

character that it is well known that we can work the Provident Fund satisfactorily enough if it is thought advisable to hand over to us the control of the Fund in its future operations. Whether that will be done or not is, of course, a matter for the State to decide. But the position, as far as I gather it, from the friendly societies' point of view is simply this: we have gone on up to the present stage in our old way, but conditions are changing very much, and now we are face to face with an active State Fund which is likely in the future to come into strong competition with us, and unless we get some State relief we will suffer. The members of the societies realize that. It is agitating the minds of the members of the whole movement throughout the whole of the Dominion. They realize that the members of Parliament are reasonable and sympathetic with the movement, and we feel confident that they are not going to leave us. If it is necessary to push the Provident Fund on lines apart from the movement with which we are associated, then we believe that they will do justice to us. And I think there are just two ways to do that: first, to incorporate the societies in connection with the operations of the Fund by making us the channel through which entrants can come into that Fund; or, secondly, as I stated, subsidize us or give us subvention. If a liberal subvention upon the lines suggested to the Committee that was set up a couple of years ago was granted to friendly societies I think it would place them in a position where they could work satisfactorily in harmony with the National Provident Fund movement. We realize the value and the benefits of the friendly societies are infinitely superior, so far as the working-men are concerned, to those of the Provident Fund, and I am quite satisfied that if the matter is fairly represented to the young people they will not turn the friendly societies down, simply because when they realize the different benefits they will recognize that to connect themselves with us will be more beneficial to them. But unless we can offer inducements we have no hope in open competition with the State. As you know, we have three classes of funds in connection with the friendly-society movement: there is the Sick Fund, which is fixed by law, its income and outgoings; the Funeral Fund, which is similarly situated; and the other fund is the Management Fund, which covers medical attendance, medicines, and management expenses. The whole cost is paid out of that fund, and that is the only fund over which we have any control. It is usually worked down to a minimum amount for safety, and we have no means of carrying out any propaganda work similar to that which has been done in connection with the National Fund during the past two or three years, and that is why it is agitating the minds of members of friendly societies, in that we feel alarmed at the ultimate result to us of that work. If we could get relief in one or two of these funds, then we could reduce our contributions and bring them within the reach of those whom we wish to introduce into our ranks, and if possible we could increase our benefits somewhat on the lines taken up by the Provident Fund. Maternity benefits have been mentioned by one of the witnesses, and if that could be added to the benefits of the friendly societies it would make a complete system of benefits, which would appeal to the people generally. I do not think I have very much more to say, but I am inclined to the opinion—I am expressing it without any authority—that the bulk of the friendly societies would hail with gladness State assistance at this stage, if the State is determined to continue the National Provident Fund.

2. *Mr. Dickson.*] Can you tell the Committee the approximate amount of the accumulated funds of the various friendly societies in New Zealand?—I could not tell you from memory, but it has been given here this morning as being over a million and a half of money. These are the fixed funds, and they can only be dealt with in one way, and that is fixed by law. The only amount that we could touch is the surplus, as has been explained, after the investigation by the actuaries. If a surplus is disclosed, and it is considered by the experts that there will be sufficient margin left, the balance can be divided under five heads, to increase the funeral benefit, or reduce management expenses, and reduce the contributions generally, but they are limited in their operations and can only be carried out according to the provisions of the Act.

3. *Mr. Bollard.*] Has the Government given any promise of subvention to the friendly societies?—Some years ago I believe Mr. Seddon laid before a conference of friendly societies a scheme of subvention, but it was rejected by the societies at that time. I think it was stated by Mr. McLeod, however, that if it had been possible for the societies to see into the future they would have been wiser to have accepted it.

4. But you say that if you have to continue on you wish a subsidy: what amount of subsidy would you expect?—That would be a matter for the experts. We have an illustration of subvention in New South Wales. They give relief there. They pay the whole of the funeral contributions. Then I think they give relief as regards the cost of the medical expenses. That is a material relief to the societies there. It is working very satisfactorily. The whole of the friendly societies in New South Wales accept it, and are working quite satisfactorily with it. Some societies in the early stages of that movement stood out, but the whole of the societies are now accepting the subvention granted there, and they can give to the people of New South Wales the general benefits offered by friendly societies at a considerably reduced scale as compared with that which New Zealand is able to offer.

5. Would you be satisfied with the same system that prevails in New South Wales?—Yes.

6. *Mr. Coates.*] Does this witness support the petition that has been presented, that the State should cease operations so far as their canvassers are concerned?—No; I cannot go so far as the whole length of the first clause of the petition, but I am in accord with the other clauses.

7. That the Postal officers should not receive their 5s. commission?—That is a matter of detail. That, of course, gives the Provident Fund an advantage over us; but if the State gave us assistance we would have to arrange our affairs so that we could meet them on fair ground.

8. I understand from the evidence you have given that you are practically asking for a national system based on the Lloyd George system?—Yes, I believe that is the only solution of this present social difficulty.