

soon as he enters their employ?—Oh, certainly; the moment a man joins the service he has got to join the society.

*The Chairman:* I understand if a man leaves the service after eighteen months' service, according to the rules, that man ceases to be a member of this private benefit society.

*Hon. Major Steward:* That is under Rule 7.

236. *Mr. Fisher.]* What was the objection of the members of the registered friendly societies to the continued inclusion of the non-registered society members, though they were willing to pay into the capital account, and willing to pay the annual contribution of 7s. per member?—The position was this: The registered friendly societies have never looked upon the Union Company's benefit society as belonging to the ranks of friendly societies; they looked upon it as an unfair competitor, who was brought into the field for a certain purpose, and they said, "If you are going to establish societies outside what is known as a registered friendly society you can run your own show in your own way; but you are not going to participate in our benefits." There was just that strong feeling of antagonism against the society; and, though the other societies knew they would make a few shillings out of it, they preferred to lose the money rather than have anything to do with the Union Company's society.

237. They regarded them as not legitimate societies?—Well, they did not consider them as friendly societies; they looked upon them as neither "fish, flesh, nor good red-herring." The point I would bring very strongly before the Commission is this: that the funds of these registered bodies are secured, and that the members can get them whenever they carry a motion to dissolve the society or anything of that kind; and this is another feature with regard to the better security of the funds that a member of a registered society possesses as compared with the member of an unregistered society. In a registered society a member is absolutely guaranteed that his money is kept intact, and he knows that the officers are compelled by law to keep the money in a certain manner. We are compelled by the Registrar to guarantee our secretary and treasurer; that is one of the conditions that attaches to registration.

238. *The Chairman.]* You referred in the first part of your speech to the feeling excited amongst registered friendly societies by the unfair competition of this private benefit society. It has been stated to us by witness after witness that any man belonging to an already registered society had an equal chance of getting work with a man belonging to the company's benefit society?—That may have held good some short time back; but I say now, candidly and honestly, that four or five years ago it was made a condition of employment in the Union Company's service, and the men could either pay into both societies or do as they liked, but they had to belong to the Union Company's benefit society or they would not get a job. That was the state of affairs at the time our convention was held, and we thought it was not fair, because a large number of the members belonging to various orders about Dunedin were also seamen, and men who had to depend upon the Union Company for employment. The Union Company were simply weeding the men out of our lodges with the conditions they imposed.

239. I suppose you could not give us any instance drawn from the books of any society as to certain men having left their friendly societies to join the Union Company's society?—No; I could not do that. Of course, the secretaries of the various lodges will be in a better position to give you that information. As I have already told you, I do not intend to attack the Union Steamship Company. I appear as an advocate on behalf of registered friendly societies, and as such wish to show you where we thought we were brought into contact with unfair competition.

240. *Mr. Fisher.]* How are your funds invested: in what class of security?—They are invested in accordance with the provisions of the Friendly Societies Act: first, on fixed deposit in the bank; second, current account in the savings-banks; and third, on freehold security. We are not allowed to loan on leasehold. In reference to my own lodge, I may say we have never adopted the method of lending out on freehold, because we think that, for the sake of the extra 1 or 2 per cent., we are running a great risk; and so we keep our money on fixed deposit.

241. Suppose the dissolution of any society came about, is there a prescribed legal mode of getting a distribution of the funds?—It is laid down in what is known as our constitutional law-books. I will take the case of a lodge in a country district, because the position as you have supposed it could never occur in a populous district, where the lodge has perhaps been in existence for some years.

242. I am supposing the possible dissolution of a benefit society and the possible dissolution of a country friendly society?—We will suppose there is a lodge in a country district, and perhaps, through scarcity of employment, the membership dwindles off, and they voluntarily decide to cease carrying on the lodge any more: they then apply to the head of their order for leave to surrender their charter, and dissolve as a friendly society. The head of their order—of course, through its executive officers—will make careful inquiries into the position of that lodge. In the event of them deciding that it would not be beneficial to carry it on any further, that lodge would be dissolved by the authority of the executive body; and the moneys they held then, after meeting all engagements, would be divided *pro rata* amongst the members, according to the opinion of the executive officers, as against the moneys they had paid in. That is to say, if a man had belonged to the order for ten years, and another man only five years, it would be hardly fair that the man with five years' payments should step in and take the same money out as the man who had paid in for ten years. The money of the lodge would be distributed in that way.

243. Would you please give us your opinion as to what would happen in the event of the dissolution of a private benefit society, as to the disposition of any funds, whether on fixed deposit or not?—That is hardly a fair question, because I am not in a position to know what the rules of the Union Company's society say.

244. You could not answer it?—Yes; in the one case the funds of a registered friendly society are kept intact, so that the members when dissolving their society can always get them. In the