the Parliament to do so, but whether it passed or not I cannot say. That system of building up a pension scheme in Belgium took much the same lines that our National Provident scheme has. It was found necessary to grant State assistance for its management and for its propaganda work. It was then extended to seek the co-operation of the local authorities and of all the Government machinery available throughout Belgium. The result was the formation of pension societies, and those societies acted as intermediary between the individual workers and the National State Fund. For voluntary effort the Belgium system has been perhaps one of the most successful. The friendly societies as we know them in Britain were not very successfully established there, but the societies appear to have done good work with the pension scheme. At all events, in Belgium in 1911 they had a most comprehensive Bill before Parliament taking pensions, sickness, and invalidity into a compulsory and consolidating scheme. They reckoned that about one-fourth of the population would be included in that scheme. I do not know whether the Committee would like me to go into a full account of that. It is very instructive, and I furnish to the Committee a paper dealing with this and other systems. In my opinion, the state of affairs that exists in New Zealand does not call for such a drastic scheme as that established in England. That is my own personal opinion, and I think that a voluntary system assisted by the State would lay the foundation for the adoption of compulsion at any time it was thought desirable to adopt it.

4. *Hon. Mr. Beehan.*] The question of a subvention scheme is referred to in the annual report of 1812?—Yes. It reads, "A subvention scheme, however, was adopted by the New South Wales Government in 1908 on the following lines: (1) Half the cost to the society per year for sick-pay after twelve months to members under sixty-five years; (2) whole cost to the society per year for sick-pay to members sixty-five years and over (the amount payable under these sections not to exceed 5s. per week); (3) medical attendance and medicines for members sixty-five years and over; (4) total contributions for funeral donations chargeable on account of members sixty-five years and over. In 1910 the amount paid by the State to the societies for this subvention was £14,778 2s. 7d. The Registrar of New South Wales, in his report for that year, records a phenomenal increase in the membership of societies—namely, 16,313, or equal to 12·3 per cent.—'far in excess of the result for any previous year.' This he attributes partly to the improved financial position of the societies, and partly to the operation of the subvention scheme. If the membership thus gained is held and lapses are reduced, then subvention appears to be largely fulfilling on voluntary lines the object of State intervention in this reform—viz., the cheapening of benefits in order to bring them within reach of a poorer wage-earning class." I referred to that previously. My opinion is that the scheme has not been sufficiently long in operation to form a definite opinion upon it.

5. You gave an opinion there?—I say it appears to be. We could not form any conclusion on one year's work.

6. Then you have a reference in the report of 1913?—Yes. In my report for 1912 the following appears:—

"In commenting on these figures the Registrar states, 'The claims of the whole period amounted to over £38,000. The amount paid in 1909 was comparatively small, as the majority of applicant societies did not register under the Act until the middle of the year. During 1910 there were ten more applicant societies, and the claims practically covered the whole of the year, consequently there was a large increase in the amount paid. In 1911 there was a still further increase, and it is probable that the claims for 1912 will reach £20,000.'

"The question of membership and secessions is one that has an intimate relation to subvention, and it is reasonable to look in the societies' returns for any indication that will indicate the effect of subventions in promoting national thrift.

"The New South Wales Registrar's report contains the following tables dealing with these matters:—

| | 1907. | 1908. | 1909. | 1910. | 1911. |
|---|---|---|---|---|---|
| Increase in membership | 10,307 | 6,312 | 9,832 | 16,313 | 15,407 |
| Increase, per cent. | 9·7 | 5·4 | 8·0 | 12·3 | 10·3 |
| Initiations, per cent. | 19·8 | 15·7 | 18·7 | 22·0 | 20·8 |
| Secessions, per cent. | 8·9 | 9·0 | 9·7 | 8·9 | 9·5 |

"The figures show that the membership has considerably increased since 1909 (the date when subvention commenced), though probably other causes have helped to bring this about. Apart from this, the financial position of the societies has been greatly improved, as disclosed in their recent valuations."

7. *Mr. Harris.*] You said that the friendly society membership in Great Britain is approximately five millions, and under the national-insurance scheme it is thirteen million. On what income does the Imperial Government work with regard to those who are to join the compulsory scheme?—The income limit is £160 for salaried persons, but no limit for wage-earners.

8. Can you explain to what degree the operation of the national-insurance scheme works in with the friendly societies—in what way does the Imperial Government work with the friendly societies for the administration of that scheme?—The English Act provides for the registration or approval of societies that enrol the population that have to be insured—those that come within the scope of the Act. The friendly societies that were existing at the time the Act came in automatically became approved societies. In addition to those there were formed a great number of other societies. For instance, the great industrial insurance concerns like the Providential and others formed a number of societies, apart from their ordinary business. They took most of the new members. The friendly societies did not succeed in getting the bulk of that seven million; most of them were taken by the industrial companies approved societies.