this society to prevent the members carrying a motion that the society be dissolved; but where is the money? Where are the funds? What has been done with them? It is all right to say they are invested in shares, and so on. The Friendly Societies Act says we shall not do these things, but allows private benefit societies to do anything they like.

230A. *Mr. Fisher.*] In the case of the Union Company, the funds are on fixed deposit in the bank?—That is a matter for arrangement; but you have no guarantee that the funds are going to be kept intact. The point I wish to bring forward is this: The Act says you shall contribute so much to a sick and funeral fund and so much to an incidental fund. Now, it says a registered friendly society shall not take any money from its sick and funeral fund to meet any claim on its management fund. There is no such rule in the matter of private benefit societies. Of course, the great danger I apprehend from these private benefit societies is in the two directions I have pointed out. They act as unfair competitors as against registered friendly societies; and members never get that control of their funds or that guarantee of the solvency of their society that they would possess in the case of a registered friendly society. I say I am inclined just to fear that the loose manner in which the funds in connection with these private benefit societies are invested will result in the members of these societies awakening some day to the fact that their funds are gone, or placed in such a position that they cannot get them when wanted. Now, such a contingency cannot occur in a registered friendly society, because we are compelled by law to have our funds placed in certain ways. We can invest them in the bank, and on freehold, but we cannot invest them on leasehold. So, you see, a registered friendly society has got to be very carefully managed—all its resources have to be husbanded, and the particular accounts kept intact. I know there is a strong feeling of antagonism in the friendly societies as against the Union Company's private benefit society. In 1894 they made an application to the association we had formed—the Co-operative Friendly Societies' Dispensary. When we started this dispensary each friendly society in this district contributed 5s. per member towards a capital account. Then we further paid an annual contribution at the rate of 7s. per annum per member for the supply of medicine and so forth for ourselves, wives, and children. As I say, an application was made by the Union Steamship Company, or some officer on behalf of its society, to the then board of directors, who were appointed by the representatives of the various friendly societies at the annual meeting. The board of directors admitted the Union Company's benefit society to the full benefits of the dispensary. Of course, they paid their 5s. per member towards capital account, and they paid the same rate—that is, 7s. per annum. But they were not members; they only paid this deposit as a proof of good faith, so that the board of directors should have this money to work on if it was thought necessary. But they had the right to withdraw at any time and take their money with them. The feeling was so strong over this that at the first quarterly meeting after the delegates were called together a motion was tabled—and I believe I was the person who tabled it, on behalf of my own lodge—to the effect that at the end of the term for which the board had entered into agreement with the officers of the Union Company's benefit society the agreement be cancelled. Of course, we could not override the agreement at that time, because we had clothed the board with a certain amount of authority; and, while we harshly criticized the agreement they had entered into, we could not repudiate it. It led to some very acrimonious discussions at our quarterly meetings; and, in fact, one of our meetings broke up in disorder. It was found that the Foresters were moving, and that some other lodges were moving, and at the second or third quarterly meeting the board of directors saw they were going to lose the point, and that they would not get a majority of the representatives to approve their action, or reauthorise them to enter into a further agreement. This was carefully carried to the ears of the Union Company's officials, and they withdrew their application, and said they could get better terms elsewhere, or something to that effect. I just mention this incident to show you the feeling of antagonism that is running between registered friendly societies and especially this private benefit society. As regards the management of the Union Company's society, I know nothing about it, unless what is general property.

231. *Hon. Major Steward.*] At what date was the first meeting to which you refer held?—It was held in the Oddfellows' Hall either in the latter part of 1891 or early in 1892.

232. At the time that meeting was held the first rules of the Union Company's society were in force. That society was formed in 1891. Well, in the rules as published in 1891 there was a clause requiring all employés who joined the service after that date to become members of the mutual society in connection with the company, but shortly after that, and probably about the time your meeting was held, an exception to the rule was passed, to this effect: "Any employé in the company's service who is in good standing on the books of a registered benefit society shall not be required to join this society." You are aware of that?—Yes; but that rule is more honoured in the breach than in the observance.

233. That rule, if enforced, would do away with the collision, on that ground, between the society and registered friendly societies?—It would do away with the objection that rests on that point—namely, that we were brought into unfair competition with a society which made it a condition that a man must belong to that society. But when did that rule come into force? One objection against this private benefit society is this: that the rules say that a man must be a contributing member to the society for some period before he will be allowed to have an opportunity of retaining, if he wishes it, his membership in that society. Why should they attach conditions to membership of their society which no other society in the world attaches, because all other societies say, "You pass our doctor, you pay our entrance-fee and conform to our regulations, and, once a member you remain for ever a member." But this private benefit society turns round and says, "This man must be two years in our employment before we allow him the privilege, if he leaves our employment, of retaining his membership."

234. Is it a fact that, although a man who does not continue in the company's employ for a period of two years cannot retain his membership, the contributions from his wages begin as