

39. You talked about the element of charity. Are you aware that the Government subsidize the various superannuation schemes to make them actuarially sound?—That is just why we have come to the Government.

40. Is that the reason—because they subsidized the National Provident Fund?—Yes.

41. *Hon. Mr. Fisher.*] You look upon that as unfair competition?—Yes.

42. *Hon. Mr. Beehan.*] Are you aware that there are many who joined the National Provident Fund who would not be taken into the friendly societies—who would not have passed the medical examination?—I have said so.

43. You would not condemn the Government for that?—It is the great cost I am condemning.

44. But any such scheme may have a great cost at its initiation?—I do not know. We are only allowed a certain amount of cost, and are bound down by the Government.

45. You want a subsidy from the Government as they have subsidized others?—Yes.

46. *Hon. Mr. Earnshaw.*] Would you mind putting in your evidence the new scale of your lodge or order?—Yes, I have already handed a copy to the Chairman. [See "Amendment to Rules of Druids, Grand Lodge of North Island of New Zealand, and its Branches," Appendix C.]

47. With regard to the competition of the National Provident Fund, is it not your opinion that while it may be true that many go into the National Provident Fund who would not be eligible to go into friendly societies, yet there are many who are going into the National Provident Fund who would go into friendly societies?—Yes, 50 per cent.

48. And that is the competition you are complaining of—that you have to contribute to that with the rest of the citizens?—Yes.

49. And that is why you are asking for a subsidy—to put you only on equal terms with the National Provident Fund?—Exactly.

50. *Mr. Harris.*] Do you think the State would be well advised to confine its operations to those persons who are unable to join the societies, leaving ordinary persons to join the societies?—Yes, under 40 years of age.

51. What is the position in regard to the death levies?—About fifteen or sixteen years ago the hat used to be always going round the lodge for that purpose, and then we decided on the course which was then taken in regard to that matter.

52. You only strike a levy when necessary?—Yes; we have got a rule, registered on the 18th June this year, under which members are bound to pay 5s. per quarter.

53. *Hon. Mr. Fisher.*] Is that a death benefit only?—Yes.

54. *Hon. Mr. Beehan.*] You are aware that all new societies must be established on a sound financial basis?—Yes.

55. Are you aware that the older societies have been subsidized at different times?—Yes.

56. What would be the effect on small lodges or branches to have three or four or more cases of chronic sickness, or sickness of twelve months' duration?—On branches or small lodges it would be very serious. That can be got over, to my mind, by consolidation.

57. *Hon. Mr. Fisher.*] Are the Druids in favour of consolidation?—My executive are.

58. *Hon. Mr. Beehan.*] You think it would be a good thing to subsidize societies for chronic sickness?—Yes.

59. *Mr. Hayes* (Registrar of Friendly Societies and Superintendent of National Provident Fund).] You suggested that the National Provident Fund was extravagantly managed?—Yes, extravagant in comparison with our own society of twelve thousand members.

60. The State when it undertakes a scheme has to spread its operations over the country?—Yes.

61. What I want to bring out is this: you are aware that the management rate for the first year was from 50 per cent. to 55 per cent. of the income?—Yes.

62. And for the second year 28 per cent.?—Yes.

63. I do not know whether you are aware that in the case of one industrial scheme in New Zealand the cost was 250 per cent. on the income in the first year, and 150 per cent. for the second year?—Yes.

64. I think it is only fair to show that our scheme is fairly economical compared with concerns inaugurated outside?—My society has every confidence in the executive officials of the Friendly Societies Department, and from what I can hear outside a similar opinion prevails. Mr. Hayes is one of the most easy officers to deal with. What I mean is that there is no red-tape about him.

WEDNESDAY, 5TH NOVEMBER, 1913.

FORTESCUE WILLIAM ROWLEY examined. (No. 6.)

1. *Hon. Mr. Rigg, Acting-Chairman.*] What office do you hold, Mr. Rowley?—Chief Inspector of Factories.

2. Do you wish to make a statement with regard to the question before the Committee?—I do not know exactly what is wanted of me. I have merely been asked to come to give evidence. I understand that it is on the question of unemployed insurance.

3. *Hon. Mr. Sinclair.*] You are in a position to assist the Committee with evidence on that branch of social insurance known as insurance against unemployment?—I made an investigation two years ago into the systems in vogue in the different parts of Europe regarding unemployed insurance.

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