those two months. That would be all very well so far as it goes, but we have not the remotest idea that the number of engineers in New Zealand will be the same.

23. But you start with the very same data and the very same difficulty, but very much minimized, as I suggest, as exists in an old country like the Mother-country?—The point is this: that in England there are, say, a hundred thousand engineers, and that it is quite possible to ascertain their unemployment from year to year. That hundred thousand is not liable to any great fluctuation from year to year; perhaps a few come in from other countries and a few go away, but the fluctuation is so infinitesimal as not to seriously affect an insurance scheme; but in New Zealand we have an exactly opposite condition. We may have a thousand engineers one year, and fifteen hundred in a couple of years time.

24. Do you suggest that the fluctuation of unemployment in the Mother-country is not very large in these trades that you have taken? Take the building trade and the engineering trade—the two trades to which Mr. Lloyd George's scheme applied—is it not a fact that those two trades were selected in Great Britain to begin with—to begin the scheme of social insurance with—for the very reason that the fluctuations in them was great? I put it to you that those trades were selected largely because they were trades in which there was a wide measure of fluctuation of employment?—Yes. Of course, there are fluctuations of two kinds. There is the ordinary fluctuation which would exist with the same trade or men in any country, and then there is the fluctuation caused by the increase or the decrease in the number of workers. In New Zealand we have this latter difficulty: the fluctuation in the number of workers.

25. Does it not come to this: that the first thing to do before any opinion can be formed as to whether it is desirable to inaugurate a scheme of insurance against unemployment or not is to collect information to put before those in authority—is not that the first step?—Certainly, that is the first step.

26. Very well, that step being taken, it rests with those who are responsible to decide whether or not the conditions call for such a measure: you would agree with that, I take it?—Yes.

27. The first thing is to collect information, and when the information is before those responsible they decide as to whether a scheme is practicable or not?—If I might suggest it, the first thing of all is to decide the question as to whether there is any possibility of such a scheme being feasible before going to the expense of collecting the information.

28. I prefer to put it this way: let us know our facts first. I suggest that is the better way to set about the business, and when we have got the facts to see how far they call for a system of relief?—Yes.

29. You do not see eye to eye with me, and I will not follow that up any further?—If I might interrupt you for a moment. I base the question I was speaking of on the utter uncertainty as to the number of workers who will be in the country and will be unemployed from year to year. An officer of our Department went round the country at the beginning of this year and made inquiries as to the extent of the demand for labour in the different manufacturing industries throughout New Zealand. It took him, I suppose, nearly three months, and at the beginning of his inquiry he found, for instance, that a hundred cabinetmakers were wanted in Wellington; he then went to other parts of New Zealand, and by the time he had finished he found that the hundred were not wanted at all.

30. But if he had begun again he might have found that there was practically the same condition of affairs that there was when he commenced his first inquiry—a general fluctuation?—A tremendously large fluctuation in proportion to the number of workers and the size of the country, and it seems to me, therefore, that it would be very difficult—in fact, impossible—to make even a fairly accurate actuarial calculation in the matter.

31. You adhere to that opinion, and I will not follow it any further. If you are of opinion that there is no general outlet for such a scheme, I suppose you have not given much consideration to the question whether if such a scheme is inaugurated it should be compulsory or voluntary?—In England the Act is compulsory. In other European countries it has been voluntary, except in one instance.

32. But in the latter instance it broke down on account of the bad management, not because it was compulsory?—Yes. I may say that when I commenced this investigation I was not prejudiced against it—in fact, I was rather in favour of the idea; but as I made this inquiry I came so strongly to this conclusion that I expressed the opinions I have given to the Committee.

33. A result of your conclusion is that we should sit down and do nothing?—No; I suggested in my report that instead of attempting to deal with unemployment by means of insurance—which, by the way, would be only paying workers for doing nothing—that whatever money there is to spare should be utilized for the purpose of minimizing unemployment as far as possible. I might mention that even in Europe, and, I suppose, in England, great stress is laid on the necessity of doing away with unemployment rather than paying money to workers during their idleness. It stands to reason that an insurance scheme will attract all the bad risks. It will mean that the money of the better workmen will be taken to pay for the poorer class.

34. Have you given any thought to the question as to the method of contributions?—I have given a little thought to it—not very much. It seems to me that the systems in vogue in Europe are not fair. I think there ought to be a sort of sliding scale.

35. I take it that a beginning must be made somewhere. No scheme of social insurance could be formulated that applied to all sections of labour. It would have to begin in some particular trade. They found that in the Mother-country?—Yes.

36. Perhaps you cannot assist us much on this subject of contributions, but I suppose you have formed an opinion as to who should contribute. Should the contributions be by the employer and the worker, and should they be supplemented by the State: have you given consideration to those questions?—Yes, to some extent, I have. In that respect it seems to me that the system