45. Have you examined the proposal submitted by the Department?—Just this afternoon. I have gone over it. I see they propose a payment towards the funeral fund instead of the third proposal I have submitted.

46. Are not the proposals here very much less than those you propose?—No. The first proposal is almost on all-fours with my own. 2s. 6d. a week after twelve months' sickness will be the same, because ours is 5s. a week sick-pay at the present moment, only you offer the same allowance to those over 65 for males and over 60 years of age for females. Of course, the proposal I made was the full payment of sick-pay over 60 years of age, and half-pay under 60. Then my third proposal, instead of a subsidy to the funeral benefit fund, was a proposal to pay the members' contributions so that a member should not drop out through old age or lack of employment.

47. You suggest full payment of sick-pay for twelve months for those over 60 years of age?—Yes.

48. You will notice in commenting upon a comparison which is drawn in this statement between the New South Wales subsidies and those proposed by the Department, the statement is made relative to a proposal under which the full amount is paid. The statement of the Department reads: "The fixing of the sickness-benefit subsidy at 2s. 6d., instead of one-half for all extended sickness and the full amount for the aged, is on the principle that subsidies of any description to outside bodies must convey with them a financial responsibility on the body spending the money. It is to be expected that if the State pay the whole of any benefit the society's control over that benefit will be weakened." You notice the expression of opinion there with regard to the full benefit. You are suggesting the payment of the full sick-pay?—Yes, full sick-pay after 60 years.

49. As against the Department does not recommend the full sick-pay, but 2s. 6d.?—Yes, half the amount I suggest.

50. And the reason for doing so is because they say that if the State pays the whole of any benefit the society's control over that benefit will be weakened. Do you agree with that?—No, I do not, because in what I have suggested the societies would pay it for the year and then ask the State for a refund, submitting their returns showing how much they had spent, who the members were and what the ages were, and submitting, if necessary, medical certificates.

51. You think the societies would be just as careful?—Yes.

52. To what extent do you think the Department would be justified in interfering with the work of those societies in view of the fact that they made contributions to their funds?—The Department would be absolutely justified in seeing that the funds that they had allocated to the different orders were spent strictly upon members who deserved them—that is, that the money was not deflected to any other purpose whatever. It would be only fair and right that they should have that power. In any matter of doubt the Department should have the right to audit, as I said before.

53. Are you aware that it was suggested, I think by your order, that such subventions should be kept in a separate account by the societies?—Yes, I think that could be done also.

54. You notice in the statement by the Department that it is proposed that "Every friendly society and branch would be required to submit its accounts periodically to an auditor acting under the direction of the Registrar, and the fees for auditing the accounts of the societies and branches would be a charge upon the moneys payable to the society by way of subvention." Are you quite agreeable to that?—As I said before, we quite approve of the idea that when the State is giving certain sums to expend on its behalf the strictest possible audit should be made of those payments.

55. Do you think there is any necessity for the moneys received from the State being kept in a separate account?—No; I think it could be worked without that, although we would be quite prepared to keep a separate account if the Registrar so wished; but if we sent in returns every year showing what we had spent on those members coming under those headings, the Registrar would be able to check our payments exactly, and the payments would not be made by the Treasury until the Registrar vouched that they were correct.

56. Do you think the National Provident scheme might exist alongside your work and do the same work it is doing now?—Oh, yes, because it covers greater ground than we can cover, and also reaches those we cannot reach. I would be the last to put a block in the way of any one making provision for sickness or old age.

57. Would you increase your contributions or benefits in any lodges?—I think if we got this going we would increase the benefits rather than reduce the contributions.

58. Do you not think that by reducing the contributions you would bring the benefits of your society to a lower working level?—I scarcely think it, because the reduction would be very small—say, 1d. or 2d. per week. That is scarcely likely to deter a man from joining. Most of our men join now at a fairly early age. Most men have joined an order of some sort at the age of 25, and therefore come under a low scale of rates.

59. What do you think of the proposal to apply the surplus or portion of the surplus to the assistance of branches?—That opens a very large question. In my own order we are endeavouring to get over that question of the surplus deficiencies in the lodges by consolidating the sick-funds. At our next annual meeting we will submit machinery to carry it out, and then the surpluses or deficiencies will not be existing—it will be all one fund.

60. *Hon. the Chairman.*] In the case of malingering, do you think subvention would increase malingering to any extent?—No, not under proper supervision. If the lodges maintain the same supervision as they maintain at present, malingering would be a very small question indeed.

61. The question of receiving subvention would not tend to lessen the care?—If we can succeed in consolidating the sick-funds, each branch will have to send to the central office its