

24. *Mr. Hayes.*] Do I understand that you favour co-operation between the friendly societies and the State?—I would.

25. Now, in the National Provident Fund there is an annuity system?—Yes.

26. The friendly societies have different objects?—Yes.

27. The object of the National Provident Fund is to get as wide a proportion of the working-people into contributing to an annuity-pension system?—It is.

28. It is immaterial to the State through which agency it is done. The friendly societies' agency is existing: could they, by increasing their numbers, increase also the State's object for this pension alone?—I cannot speak as an actuary, but I think the friendly societies could operate an annuity system at a much less cost and more effectually than the National Provident Fund, and for this reason, that we would cover all those in indigent circumstances. The National Provident Fund is not going to do that. A man who is down on his luck will draw out his contributions before he is sixty.

29. Ultimately the scheme would have to be made compulsory?—It has not been in existence very long—it is only in its infancy—but £780 7s. 9d. was paid to members who had lapsed, so what is going to happen when the scheme has been in operation for years? When the scheme has been in operation for years and there are several pounds standing to the credit of contributors, those in need will draw all that out.

30. They have to wait twelve months?—Yes, but it is a large sum to be drawn out—considerably more than that paid in benefits.

31. Do you suggest that the Fund should retain the money?—I strongly suggest—and I think it will appeal to every one present—that no person should be encouraged to wipe out his annuity, because that is what he is doing. When a man gets into indigent circumstances he appeals to where he can get relief.

32. You cannot do that in a voluntary system?—But when a man gets down in his luck the friendly society stands by him.

33. Do you give any rebate in New Zealand?—No; we keep him insured from the time he joins until he goes into his grave. I might say, Mr. Chairman, that our relations with the Registrar of Friendly Societies have been most cordial from the time Mr. Hayes came into office. Anything I have said does not refer to Mr. Hayes's Department.

34. *The Chairman.*] Do you wish to add anything further to your evidence?—Yes, I should just like to emphasize the fact, sir, that the National Provident Fund is operating in exactly the same sphere as the friendly societies, and in support of that statement I quote from the Year-book of 1914, which states, "Organizing lecturers are operating in the various centres and personally explaining the system to the workers at their factories, workplaces, &c., a method that is found to be productive of satisfactory results, and is consequently being extended." I think it is well known that where the lecturers are operating is where we get our members. Well, if the National Provident Fund is able to get ten thousand members in three years from such sources as that, where do the friendly societies come in? They do not come in at all. Now, one of the members of the Committee asked this morning what was the remedy. We have been carrying on our operations since the foundation of the colony entirely at our own expense, and, I think, successfully. We say that this National Provident Fund should also carry on its own operations, seeing that the contributors to it are able to pay a higher contribution than we are. We think it is a fair thing that they should stand on their own bottom. At all events, we would give them the 25 per cent. I believe the friendly societies generally would be satisfied even with that; but operating as it is in the factories and workplaces of the Dominion, the natural consequence is that we are very greatly injured. The people are joining the Fund, and they are not making such desirable provision for the workers of the Dominion as we are. All the provisions we are making are highly desirable and highly necessary, and they are provided in such a way as to be most useful when most deserving. In the other case it is a deferred annuity, which is realized at the age of sixty. Our remedies propose to cut off at once the management expenses, and no legislation is required for that, and let this scheme stand on its own bottom; or, if you are not willing to do that, if you think that the National Provident Fund is a benefit to the deserving of the community, subsidize us to the same extent—that is, the full subsidy that is provided by the statute. I think we are at least entitled to it. We have proved our *bona fides* by doing this work for so long at our own cost, and we are deserving of pound for pound equal to what it costs the country for the National Provident Fund.

35. *Mr. Parr.*] You mean, subsidize the friendly societies?—That is, 25 per cent., and whatever else may be necessary plus the management expenses which it costs the country.

36. *The Chairman.*] But you could not give the benefits then, could you?—I believe such a subsidy as that would enable us to give the benefits. It would cost us nothing for lecturers and canvassers. It is all done gratuitously.

37. When the members reached sixty years of age you think you could give the benefits they would be entitled to?—I think so. Our contributions last year were £220,000. If we received a subsidy of 50 per cent. that would be £110,000 on our contributions. In deferred annuities that would provide very large benefits. Seeing the benefits we provide for £219,000, if we were subsidized to the same extent as the National Provident Fund I believe it would produce at least an annuity of the same kind—namely, 10s. a week at the age of sixty. The third alternative we suggest is that this annuity be operated through the friendly societies. That would be made an adjunct to our benefits. Our benefits go up to a certain point now, and apparently it is desirable that they be extended—that is, that an annuity be provided at a certain age. I believe the State could operate it through the friendly societies at a lower cost and more effectually, because you would have the entire sympathy of these fraternal organizations.