9. And do all of them contribute to the National Insurance scheme?—They have to work through the society they join, except that there was a provision made for those who would not join any society; they had to pay their contributions and receive their benefits through the Post Office. They were called Post Office contributors. The number of those has turned out very much less than expected. It is very doubtful whether they will not amend this branch and put these people into the societies.

10. Do those members have to join friendly societies? Do they go through an initiation scheme, or is it merely used as a medium for paying in contributions?—It is merely a medium for paying in contributions. You must remember that a large number of people already in friendly societies by the Act become State-insured people. Those that were forced in as State members had been in no society formerly. The State finances are kept quite separate from the friendly society's ordinary funds. They are audited and looked after by the State auditors, who do not look into their ordinary funds. I think Mr. Kershaw could tell you that some of the societies have modified the condition of membership as to initiation. I think it is agreed now that those members that were forced in practically have the same voting-power and rights as ordinary members.

11. I understand that the contributor himself pays 4d. to the fund, the employer 3d., and the rest is contributed by the State?—Yes.

12. Can you tell us how that 4d. is paid, through the friendly societies, or direct to the Government, or by taxation?—It is paid direct to the Government. The procedure is this: an employer has a number of workers, the worker produces a card and the employer puts on that card 7d. in stamps—that is, 4d. for the worker and 3d. for himself. That card at the end of a quarter is returned and a fresh one issued by the society, which duly receives credit for the values. The employer then has a right to deduct from wages the amount of the 4d. he has paid on account of the employee. The amount is thus paid over to the State office by this method of affixing stamps to the card, which are provided for the purpose. The employer buys the stamps at the Post Office and stamps the cards. The adjustment of the moneys that are due to the various societies which the employees may belong to is made by the central fund authority. They credit the various societies with the amounts that are due on behalf of the persons for whom stamps have been provided by the employers.

13. And the benefits are paid through the medium of the friendly societies?—The friendly society starts to pay the benefits as soon as they become due, and then obtains a refund from the central fund at periodical times.

14. *Hon. Mr. Luke.*] You mentioned that you thought but for the appointing of lecturers our own scheme would have died out in two years?—It showed signs of inanition very much sooner than that.

15. You also stated that the effect of the National Provident Fund scheme had increased the membership for the societies?—I did not say it had. I said that the propaganda work of official lecturers should extend the principles of thrift in places where these principles had never been impressed upon the people before.

16. Is not the effect generally the reverse of that—that our scheme is having a detrimental effect upon others?—Some seem to think so. However, I would point out that there are only, say, eighty thousand friendly society members in New Zealand, and there is a population in New Zealand between the ages of 15 and 45 of males of something like two hundred and seventy thousand, so it is reasonable to suppose that there is room for something to be done. The friendly society, in my opinion, adapts itself more readily to places where the population is massed. The difficulties of management are much greater in outlying places, and the medical attendance trouble is also great. That is the great difficulty in all these schemes.

17. Is the compulsory scheme in Belgium contributed to by the State, the employers, and the employees?—Yes. It varies somewhat as regards the donations. That system is the growth of a very old voluntary scheme, and they dealt with it in this way: for the present generation they naturally had to do something, because they could not get people who were over 45 or 50 to pay sufficient to provide themselves with a pension; so they subsidized these older people at a very much higher rate than the younger, and that entitled the old people at 65 to the minimum pension. The pension varies according to the contribution.

18. *Hon. Mr. Fisher.*] That will be a constantly diminishing amount?—Yes.

19. *Hon. Mr. Luke.*] What is the minimum amount?—It is stated at a franc a day—about 10d. a day.

20. Both men and women participate?—I do not think there is any distinction.

21. *Hon. Mr. Beehan.*] I desire to ask you whether in your opinion it would be a good thing for New Zealand if the Lloyd George Act was brought into force here?—It is quite outside my province to express an opinion upon that.

22. You mentioned that the National Provident Fund would have died only for the propaganda work, and you say that the lecturers did good work and the result was an increase of membership?—I do think the propaganda did good work by increasing the membership. It should increase the membership of all organizations. It should spread thrift habits, and, if not, it ought to be stopped.

23. In your report in 1911 you could not expect much, the membership is only 550?—Yes.

24. For the same period in 1912 it reached 2,260, and up to the time of the report the total applications were 4,000: is that not so?—Yes.

25. Then you accounted for that as due to the propaganda and the lecturers?—Yes.

26. I notice that the lecturers' salaries were £313?—Yes.

27. And travelling-expenses, £192?—Yes.

28. Remuneration and enrollment of contributions, £247?—Yes.