit from that operating anywhere else, and consequently the State has very wisely seen to it that the National Provident Fund's contributors are not going to suffer, because the statute not only states 25 per cent., but such other sum as may be required, so that in a few years an actuarial examination might disclose a deficiency in that Fund, and it may be considerably more than 25 per cent. Now it is loaded with the management expenses. The contributions payable by the members of the National Provident Fund in 1912 amounted to £4 8s. 2d. per head; in 1913, £3 18s. 6d. per head to provide their benefits, loaded as they were with all the expenses and the subsidy. Well, we say that any person who is able to pay a higher contribution than we are able to pay does not need very much assistance from the State. We find that some of our members have to be assisted in paying their contributions. During the period that the war has lasted there is hardly a branch that has not had to make a benevolent grant to pay the contributions of members, and I say that is one testimony to show that the contributors to the National Provident Fund are able to pay more than we can, and yet the State is subsidizing them and not subsidizing us. The point raised in the Registrar's return regarding the question of a subsidy needs a word of explanation. I was present at the Conference in Wellington when the subsidy was offered, but it was offered in a most secret manner. The friendly societies were never informed that they were going to be offered a subsidy, and the members being deputies from various societies they could not bind the societies to accept any subsidy without the sanction of the societies. Consequently, when it was stated that a subsidy was offered the friendly societies