29. There is also Government accrued subsidy to the National Provident Fund, £1,559 17s. 1d.?—Yes.

30. Have the Government ever helped the friendly societies in New Zealand in any way with a subsidy as far as you know?—There is no subsidy payable to friendly societies—nothing.

31. No help in the way of building dispensaries for friendly societies?—There is no direct help. You have to remember that the friendly societies cost the Government some expense, just as the National Provident Fund does. You could not do without valuations, for instance, which are free, and there is the cost of administration of the Registrar's office.

32. You consider that the propaganda work has helped the friendly societies?—Yes.

33. How can you say that when, according to your report, the membership for 1912 has decreased from 3·63 to 2·20?—Well, the decrease is due to altogether different causes. It is due to the Friendly Society Amendment Act passed in 1911, and which came into operation on the 1st January, 1912. That Act prevented the registration of any society or lodge unless it had adequate contribution scales. That had the effect of preventing the registration of lodges in probably one of the most active societies in New Zealand. It affected the Druids and the Rechabites. I have a table here which shows conclusively that if those societies had opened the new branches which they had in the past, and had the new members which they had been in the habit of having in them, the increase would have been about normal. As a matter of fact, one large society had no new branches opened at all, and therefore no new members, while the year before it had between three hundred and four hundred. That affected two societies. The Hibernian Society did not open any branches, and it was affected by that Act.

34. There have been a number opened since?—Yes. There have been other societies affected by that Act. The fall last year was due to this special cause. I would not say that some of it was not due to the National Provident Fund—probably some have not joined the friendly societies who have joined the National Provident Fund. I had a letter from the Postal officer in Invercargill only this morning stating that a contributor had been induced to leave the Provident Fund and join a friendly society.

35. It is a fact that the increase in the membership of the friendly societies is only a small number—1,472?—The number is 1,578—that is, net increase.

36. And that is not due altogether to the National Provident Fund?—It is less due to that than to the Amendment Act I referred to. As regards the fall in increased membership in 1909—the year when considerable financial disturbance took place—the increase in membership fell from 6 per cent. to 2 per cent. in the following year. That was a phenomenal drop, and the friendly societies have never recovered that yet.

37. How do you account for the discrepancy in the increased percentage between New Zealand, which is very prosperous, and New South Wales—the increase in percentage of membership?—I could not say. I have expressed a general opinion that I think the great increase in New South Wales membership is due to more than one cause—probably subvention is one of them. Subvention must have affected it, also prosperous times and the improved financial condition of the friendly societies.

38. And are you of opinion that the subvention scheme has not been long enough established in New South Wales to warrant you in forming an opinion as to whether it would be good for New Zealand?—It has not been long enough established to prove, for instance, that the lapse rate will be reduced. It follows that if we increase the membership in a concern at any great rate, the lapses will increase, so that it has to be shown that they can hold these new members when they get them.

39. You know the Registrar and the Acting-Registrar of New South Wales?—Yes.

40. Are you aware that the great reason for which he wanted to bring in that scheme was to prevent the lapses?—Yes, he mentions it, particularly in regard to the higher ages, but I doubt whether his statement there is altogether applicable. He quotes in the same page a table which shows there are practically no lapses over the age of 45 in friendly societies.

41. *Hon. Mr. Earnshaw.*] The universal experience all over the world is that the lapses are in the younger lives?—Yes. In the higher ages the lapses are practically nothing. Most of the societies make special provision to keep these old people in if they cannot pay themselves. Those that have no surplus very often meet it out of the management fund or the benevolent fund.

42. *Mr. Harris.*] At what ages do you take them in under the National Provident Fund?—From sixteen to forty-five.

43. *Hon. Mr. Beehan.*] You are aware that within three or four years in New South Wales the membership has increased by over sixty thousand?—During five years, 1907 to 1911, it has increased by 58,171.

44. And the whole of the membership for New Zealand is 73,000-odd?—Yes.

45. And our percentages of increase have reduced from 3·67 to 2·20?—Yes.

46. I have a return prepared by yourself which shows that the number of male benefit members of 65 years and over at 31st December, 1912, was 2,268, and nine female members?—Yes.

47. And also at the same date the branches showing a surplus at the latest valuation were only 164?—Yes.

48. And 406 showing a deficiency?—That is so. That is on the official valuer's valuation.

49. Now, the number of members of friendly societies, male and female, on the sick-list continually from the 31st December, 1911, to the 31st December, 1912, was 957, and the total allowance paid to such members in the period referred to in respect to sickness for more than twelve months' duration was £13,212 11s. 7d. Could you prepare an estimate of what it would cost for a subvention scheme for New Zealand similar to that in New South Wales?—If directed the Actuary could give you the cost of the New South Wales scheme as applied to New Zealand. It is an actuarial question, and it would take some little time to work out.