

friendly-society man who could not otherwise become a member, and yet you say that it is wrong that the friendly societies now should contribute towards the expense of keeping these other men?—But the member would pay. The Government would not pay the whole of the cost. The Government would protect the society, but at the same time the member would be called upon to pay all his contributions like any other man. This only refers to a man medically unfit to join a lodge in the ordinary way.

70. What other means would you suggest of relieving the disability that many lodges at present labour under financially?—Well, my idea is this: that it is no use subsidizing friendly societies for the purpose of strengthening the finances if the internal arrangements and management are not complete. No one would think of assisting a storekeeper who at the end of twelve months, when the balance-sheet was made out, was going to the bad and conducting his business at a loss. What would be the use of subsidizing that man? There must be good management. For instance, take the Bunnythorpe Lodge, which is a small lodge. It makes no difference whether they are Druids or Odd Fellows. It was established eight years ago, and the members determined when it was established that they were going to reach solvency, and that it was to be a financial lodge. No lodge gets a sixpence from any other lodge in the Manchester Unity; each lodge is entirely "on its own," and it gets the benefit of the necessary management. This small lodge at Bunnythorpe is sandwiched between Palmerston and Feilding, and the result is that there are not many new members to draw upon. They started operations under good management; they have only been in operation for eight years, and yet at last valuation they have £500 of funds, which meant that it was solvent and had £83 which was permissible to be returned to the members. That is what I call good management. If a lodge is badly managed and is in an unfinancial position, what is the good of subsidizing a lodge like that? Another lodge came out very badly at the last valuation, because it was shown that it had gone back to the extent of nearly £2,000. Well, we took that lodge in hand in our district, and the lodge itself recognized that something would have to be done to bring that lodge up to a solvent position. They put their shoulders to the wheel and worked hard. They looked into the management of the affairs, and the result was that at the last valuation in 1910 they showed that they had paid off that £2,000 of deficiency and had £200 to the good. That is management. What would have been the good of subsidizing a lodge like that if they themselves will not take upon themselves the duties of management in a proper manner?

71. What prompted you to interfere in regard to that lodge?—Because it was £2,000 to the bad.

72. What right had you to interfere?—Because it is under our control.

73. You told the Committee a little while ago that each lodge stands "on its own," and is responsible for its own liabilities, and now you say you have a right to interfere?—We have this right: when a lodge shows 15 per cent. deficiency then you can call upon that lodge for an increase of contributions or reduced benefits; but until it shows a 15-per-cent. deficiency we are unable to do anything. In this case there was a 15-per-cent. deficiency and we acted.

74. Then your lodge has the power to shape the policy of any lodge under its jurisdiction: is that so?—Yes, within certain limits. Of course, we gave them advice, and members themselves recognized that something had to be done. If other societies took upon themselves the same sort of management they would improve.

75. *Hon. Mr. Beehan.*] You say, what is the good of subsidizing those lodges you have been referring to?—Yes.

76. Are you aware of the effect that three or four members suffering from chronic illness for twelve months have on a small lodge?—Yes, we have those experiences now.

77. And do you not think it would be a good thing to subsidize chronic illness?—No, I do not think so.

78. Are you aware that all the societies in New South Wales are coming under the subvention Act?—Yes, that is the only country in the world.

79. Are you aware that in 1911, with the exception of one society, they were all under consolidation?—The Manchester Unity consolidated.

80. But the whole of them?—That might be.

81. Are you aware that your society in 1911 was subsidized by this Act to the extent of nearly £6,000?—That is quite right—I know that.

82. And yet in face of all those societies, comprising 164,000 members, in New South Wales you are still against it?—Yes, I am, decidedly. I should like to explain this: that every five years a valuation is taken, and any money that is in excess of the amount necessary to make the valuation complete or solvent is returned to the members. The result is that in all the large cities in New Zealand, such as Auckland, Christchurch, Wanganui, and Wellington, after the valuation every five years the Manchester Unity returns to the members a very considerable amount of money.

83. Those that are solvent?—In each of those towns the Manchester Unity is solvent. Take, for instance, Wanganui. I am practically now 54 years of age. My contributions when I joined were £1 6s. a year, and they have now been reduced to 16s. I have a list of the members which shows that the members of the Wanganui Lodge particularly are paying a very small amount of money indeed, and the result is this: that if you subsidize any of the societies you must not forget this: that you place in the hands of the Manchester Unity extraordinary wealth and such great power that they will practically swamp all the other societies in the Dominion, because they will be able to induce members and charge such low rates that it will do very much damage to the other societies in the Dominion.

84. Do you not think it a very selfish policy for the wealthy lodges not to help the struggling lodges?—You are coming down to consolidation now.

85. You said that every lodge in your district was standing on its own bottom?—Yes.