

of this kind : We find men making strong statements on one side, and men on the same side making equally strong contradictory statements. Now, I put this question to you, not to trap you in any way, but to ascertain from you whether you agree with Mr. McLean's evidence on this point. Now, you differ from Mr. McLean?—It would depend on what Mr. McLean said.

205. He said this, quoting from the newspaper report : “ Witness (that is, Mr. McLean) replied that no doubt the society was started for the benefit of the company, in this way : It was to try and get the men to take an interest in the company, and not walk away without any fault, as they did in 1890 ” ?—I quite agree with that, too. I do not think that is the same as saying it was formed for the purpose of enabling the Union Company to put its hand on the men and prevent them leaving the service in the event of a strike. It is one thing which naturally could come out of it—the men become interested in the society, and the tie becomes stronger.

206. *Hon. Major Steward.*] In Mr. Belcher's evidence there is this quotation from a leading article in reference to Mr. Mills's speech at the annual meeting : “ Mr. Mills frankly admits that one of its objects was to keep the men in touch with the company, and to endeavour to create a mutual interest, so that if strained relations arose at any other time they might probably consider the company's interests as much as their own.” That puts the thing in an official light—that is to say, shows the view taken by the officials of the company?—Exactly ; that is the way I would put it also.

207. *The Chairman.*] Will you look at Rule 7, which says something about surrender values : is there any other rule in the books of the society which treats of this surrender value ? Do you know of any ?—There is none that I know of.

208. Now, this rule provides no machinery for calculating the surrender value : can you tell me how the committee are guided in paying surrender value ?—We asked a Government actuary to make out a table ; all payments are made upon an actuarial table. I could get you a copy from the society ; the matter has nothing to do with the Union Company.

209. The society has a table, but it depends upon the vote of the committee—namely, they could adopt another table if they wished ?—Of course, surrender value means surrender value ; it cannot mean two values. It is the actual calculation which has been made by Mr. Leslie.

210. Yes ; it is a calculation that, if the committee became displeased with it, they could replace with another ?—It is very likely that another will have to be made. You will understand that when the society was formed all calculations were made on the basis of other societies' experience, but since the five years have elapsed all the figures in connection with the society's business have been submitted for examination, and if it is necessary that another table of surrender values should be adopted it will be supplied. That is the position.

211. I am asking this to clear up a point, because one witness stated that the fact of having a surrender value was one reason why the Registrar of Friendly Societies would not register the society, because it was on a false actuarial basis ?—It may be that in other societies there is no surrender value given, but it could not be that it was on a false actuarial basis. That must be, so to speak, a gratuitous addition.

212. You have never applied to have the society registered ?—No.

213. It would be impossible to register with the rules as at present in force ?—Yes ; that is the objection. In fact, during the early days of the society I spoke to Mr. Mason to see if it could not be done.

214. If the company are going to carry out their expressed intention of withdrawing from the active control of the society, do you not think it would be more fair if the company's interest was represented by something like their pecuniary interest in the affair ? That is, the company contribute one-fifth of the revenue, and they are represented much more largely on the committee than the men, who contribute four-fifths of the revenue. Do you consider that a fair basis of representation now that the society is able to walk alone ?—Of course, it is only an apparent large representation. The men who really represent the company are not what you would call company men ; they are men who are much more of the same calibre as the men's representatives than ours.

215. *Hon. Major Steward.*] Suppose that under special legislation provision were made to enable this society to be registered with its special constitution, do you not think it would be a fair thing to provide that all contributing parties should be represented *pro rata*. Suppose the governing body were fixed at fifteen, and that the Union Company elected or appointed three members and the men elected the rest, exactly in proportion to their contributions, would not that be a fair thing ?—I am sure the Union Company would agree to what they thought fair.

216. *Mr. Fisher.*] You accept Mr. Sim's opinion as being a satisfactory exposition of the legal status of the society ?—I just accept it as I would accept the opinion of any lawyer. Had it been to the contrary I would just have believed it all the same.

217. Have you any official knowledge of the intention of the company to retire from participation in the management of the benefit society ?—No, nothing official.

218. This statement appears in an article of the *Otago Daily Times* of the 13th May : “ The company has intimated its intention of doing at the end of September that which it has all along expressed its intention to do—retire from all participation in the management as soon as the society could go alone, and make it then a purely voluntary association like any other friendly society.” Do you know what has given rise to that statement ?—I can only imagine that it might have arisen out of something said at the meeting of the Conciliation Board. There has been nothing before the board of directors of the Union Company officially.

219. You know nothing of it officially ?—No, unless it has been announced here. The company has always had that feeling. They look forward some day to the society being registered and the men running the whole thing. It is just what the company have had in view.

220. Here is a witness who stayed behind at the request of the committee—at all events, of one member of the committee—to give evidence—Mr. Bracegirdle. He says he has taken an interest in