

2. Whether the rules of the said society are legally binding.
3. By what power the observance of the said rules can be enforced.
4. Whether the receipts given by the society can be described as "valueless."
5. Whether such receipts are legally binding.
6. Whether the seven members of Committee representing the company can control the disposition of the accumulated funds or any other funds of the society.
7. Whether the committee as a whole can control the disposition of such funds.
8. By whom, and in what way, can the disposition of the society's accumulated and other funds be controlled.
9. Can the accumulated and other funds of the society be controlled so as to defeat the claims of members of the society?
10. By what power can the disposition of the accumulated and other funds of the society be controlled?
11. Are the trustees of the society subject to any, and, if so, to what, control?

OPINION.

1. Whether the rules of the said society can be properly described as "not worth the paper they are written on," or as "having no force in law."

In my opinion, it is simply absurd for any one to describe the rules of the society in this or in any similar way.

2. Whether the rules of the said society are legally binding.

The rules of the society are legally binding on all the members and officers thereof. The society is a perfectly legal association, and it is quite a mistake to suppose that the members have no rights which can be recognised at law because the society has not been registered under the Friendly Societies Act.

3. By what power the observance of the said rules can be enforced.

The Supreme Court would interfere by injunction to prevent the funds of the society being applied in any manner not authorised by the rules.

4. Whether the receipts given by the society can be described as "valueless."

It is wholly inaccurate to speak of the receipts as being "valueless."

5. Whether such receipts are legally binding.

Such receipts are legally binding, and are quite as effectual as receipts given by any society registered under the Friendly Societies Act.

6. Whether the seven members of committee representing the company can control the disposition of the accumulated funds or any other funds of the society.

They cannot do so. The committee has no power to dispose of the funds of the society except in the manner authorised by the rules of the society, and these can only be altered by the members of the society. It follows necessarily that the seven members referred to cannot do what the committee as a whole has no power to do.

7. Whether the committee as a whole can control the disposition of such funds.

As I have already said, the committee has no power to do this.

8. By whom, and in what way, can the disposition of the society's accumulated and other funds be controlled.

The society's accumulated and other funds must be applied in accordance with the rules of the society. These rules, as I have said, can only be altered by the members of the society in general meeting with the consent of the company; so that the control of the funds of the society rests with the members thereof.

9. Can the accumulated and other funds of the society be controlled so as to defeat the claims of members of the society?

They cannot be so controlled. The control of the funds rests, as I have said, with the members of the society, because the rules which regulate the disposition of these funds can only be altered by the members assembled in general meeting.

10. By what power can the disposition of the accumulated and other funds of the society be controlled?

The Supreme Court would interfere by injunction to prevent any attempt to dispose of the funds of the society in any manner not sanctioned by the rules for the time being of the society; and in this way it exercises an effectual control over the funds.

11. Are the trustees of the society subject to any, and, if so, to what, control?

The trustees are subject to the control of the Supreme Court to this extent: that if they attempted to use the funds of the society in any way not sanctioned by the rules the Court would restrain them by injunction from doing so.

A. Holmes, Esq.

W. A. SIM,

Dunedin, 21st May, 1897.

7. *Mr. Fisher.*] In your opinion, and to your satisfaction, Mr. Sim's legal opinion clears up that matter?—Certainly.

SAMUEL FORSYTH was examined on oath.

8. *The Chairman.*] What are you?—I am a fireman, lately on the "Tarawera." I am not on the vessel now.

9. Do you wish to make any statement to us?—No.

10. Who asked you to appear before the Commission?—Mr. Petterd. He came and asked me if I would give evidence, and I said "Yes; I would go and tell them what the society had done for me."

11. *Mr. Fisher.*] Do you know anything about the subject of this inquiry which the Commission is investigating?—All I can say is that the society has been very good to me. I have been ill for two years and a half, and they have paid me all the time I have been poorly.

12. *Hon. Major Steward.*] You are a member of the society?—Yes.

13. When did you join?—When it first started.

14. You are still a member?—Yes; and I pay 4s. 3d. a month.

15. Have you been ill for the last two years and a half?—Yes.

16. Have you been on sick-pay all that time?—Yes.

17. What do you draw?—I am getting 10s. a week now. I drew £1 a week for the first twelve months.

18. What is the matter with you?—I am suffering from diabetes.

19. Is that sick-payment to continue as long as you are ill?—It all goes by the committee; they vote me 10s. for a certain time, and when that has expired they vote it again.

20. You are not entitled to this payment under the rules?—I am aware of that.

21. *Mr. Fisher.*] Are you still paying in your contributions to the society?—Yes.