

28. Do you think an employer should have no representation on the board of management in respect to the amount of his pecuniary contribution?—No; I think the men should simply manage the society themselves.

29. That the employer, in fact, should intrust his pecuniary interest to the control of the men?—Certainly.

30. For the reason that you do not think he subscribes or assists the society purely from philanthropic motives, but is interested on his own behalf?—Certainly.

31. *Mr. Fisher.*] Is there a feeling of antagonism between friendly societies as registered under the Friendly Societies Act and the private benefit societies?—Yes; I believe there is at the present time. Of course, that was proved some years ago by the action taken in connection with our dispensary here. The friendly societies declined to have members of private benefit societies connected with it.

32. And is it or is it not also a reason for the antagonism that the private benefit societies enter into unfair competition with the registered societies?—Yes, that is certainly a reason.

33. And I suppose, on the grounds stated by Mr. Morrison yesterday, you are firmly of opinion that these societies ought to be registered?—Certainly.

JAMES TRAVERS HIGGINS was examined on oath.

34. *The Chairman.*] You are an officer of a friendly society?—Yes; I am Grand Master of the New Zealand branch, I.O.O.F.

35. You have been an Oddfellow some time?—I think, about fifteen years.

36. Now, is it within your experience that the institution of private benefit societies has been a loss or been detrimental in any way to friendly societies or your own order?—Yes; it has been a loss to the whole of the friendly societies.

37. Members who belonged to your order formerly, or whom you consider would have joined your order, have joined private benefit societies?—We know of members of our order who have been good members up to the time of obtaining employment in the Union Company's service, when for some reason or other which I do not know their membership ceased on several occasions. Of course, I am not in a position to speak of the whole of New Zealand; I am merely speaking of the time I was secretary of a subordinate lodge in a suburban district. That sort of thing would be more likely to be noticed in a lodge in a large centre like Dunedin, Wellington, or Christchurch.

38. Still, you feel it had that effect there?—Yes; I am certain of them—at least, on one or two occasions in my own lodge.

39. You have heard of many cases in larger districts?—I have heard complaints in other districts to the same effect.

40. Is that still going on to your own knowledge? Are men still leaving friendly societies to join private benefit societies?—I am not aware of it having taken place recently.

41. *Hon. Major Steward.*] How long ago was it that you were connected with the suburban lodge, and that you knew of these cases in connection with the lodge?—Well, towards the end of 1896.

42. So recently as that?—Yes. Of course, I ceased to be secretary of the lodge when I was elected Grand Master.

43. That is just a few months ago?—Yes.

44. What, in your opinion, is the great disadvantage of a private benefit society as compared with a friendly society?—One objection I would take to—well, the Union Company's benefit society, is inadequate rates of contributions.

45. Do you mean they are not sufficient to provide the benefits promised?—They are not.

46. You think the basis is actuarially unsound?—Yes.

47. *The Chairman.*] How, Mr. Higgins, do you reconcile that with the fact that the society has some £4,000 to its credit in the bank?—I do not know its liabilities. They have never been a registered society, I understand; consequently, there has been no valuation made, and we do not know what assets they may have to place against their liabilities. We know that in the case of every regular friendly society. There are quite a number of them in New Zealand who have very large assets, but they also have very large liabilities; consequently, their benefit funds will show a deficit when submitted to the Registrar.

48. *Hon. Major Steward.*] Then, you think the reports laid before Parliament from time to time showing that, in the opinion of certain actuaries, the financial basis of some of the friendly societies is unsound are correct?—I believe so.

49. Therefore, if that be so, the Union Company's benefit society, even supposing it to be actuarially unsound, does not occupy a unique position—there are some registered friendly societies in the same boat?—So the valuers think.

50. And you think they are right?—I think so.

51. According to that, then, it would appear that mere registration under the present law is not sufficient to secure actuarial soundness?—It appears not.

52. Then, I presume you would think it desirable that there should be further legislation, so as to insure these societies being ascertained to be actuarially sound before they are allowed to be carried on?—I consider that before a society is registered it should be placed on a sound financial basis.

53. That is to say, its scale of contributions should be made sufficient to meet all contingencies?—Yes.

54. *The Chairman.*] In your society, is there any surrender value? If a man withdraws from your society, does he get any surrender value?—No.

55. That is one great difference between the private benefit society and friendly societies?—In my opinion, there can be no surrender value of a man's probable sickness; it cannot be valued.