

76. Now, which societies represent the poorer wage-earners—the wealthy societies or the poor societies?—It is rather difficult to make distinction.

77. Is there any general rule?—Some societies are in a very much better position than others. The Manchester Unity you may take as a model for financial soundness. It is the oldest established order, and in New Zealand it lives up to the high traditions laid down by its originators in England.

78. Would you suggest it would be a good plan for the State to pay a subvention to the society in inverse ratio in proportion to its indebtedness or its insolvency, or do you think they ought to be paid so much rate per head?—I would not make any distinction on account of solvency or insolvency.

79. The same rate per head?—You would not pay it per head. Into this question enters the matter of ages. One society has a higher average age than another.

80. What would you fix as the basis?—The basis suggested is somewhat on the lines that New South Wales has adopted. We would offer, for instance, to pay half of their extended sickness allowance—that is, their invalidity allowance. We might also take the funeral benefit and offer to pay a subsidy towards that. Take the two benefits, sickness and funeral benefits, in some societies the funeral benefit subvention would bring in more than it would in others because the mortality rate might be higher, and in others the sickness experience might vary. The different forms of subsidy favour different societies. In amalgamating them an endeavour would be made to touch each benefit if possible, so that all societies would gain equally.

81. *Hon. Mr. Beehan.*] That is for old people over 65 years of age?—The proposal is not confined to over 65.

82. *Hon. Mr. Fisher.*] Now, on what basis do you suggest it is possible for the Government to make a payment—on their liabilities, or assets, or membership, or on the age basis, or contributions, or what?—It would be on their benefits.

83. Now, it is a fair assumption that the well-to-do society is in a position to give the best benefits?—It should be in a position to do so.

84. Would not the effect be that the wealthy societies would get all the benefit of the State's subvention?—They would not get all the benefit. The members would get more direct individual benefit probably.

85. They would get a largely increased benefit?—Yes.

86. In your return of the M.U.I.O.O.F., Auckland District, there are 3,937 members; their position at the last valuation showed a deficiency of £9,994; and in the Hawke's Bay District there were 1,428 members, showing a surplus of £10,000?—Yes.

87. Would you make the same payments to both those lodges?—You could not make a distinction as long as the societies are doing the same class of work.

88. As Registrar of Friendly Societies, you say that in your opinion if the Government is going to attempt to deal with the question of deficiencies or insolvency it must make similar payments in proportion to lodges that are well-to-do?—If it is going to deal with deficiencies and insolvency it would have to take each society on its merits; but I take it that in subvention the object of the solvency of the society is secondary. I take it the first object is whether it is desirable to use the friendly society for the purpose of extending State social insurance.

89. You mean the State should subsidize those societies and encourage them as thrifty institutions?—They are in every way commendable—they have done excellent work.

90. Are those societies that are most commendable the ones that require most relief?—They are all commendable.

91. I am talking about those that are financial and have a surplus?—I do not look upon that as an essential part of this question. I am looking at it purely from the Government's point of view. Here is a machine: are the Government going to use it for extending what is to be done in this direction. In England no distinction has been made under the National Act. The societies may come in as approved societies as long as they undertake the work and comply with general conditions.

92. Are you in a position to-day to say that the friendly societies in England approve the National Insurance Act?—Many of them do not. They have all become approved societies, but probably they could not help that. Some of them would have stayed out if they could, but they had perforce to come in.

93. But they do not approve of it?—Some did not.

94. Have you received any information officially as to whether there are societies in New Zealand who do not want subvention?—Not officially. I have heard individual statements that indicated that they do not. Of course, the official expression of opinion on this was conveyed in the 1906 Friendly Society Conference, when Mr. Seddon brought down a Bill for Subventing Friendly Societies, and the societies then indicated that they did not want them. That is the only official declaration that the societies have made on the subject.

95. *Hon. the Chairman.*] Was it done at the request of the Conference?—No. It was the National Provident Fund idea really. That was the first attempt to bring it in, but it was then shelved.

96. *Hon. Mr. Fisher.*] Some of the deficiencies in New Zealand lodges are enormous, are they not?—Some are very bad.

97. What is that due to?—Mainly inadequate contributions.

98. Or increased benefits out of proportion to the contributions?—Yes, increased benefits without considering whether they had adequate contributions to pay for them.

99. *Hon. Mr. Beehan.*] That is all put right?—Yes, for future registrations.

100. *Hon. Mr. Fisher.*] But the societies still exist?—Yes; the members of old lodges are not affected by the 1911 Act.