

56. *Mr. Fisher.*] It is his share in the proprietary rights in the accumulated funds?—Yes.

57. *Hon. Major Steward.*] And, therefore, in the sick fund he is insured against risk in common with a number of others, and that risk has been sustained whether he has been sick or not, or whether there is anything to come to him or not, because there is always a certain number sick, it does not matter who they are?—Yes; we hold him secured against sickness.

58. And the risk, sickness, although it did not actually fall upon him, might have fallen upon some one else?—Yes.

59. You say that in one or two instances, as lately as the end of 1896, you knew of members of your lodge who ceased to be financial members shortly after or upon joining the service of the Union Company?—Yes.

60. Now, we will assume there were two: do you know of your own knowledge whether these two men withdrew from your society because they joined the Union Company's benefit society? Do you know if they have joined the Union Company's benefit society and the service of your own knowledge?—One, I know, is a member of the Union Company's benefit society, and the other member simply told me it was too expensive to be in two societies, and said, "I will have to leave this." Whether he became a member of the other I do not know.

61. Are you familiar with the rules of the Union Company's society?—I knew the original rules as passed in 1891. I believe there have been some changes.

62. Are you aware that subsequent to 1891 alterations in the rules were made exempting men who were members of friendly societies from the necessity of joining the Union Company's benefit society?—I am aware of that.

63. That was in force at the time these men left the lodge, as it was the end of 1896?—Yes.

64. Therefore the men were not compelled to join the Union Company's society, and could have remained in your lodge according to the rules?—Yes, according to the rules.

65. You have evidently an idea there is something behind this—that preference of employment is given to men who are members of the benefit society?—That is the common idea.

66. Are you aware of the conciliation agreement that was entered into the other day between the Union Steamship Company and the Seamen's Union?—I have not seen it.

67. There is a paragraph to the effect that after the 30th September it shall absolutely cease to be compulsory for men in the Union Company's service to join the benefit society, and it has further been stated that this is to take effect as from now in regard to all persons newly joining. If you were satisfied that the spirit of that agreement was kept, would that remove your impression as to the influence exercised upon these men?—I may say that from the very start of the Union Company's benefit society we would have had no objection to it as a society providing the men received justice, and the society were founded on a proper basis, and that membership in the society was not to cease when a man's employment ceased with the company. If these terms had been carried out we would have had no objection at any time, nor would we have now, to the existence of the society.

68. Well, then, I may tell you it is provided in the rules that any man who has been two years in the benefit society is entitled, whether he remain in the service of the Union Company or not, to continue as a member of the society. You think that restriction of two years should be removed?—Yes; because two years added to a man at a certain age might carry him outside the possibility of entering a friendly society. It might do that in some instances; and even where it did not quite do that it might carry him into another group of ages, where he would have to pay higher contributions, whereas by remaining in the society he first joined he would continue to pay the same rate of contribution all through.

69. What you conceive to be the necessary safeguards in regard to this Union Company's benefit society are that it should be ascertained that the basis is actuarially sound—that is to say, that the contributions should be adequate for the benefits promised, and that the accrued funds should be properly invested?—Yes; and the funds entirely under the control of the benefit members.

70. And, thirdly, that there should be secured for members joining the society the same privilege of continuance as a member of the society as obtains with regard to friendly societies—namely, that once having joined, and so long as a member keeps himself financially good, he ought to retain his right?—Yes.

71. *The Chairman.*] We were told in some of the evidence that a circular was issued inviting officers and other officials of the Union Company to join the benefit society, although already insured. The effect of this was to give them a vote, although not benefit members. Do you consider that was an improper thing?—Yes, highly improper. The benefit funds should be under the sole control of the benefit members.

72. Is it or is it not a fact that friendly societies provide certain machinery by which they can get at a defaulting officer, or by which they can distribute the funds on winding up the society? Do you not think that gives a friendly society an immense advantage over a private benefit society—I mean in case of a dissolution or in the case of an officer embezzling the funds, or other cases of fraud? In the case of one institution the only remedy is the ordinary legal remedy in the Court of law, whilst in the proper friendly societies they have a method by which they can go straight to work?—I consider it is a very great advantage. A registered friendly society is compelled, by the provisions of the Benefit Societies Act, to provide for the proper disposal of the funds in the event of dissolution or secession.

CHARLES WILLIAMS was examined on oath.

73. *The Chairman.*] You are an officer of a friendly society?—I am secretary of Court St. Andrews, Ancient Order of Foresters.

74. Have you been a Forester long?—I have been a Forester thirty-two years—twenty-two years within the Colony of New Zealand.