

48. Are the friendly societies being run on business lines as a business?—No, but for the good of members.

49. Do you not think, then, that it might be better if the Government took over the work, seeing it is not being run as a business, for the good of the people of the Dominion, and taking into consideration also that the friendly societies only reach a section of the people, whereas if the Government deals with it they would endeavour to reach the whole?—No. They only reach a section, because there is no compulsion. It is impossible to reach that section if they will not be reached. We have had propaganda work by our members amongst their fellows endeavouring to show them the advantage of making provision for sickness and mortality, and by reason of that a large number have come into the society. The Government put lecturers on to get permission from the employers to speak to their men during the dinner-hour and at other times, so that the Government are paying lecturers to get members for the National Provident Fund, whereas if we did that we should have to put our hands in our pockets to provide for it.

50. Do you favour a compulsory National Provident Fund?—Yes.

51. So that you do not approve of the Government having entered into this business after all their work, and paying lecturers, and so forth?—No.

52. *Hon. Mr. Luke.*] Do I gather from what you said that you object to any national system?—No, I do not.

53. But being a national system you think it could be worked through the societies better than by the Government?—Yes, most emphatically.

54. Could you create two watertight compartments, one representing the ordinary friendly society system and the other to cover the section who you do not agree to take into your lodges?—They do in England.

55. Does the British Government contribute to both sections?—Yes. There was provision that those who did not care to join the friendly societies could pay their contributions into the Post Office, so that it would be clearly separate from friendly societies, but their benefits, I believe, were limited to the amount they paid in to the Post Office. When they had exhausted that amount, then their benefits ceased; whereas if they paid in through the friendly society they participated in the benefits so long as they required them, and the result of that has been that the several friendly societies and approved societies have now taken over, I believe, all the Post Office contributors.

56. Then, really, your societies in Great Britain supply the machinery for carrying out the disposal of the funds contributed?—Yes. The friendly societies in England have the whole of the work—that is, with the approved insurance societies, such as the Prudential and other societies, and the approved societies have taken over, I believe, practically the whole of the work of the national-insurance scheme in England.

57. If under such a system there is a portion of the people who cannot enter owing to the medical examination, and that section has to be provided for, do you think they would absorb that 25 per cent. of the contributions?—Yes, I believe they would.

58. And in that sense it is a benevolent fund for those who could not get the support of the friendly societies?—Yes, in that direction. As I have already said, the distinction between the two is that we are not only paying 25 per cent. of the contributions for those who are not in a position to pay, but the Government are paying 25 per cent. for those who are in a position to pay, and that is where the objection comes in. I do not think any friendly society man would object to the Government making provision for indigent persons, but let us know they are indigent, and not that they are entering into competition with the life-blood of the country.

59. How do you propose to separate that indigent portion—I mean those who could not undergo medical examination?—Let it be understood that evidence must be provided that they are indigent.

60. But young people come in from 18 to 25—the indigent does not come in at that age?—They join at 16 years of age.

61. Therefore it would not apply to that section?—No.

62. Under any subvention scheme you say the Government could not differentiate between societies that are solvent and in a good financial position and those that are not?—Yes; for this reason: my idea of this subvention scheme was that it would only apply as set out in the New South Wales scheme for those who had been continuously on the sick-fund for twelve months and over and those who had reached old age. It was making provision that the lodges would not be overburdened by reason of those who had reached that stage. Although our rules specify that sick members have to be suffering from some specific complaint or disease, yet we know that they are on the sick-fund by reason of senile decay, and the doctor gives them a certificate that they are not able to work, and so on. We know we are providing for persons under benefits who are, strictly speaking, not entitled to them because they are not suffering from any disease, and yet they are a charge on the fund. As far as I understood the subvention scheme, at the outset it was only to provide for those who had reached old age or those who had been continuously sick for twelve months and over—chronic illness—and not to subsidize young men, because the scale of contributions we have in our society is quite adequate to provide all the benefits we promise them. We have no cause for complaint, but there are some isolated lodges on the West Coast, say, which are in a very poor position for the reason that until recently they had an inadequate scale of contribution, and there was only one of two courses open to deal with them, either to raise their contributions or reduce the benefits, and, of course, we do not like to do that.

63. And you think that if the Government had differentiated between those financially strong and those weak, poor societies it would be like penalizing those who had practised self-denial and paid larger contributions?—Yes, it certainly would in the case of financially sound societies. If