

a flaw in your rules. At the same time, it will in time work its own cure. About three years ago, when travelling to Nelson as a delegate to a conference on behalf of the Oddfellows here, some of the crews made complaints about your society to me. However, I myself think it is a good thing for your employés, inasmuch as sailors as a rule are very careless about themselves, and it is not only making a wise provision for themselves and those dependent upon them, but a saving to the taxpayers in the country. I have been connected with the lodge here for twenty-nine years, and have passed through all the chairs, so I think I ought to know what a benefit society is. However, we have advised the lodge to take no action in the matter, which was carried last night. This note I send private to you and president.—Yours, &c., T. G. STONE.”

130. *Mr. Fisher.*] Have you the minute-book with you?—No, I was not asked to bring it; but I have the letter-books.

131. *Hon. Major Steward.*] That completes all you wish to state?—There are some things I have been asked to produce. I have here an extract in reference to surrender value paid, and it shows that surrender values amounting to £709 have been paid to 324 members. The surrender values, I might say, are paid on tables [Exhibit 6] calculated by Mr. Leslie, of Wellington.

132. On the contributions to the sick and funeral funds?—Yes.

133. *Mr. Fisher.*] How often does this committee meet?—Usually once a fortnight, unless the boat on which the men's representatives are employed is sailing irregular.

134. The committee are all on one boat?—Yes.

135. Is that arranged for?—Yes. It is arranged for as soon as they are elected, so as to enable us to hold fortnightly meetings of the committee. They are always on a boat that usually comes here once a fortnight or once a week.

136. As a rule, do they all attend?—The crews' representatives always attend, but the company's representatives are not so regular.

137. *Hon. Major Steward.*] Some of the company's representatives are shore-men?—They are all shore-men. Four of them are members of the society.

138. *The Chairman.*] Will you take the last copy of the rules. I just want to be quite clear on some of the rules. There is Rule No. 6, for instance: is there any difference between the words used here, “shall not be required” and “shall not join”?—Not any intentional difference. I may say, as you have seen from my evidence, there is no difference in practice.

139. There is in the administration, I think, a good deal?—Of course, there is a difference. The rules, if they get into the hands of a man with tact and common-sense, may be administered in a way that the same rules in the hands of his successor, who is not a man of common-sense and tact, may be used with a very different purpose. By No. 19 every man shall have one vote, but votes by proxy are allowed on all questions but the elections of men's representatives. That is an alteration made at the last meeting by the men themselves. They did not like the idea of voting by proxy in the election of members of the committee, and they tabled a resolution, which was carried.

140. Does not that give to other members who are voting for questions besides the elections of the men's committee representatives an overwhelming force in regard to bringing proxies in? Do you not think it gives a one-sidedness in the voting-power? There may be large questions such as winding up the society, and then down comes the Union Company with hundreds of proxies?—But they must come from the members; the rules provide for that.

141. But Rules 23, 24, and 25 give the Union Company an absolute majority on the committee, do they not?—Yes.

142. Can they not work those proxies, then, by means of this majority on big questions?—I do not see it. The proxies are not sent in in blank. They would be informal if they were.

143. *Hon. Major Steward.*] They are specific proxies on particular questions?—They appoint members as their proxies. I may say that in the past in the matter of proxies 90 per cent. have always been held by the men's representatives, not by the company's representatives.

144. *The Chairman.*] You know the Shipping Act pretty well?—No, I cannot say that I do.

145. This society makes seamen pay for their own medicine, and the Shipping Act already takes care of that. Now, this intention of the Union Company to withdraw from all active management will necessitate an alteration in Rule 77?—Yes. Now, here is a statement as to the investment of funds. I may say that the balance-sheets for the first two or three years were audited by Messrs. William Brown and Co., and for the last three meetings by Mr. James Brown. These men are both members of the Institute of Accountants of New Zealand. The auditor is appointed by the committee. As regards surplus, in friendly society finance we do not talk of a surplus unless the funds show a surplus when you take into account the present value of members' future contributions as against their probable risks.

146. You are speaking now of friendly societies?—The benefit society.

147. “Benefit” society is a word that seems to cover such a wide ground. A registered friendly society does things in accordance with rules, but, so far as I can understand, there is no amount of eccentricity that cannot be allowed in a private benefit society?—So far as I can see, this society has been worked on the lines of a registered friendly society. That has been my aim since I have been secretary.

148. Is there anything more you would like to say?—One thing occurs to me in connection with the evidence given by a seaman named Davis. According to the papers, he stated that his contribution to the Foresters was 9s. 6d. a quarter. For that contribution he cannot be entitled to a doctor or medicine for himself and wife and family.

149. He swore to it?—Yes, I noticed that. But there must be a mistake somewhere. The minimum contribution in any society is 1s. a week. I pay 1s. 2d. a week. It varies according to the age at joining.