

25. Your scheme requires a subvention from the State of 25 per cent. ?—Yes.

26. Has it been actuarially investigated?—No.

27. Are you actuarially sound on that basis, or shall you require a larger contribution?—The first valuation is not out yet, but some investigation has been made into it in connection with local bodies' schemes. The tables of the Fund have been compared with a standard in order to work the local bodies' schemes out, and the investigation so far shows that the provision of 25 per cent. should very nearly do it.

28. But not quite?—That is, of course, to be determined when we get a definite report. Apparently the tables come out very close.

29. *Mr. McLeod.*] The Year-book for 1914 states: "Organizing lecturers are operating in the various centres and personally explaining the system to the workers at their factories and workplaces, &c., a method that is found to be productive of satisfactory results, and is consequently being extended." That is correct?—Yes.

30. Did you expect to get any members there who were medically unfit?—No, I do not think so. That would not enter into the calculation. It is never considered in any case whether they are or are not.

31. Naturally in workplaces they would be all medically fit, otherwise they would not be working there?—Yes, it should be so, but it has nothing to do with the point.

32. Are not the factories and workplaces the identical ground where the friendly societies operate?—I should say so.

33. The point has been stressed that those who are medically unfit and unable to pass an examination are accepted under the National Provident Fund. Where do the lecturers go to get them?—From a medical point of view I dare say in the factories and other places you should find as risky lives as anywhere else. I suppose they have to take them in the bulk.

34. Do the lecturers make any special effort to get them?—Why should they?

35. I am asking you the question?—No, not at all.

36. They go to the factories and workplaces?—Yes.

37. The contributors to the National Provident Fund are paying a higher contribution per head than the members of friendly societies?—Yes, I think so.

38. Do you think it just that a man who is able to pay a higher contribution should be subsidized against the man who is paying a lower contribution?—My reply to that phase of the question would be only a personal opinion.

39. It is your own opinion?—I am not here to give my opinion on a point like that. I am here to administer the offices I hold, and I look at it from a national point of view—that is, what is the State's object? I am not concerned with the equities or justice. I am only here to carry out as part of the Board what the Board conceives to be the object of this scheme. As I have said before, as far as I can do it, it shall not touch friendly societies or any other organization. I should exercise what power I could to save that, but as far as the equities are concerned it is certainly not for me to say.

40. You decline to give that opinion?—It is not for a Civil servant to say.

41. You did state that from the point of view of the working-man the friendly society was the better organization?—I should certainly say so. I have always said so.

42. If the friendly society is the better organization, I think it naturally follows that the benefit that is less effective should not be the one that should be subsidized by the State?—That brings me to the point where I suggest it is going to pay the State to heavily subsidize this Fund. I suppose the State will look at it in this light, and say, "Very well, the old-age pensions are costing us £500,000 or so a year: it would be good business for us to start a contributory system in New Zealand, and it would pay us to make it as attractive as possible in order to get the people to join it." In framing an annuity scheme like this the man who framed it had to admit in the first place that it was almost impossible to get the working-people to look at a deferred annuity. There are higher classes than the working classes who will not look at deferred annuities unless they are forced to, and in framing the scheme he had to make it very highly attractive indeed.

43. Those people who are unable to pass a medical examination can join the National Provident Fund but not a friendly society. What benefits are they likely to realize under the Provident scheme?—They get the same benefit as the man who can pass an examination.

44. They get 7s. 6d. for each child they have?—Yes, I suppose they would. There is no distinction made whether a man is medically unfit or fit.

45. Do you think it desirable for the State to give a subsidy in such a case?—I do not think the State can make any distinction.

46. I think you are agreed that the National Provident Fund is operating more amongst the well-to-do class of the community than the friendly-society members?—I should think it would be more difficult to get a certain class of people to join the National Provident Fund than to join the friendly societies—that is, the class of lowest-paid workers. I do not think they could look at this Fund, or, at any rate, very few of them could. They would have to join a friendly society.

47. I take it that the friendly society is open to the poor man, whereas this subsidized scheme is open to the better-paid man?—It is open to all.

48. But the better-paid man is able to pay a higher contribution?—Yes, that goes without saying. I wish to say, Mr. Chairman, that there is no question of any antagonism between myself and those representing the friendly societies here. The inability on my part to give an opinion on equities should not, of course, make it less evident that I am very sympathetic with the friendly-society work, and that I always endeavour to help the movement along.

49. *The Chairman.*] Do your lecturers play one scheme off against the other: have they had any instructions in regard to that?—Every one of them has had instructions that they are to be