just amount were left at the same scale, while new entrants were charged a higher scale. I will give you a case in point: In one society I know a man who came in thirty-four years ago, he is paying to the sick-fund to-day an amount of about £1 5s. or £1 6s., while another man at the same age coming in to-day is paying £2 8s. They are getting the same benefits, and yet when they are fraternizing and having a korero with each other they are endeavouring to get the crowd to believe that they are all on terms of equality. The medical cost of every member in New Zealand is approximately about £1 2s. 6d., the sick-pay paid out is about £1 2s. 6d. also. That would be £2 5s., and if you multiply £2 5s. by 70,000, the number of members, there is over £157,000 that the societies expend yearly, and consequently we claim that if other classes are being subsidized by the Government in many sections of society, seeing that we are spending over £157,000 per annum towards the sick-pay and medical benefits, irrespective of death benefits, we are relieving the Government and local bodies to a considerable extent in keeping down the hospital and charitable-aid rate. I go a little bit further than subvention. There are various causes operating in friendly societies to keep them unfinancial, and I will allude to one. The previous witness has told us what a prominent position the society mentioned by him is in. I will point out an opposite case. In one district there are forty branches of the same order, and twenty-five of them have been sufficiently long in existence to be valued, and out of that twenty-five there are only four that show a surplus. In the case of the others the deficiency runs from three up to seventeen per member. One branch has got a big surplus and the others have minor surpluses or deficiencies. The paramount factor, of course, is this: that they started on insufficient contributions, and consequently the defect is being perpetuated in this way: that when they come to have a washing-up to provide for adequate contributions the other men who come in have to pay an increased rate and are carrying an excessive load. I believe consolidation would partially remove the anomaly. When rates were constructed for the purposes of contributions for New Zealand the Actuary was quite right in his calculation, but there is such a thing existing as non-sickness in a friendly society, and it is treated as sickness. In my own lodge of six to seven hundred members there are ten members who are really not sick at all—it is merely senile decay, and it takes an amount equal to the contributions of fifty members to pay the sick-pay of those members. We have never asked for subvention, but the Government has offered subvention, which, I take it, is a *quid pro quo* for what has been done by the societies in years gone by. I would like to suggest that the Government go a little further, and, taking the benefits given by the Government of New South Wales as compared with the proposed benefits compiled by the Registrar and his colleague the Actuary, I assume that they propose giving an equal amount of benefit but in a different shape. Taking the numerical ratio, the amount the Government would have to pay might be between £7,000 and £8,000. If the same benefits were administered as in New South Wales on a ratio of members, I would suggest that the age be reduced to 60, and an amount equal to that in New South Wales be paid to members of 5s. instead of 2s. 6d. as proposed here. I think the Government deserves a certain amount of consideration for acting in a humanitarian spirit to deal with the class of people that the friendly society under present conditions is unable to deal with. It is a philanthropic action for any Administration in a country to devise some means to provide for those people who are unable to go into a friendly society. The National Provident Fund does so in a certain sense. On the other hand, it operates detrimentally to friendly societies, but not to the extent that some members of friendly societies think. I think it operates detrimentally in a minor degree, while others think it operates in a major degree.

3. *Hon. Mr. Earnshaw.*] Have you seen a copy of the Department's proposals?—I just had a glance through them.

4. With regard to the funeral benefit up to £15, they propose 2s. 6d. a week for sick-pay and a lump sum for funeral benefit. In your opinion do you think that is a wise thing to give a lower sick-contribution and an increased amount to the death benefit, or do you think the death benefit should be less and the sick-benefit increased?—Well, I would not feel in a position to give a distinct lead to the Department. After all, it would be a question of actuarial calculation.

5. I mean the principle. The Government are proposing to give a certain amount for the sick and a large amount for the funeral benefit. Do you think that is a sound policy, or do you think it would be better to increase the sick and reduce the death benefit?—Well, I would be rather inclined to have an increased sick-benefit, because a considerable number of the old members are up in years, and when they become sick after 60 they in some cases are a permanent burden.

6. Do you think it would be an advantage to a lodge to reduce the death benefit and increase the sick-benefit?—I think it would be more acceptable in a general sense.

7. With your long experience as a member of a lodge here in Wellington, do you think the lodges here can ever undertake to gather in the bulk of the people under any circumstances whatever who are not gathered in at present?—Except under one possible condition—namely, if some modified principles of the Lloyd George Act were applied. That should be the basis of it—that the Government and the friendly societies might work in conjunction. I think some satisfactory scheme in that direction might be evolved.

8. You know that young fellows are brought into lodges by other young fellows; they pay up for a short time, and as soon as they fall out of work they drop out?—Yes.

9. And sometimes married men, through the exigencies of life and no work, drop out?—That is so.

10. That is the weakness of the friendly societies; and do you not think that is a fair field for the Government to undertake, seeing that the lodges themselves, either through stress of circumstances or owing to the members being out of work, that the lodges cannot cope with?—It does not make much difference in the abstract, because if a man drops out of a friendly society, under similar conditions he may also drop out of the National Provident Fund. I understand