

with us. There is one other feature about our work, and that is if a member fails to pay his contributions for six months his membership ceases, and he loses all right and title and interest in the society. This is a feature in our work which is rather distressing. A member may be with us for a number of years. Some men have a natural pride and they would rather step out of a society than let their brothers know that they were really unable to pay, and very often it is too late when it is found out that the reason of their failure to pay has been their actual inability—it is then too late to reinstate them according to the constitution of the friendly-society movement. There is an age-limit and medical examination, and very often they exceed the age-limit and are unable to pass the medical test, so that they are out altogether.

27. *Mr. Hayes.*] I ask you if you have not been under the impression that the National Provident Fund was intended only to deal with the incurable and inefficient people?—Not quite those terms, but the friendly societies were under the impression that the object of the Fund was to provide for men that were not touched by the friendly-society movement. There are a large number of men who are rejected by friendly societies, and we were under the impression that the National Provident Fund was established to provide something for these men. We hailed the introduction of the Fund with a certain amount of gladness, because there is a desire on the part of a great number of friendly-society members to see these men provided for, and we were glad to see that the State was going to do something for these men. But I am given to understand, and its operations indicate, that it has passed that stage, and it has taken up other work.

28. You have the impression that it would only deal with the people who were medically unfit: that was your impression from the beginning of the Fund?—Yes.

29. That persons would have to submit themselves to the friendly society, and be rejected by the society, and then the National Provident Fund would take them up?—If they were unable to reach the friendly society's standard.

30. You are all aware that no national scheme would vary in its operations?—That is so.

31. *Mr. Dickson.*] The subscriptions paid annually by those 73,000 members would amount roughly to what?—£220,000: they paid that sum in 1913.

32. And do the benefits exceed that amount, or are they likely to exceed that amount?—No; the accumulated fund is over the current work of the societies.

33. But does the money paid out as benefits to the members usually exceed the amount received as subscriptions?—No; there is generally an annual increment, and has been, because this is due to the influx of new members. We take members at sixteen years of age; other societies take them from seventeen years. Our most fruitful period is from sixteen to twenty-one years: the bulk of our members come in at that age, and the influx of these keeps a sort of current of new income, and it also increases the liability at the same time.

34. Do you say that a disagreeable phase of friendly-society work is in regard to those who unfortunately have to drop out because of inability to pay the subscription? Has no arrangement been made whereby after paying for a number of years, if a member is not in a position to pay his usual subscription for a short time his membership is kept alive, just as with insurance companies where the premium is paid out of the profits for a considerable time after the insured himself ceases to pay?—No; a man can be fifty years in the society, and if he neglects to pay his subscriptions for six months he ceases to have any right to remain a member of the society.

35. Do you not think that could be improved?—Well, it is hard, but it has been one of the features of the society for many years. It might be made a principle that membership in friendly societies should be continuous. Then we would save all that came in. That would be a very great advantage. If the State were to say that membership shall be continuous, they would have to make provision in the event of a member not being able to pay.

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ROBERT EDWARD HAYES, Superintendent, National Provident Fund, examined. (No. 5.)

*Witness.* I do not know that I should go into a statement covering all the points that have been brought before my notice. I might say, however, that many of the points that have been raised are really, in my opinion, unimportant. Some of them are not worth dealing with, and some of the remarks about the "army of agents" are quite exaggerated. I would prefer that members of the Committee would ask me questions rather than that I should take up the attitude of attempting to defend a scheme which the petitioners allege is injurious to their beneficent institutions. As far as I have had to do with the administration of the Fund, I have always taken the attitude of non-antagonism towards the societies, and the instructions that are issued to the lecturers are always imbued as far as we can do so with a particular regard for friendly-society work. An endeavour is made for them to refrain in any way from attempting to detract from the influence of friendly societies in the places where they go to lecture. I am surprised to find that such a general impression exists that the Fund was inaugurated for the purpose of dealing with incurables and inefficients. I think nobody when reading the debate when the Bill was put through would draw that conclusion, and I can certainly say that nothing officially has been announced that would lead any one to get that impression. The freedom from the medical test is inherent in all national schemes. A State scheme could not place a medical barrier upon its members at entry. I would like to mention a point about the Post Office share in the administration, and it is this: that as regards the enrolments, the proportion that so far have been entered by these Postal men is small compared with the number enrolled by the lecturers. Very little of this sort of work is done by the Postal officers; even when you offer the small premium to the Postal officers there are not many enrolments by them generally. The Board took up the really active men from the Postal Department. They were men who had some qualifications