

for this work of lecturing. These officers were Civil servants of long standing, and up to the present I have not heard of any complaint about the way they have carried out their work. However, the Postal officers do not affect the friendly societies, whatever the lecturers may do. As I said in the minute that I sent to the Committee, I am not convinced yet that the Fund's operations have produced the fall in the friendly societies' rate of increase that is alleged, and it is a singular thing that in a number of places that I have investigated, where there were no enrolments in the Fund, at these places nevertheless there is shown a falling-off in the friendly societies' figures. I have a list of fifteen places where the Fund had enrolled no members during the year 1914, but the friendly societies lost a little in membership. I am not speaking of the four large centres, but of secondary towns such as Thames, Napier, and so on. By this it would seem that it is not conclusive that the fall in the friendly societies' figures is due to the operations of the Fund. The drop in the 1909 membership figures was very serious, and that was before the Fund's operations started.

1. *Mr. Parr.*] When did the Fund begin to operate?—In March, 1911, as far as I remember.

2. You consider they are putting up their umbrellas before it rains?—Well, before I give an opinion I should like to see more about it. There have been some very disturbing events during the past few years, and it is very difficult to say what has hit them. One important society had a set-back as from 1912 by reason of special legislation. That had the effect of checking the increase in a very large society, which some years ago jumped up from a low membership to a high one, but the Act in 1912 prohibited a part of their financial system. That affected some other societies, but in a lesser degree. The statistics that I took out for my own satisfaction in this connection for the different years went to show that the Act did affect that society and another society. Of course, it would not affect societies like the Manchester Unity and the Independent Order of Odd Fellows. They had already their affairs on the adequate scale. Then in 1913 there was the big strike. Well, it is a singular thing that in some of the main societies there was a most abnormal fall in that year. In three or four of the leading societies the increase fell to practically nothing. I do not know whether it was due to the strike in this instance, but my view is that these industrial disturbances do affect them. It would seem that some of the societies—in fact, the main societies—were touched by these disturbances, and for that reason it is difficult to find out how far the Fund's operations affected them. There can be no doubt that there must be instances, which these gentlemen know of and which I do not know of, where it has affected them. I do not know that I need say anything more about that. I am only here to express the view of the Board. As I have already said, my sympathies are always moved with a desire to work with the societies in every way, because I have found since I have been there that the leading friendly-society officials have been helpful in making suggestions, and I want to stand by these institutions and their management. I do not think there is anything more I can make any direct statement upon. I should be glad to give any information I can to any member who may desire to question me. I would just like to mention this, that the commission rates that the Board adopted for this business are very low—so low, in fact, that I suppose an insurance man would not look at them. We certainly have some good lecturers, and they have done their work well, but the ordinary canvasser does not get anything exceptional out of the low rates.

3. *Mr. Bolland.*] Do you pay the Postmasters a premium of 5s. for securing members to the Fund?—Not the Postmasters, but any Postal officer who enrolls a contributor receives 2s. 6d. when the member is enrolled for a month, and 2s. 6d. when the man has been a member for six months. I might say, as regards the Post Office, that apart from this general offer there are only, I suppose, forty or fifty Postal officers who really take an interest in the work and do anything in response to the offer out of the thousands who could do it if they wished to.

4. Have you a rough idea how many contributors they have enrolled?—Yes. Out of ten thousand enrolments during the past four years the Postal officers have not enrolled more than two thousand, and probably that is a high estimate.

5. You say you have three lecturers?—Yes, and four assistants.

6. *Mr. Coates.*] You cannot suggest any way in which the friendly societies could be assisted in their propaganda work?—Of course, all these suggestions mean money, and it is hardly for me to express an opinion about a matter of that kind. The subsidizing of management expenses is a proposition which I would be very loth to suggest without serious consideration. If any subsidies were given to societies they would have to be on a more sound basis. If we were to say we would subsidize all friendly societies' propaganda work on the same basis as the Fund, it would be difficult of administration and difficult of control, and I think in most schemes of this kind the running of any such risk is to be avoided if possible. It would be readily seen that if you decided to subsidize management expenses it would be very hard to keep a hand on it, and once the State is committed on that line it would be difficult to impose checks, whereas in subsidizing on the benefits you have a definite object, and we could tell years ahead what it is going to cost.

7. What do the assistants do—have they to lecture?—They do not lecture. The three lecturers do the lecturing and arrange to visit the factories and workplaces, and they also visit the smaller towns. The assistants do the smaller canvassing or attend to any detail work which the lecturers leave for them while they do the lecturing-work.

8. How many assistants are there?—Four—one for each principal centre.

9. And they are paid on a commission basis?—They are paid a small retaining salary and a commission. Probably half their earnings are on results. It is much the same as in the case of an insurance canvasser. In fact, the Board have laid it down on more than one occasion that under no consideration would they have undertaken to send lecturers out without paying them on results. They would, I think, recommend the Government to cease lecturing rather than to adopt such an uneconomic method of spreading the Fund's operations.