

“(4.) That the members of friendly societies, numbering over seventy thousand, are injuriously affected by this unfair competition.”

“Unfair competition”: The benefits and objects of the Fund are not those of a friendly society. The object of the Fund is the establishment of a universal *deferred* annuity or super-annuation system; the main benefits of a friendly society are provisions for *immediate* sickness and for medical attendance.

In the National Provident Fund none of the benefits—*i.e.*, annuity, invalidity, children allowances, or maternity—are benefits catered for by the societies, and it has been pointed out that, in making a preference, the worker is unable to look past the valuable and vital benefits inseparable from the wants of the wage-earner—medical attendance and immediate sick-pay, which are peculiarly friendly societies' benefits.

There appears to be no proof of any direct effect of the National Provident Fund enrolments on friendly societies' membership. The rate of increase in friendly societies has undoubtedly dropped since 1909. In that year the first serious decrease was shown. The Fund, however, did not operate until 1911. There have been several factors during the last four years that have affected friendly societies, as, for instance, the legislation against the “equal-levy system” and compulsory adequate contribution. In some years financial depression and industrial upheavals have affected these institutions. It is exceedingly difficult, in view of these various causes, to fix with any certainty to what extent the Fund's enrolments have affected the membership of societies. In 1914 it is expected that the war will seriously disturb the friendly societies, and this is already noticed in other States.

“(5.) That the friendly societies have paid to their members over one million pounds in sickness and funeral benefits, in addition to the annual payment of a sum exceeding one hundred and sixty thousand pounds on account of benefits, these large sums having undoubtedly saved the State a considerable sum in charitable aid, and have in other ways rendered valuable aid to their members and the State.”

The value of friendly societies' work not only to their members, but to the community in general, is recognized by all authorities dealing with the problem of social insurance, and no greater compliment to their efficiency and management could be expressed than is embodied in the acceptance of their systems and benefits by the National Insurance Act of Great Britain; but the National Provident Fund is a pension system. It is not like a Lloyd George scheme, which adopted the friendly societies' benefits pure and simple and attached them directly to the State. Nor is there any indication that in New Zealand such a system is contemplated; but every State in the world is dealing with the old-age problem, and the future advantages that will ensue from the successful establishment of a contributory system, embracing the bulk of the workers, can be readily comprehended—probably more so now than a year ago.

The administration of the extension of the Fund as authorized in the amending Act of 1914 to take in local bodies and employers' staffs would be incomplete without the stability given to the Fund by means of the general propaganda work.

R. E. HAYES,
Superintendent of the Fund.