50. You are aware of the lapses in New Zealand societies of old persons who would be certified to as unfit for any employment?—What experience have you to quote that there is a lapse rate in old people?

51. Experience of lodges and branches?—There are no statistics to show it.

52. Will you give us by the next meeting the lapses of all ages in New Zealand, if you can? —Yes. It will take some time to get that out, but I will supply it before the end of the session.

53. You are aware that persons of 65 years and over have to pay their contributions just the same as other members?—Yes.

54. And that there is no relief unless the doctor can certify that they are not able to follow any employment?—Yes, subject to the rules of the society.

55. Do you not think it would be a fair thing for the Government to come to the help of those old people?—I think that is touching on policy. It is a question for Parliament.

56. You would not like to express an opinion as to whether the Government should come to the rescue in such cases?—It is a question of expense, and it is not for me to express an opinion upon those things.

57. You are aware that in New South Wales the Government have done so?—Yes.

58. Now, we have the number of members, male and female, of 65 years and over, and the number of branches showing a surplus and a huge number showing a deficiency. I suppose you would not express any opinion on that whether the Government would help the friendly societies in the same way?—It would help.

59. To keep the lapses in check?—I have expressed the opinion that we have a doubt on the matter of lapses. In my opinion, there is not sufficient experience to prove that subvention would stop lapses. If the Government were to subvent the friendly societies it would improve their position. The societies are, generally speaking, very well managed.

60. Have you seen the New South Wales report of 1912?—No; but I have seen the 1911 report published in 1912, which, no doubt, you refer to.

61. Are you aware that in that report they point out that the lapses are not only checked but stopped?—I would be surprised to find that they were stopped. The table I have already put in shows that they are much the same as before. I have information taken from the "New South Wales Official Year-book" for the period from 1900 to 1908. That is prior to the Subvention Act. I will submit that information with the lapse table to be prepared.

62. *Mr. Dickson.*] I notice in the returns that the Druids' Lodges have not increased?—No; they fell off last year.

63. Is that due to the National Provident Fund?—No; it is due to the Amendment Act of 1911 in regard to the death levy. That difficulty is now removed. The society has just recently cleared the whole thing up, and I believe they are registering a number of branches now.

64. *Hon. Mr. Earnshaw.*] In any reports of the Department is there anything relating to subvention at all?—Merely quoting and explaining the system in New South Wales that has been in existence for the last two or three years.

65. Nothing from the Department itself?—Nothing has been directly recommended.

66. *Hon. the Chairman.*] Since when have the friendly societies shown in the balance-sheets the state of affairs that is shown in this report as regards the deficiencies?—Well, for very many years they have been showing those deficiencies. Some have improved within the last five or six years. Many of the friendly societies have adopted improved contribution scales. They have done it voluntarily, and the result has had the effect of improving their position from an actuarial point of view on their next valuation.

67. Are there any other causes for the improved conditions?—That is the main one. Others are probably management. One society manages its affairs better than another, and that is a contributory cause, because if there is not good supervision of the sickness the drain will very soon tell on the finances. A good scheme of sickness supervision in any lodge or society shows up in the valuation, of course.

68. In your opinion, in those cases where the contributions were increased to a sufficient amount to make the society able to pay its way, did that stop the admissions to the society or increase the membership—did it have any effect upon it?—It is very difficult to say. As I pointed out, there was a very sharp fall in the rate of increase in 1909. The state of things you refer to was operating then, but I would not attribute the fall in that year to that cause. There were other outside economic causes. Probably the societies will recover their old rate; but whether what you mention would affect the entrants I could not say without some very definite evidence.

69. Roughly speaking, are the number of lodges that were showing a deficiency increasing or decreasing?—Roughly speaking, they are decreasing.

70. The general position of the New Zealand lodges is improving?—Oh, yes, decidedly so.

71. *Hon. Mr. Fisher.*] What is the amount paid by the New South Wales Government by way of subvention—the total amount or the amount per head?—In 1911 there was paid £17,360, representing 2s. 5d. per head.

72. Now, is not the subvention scheme in New South Wales looked upon as an extremely liberal scheme?—Yes, I think it is.

73. A subvention scheme has been suggested for New Zealand?—Yes.

74. Supposing we adopt a subvention scheme for New Zealand, the object of it primarily would be to help the lodges that were unfiancial?—That would be one of the objects. I do not take it to be the first object.

75. What is the first object?—The first object, I take it, in this connection is the obligation of the State to extend social insurance to the poorer wage-earners. In doing so, as I pointed out in the English system, the State must come up against the friendly society, as the latter is the main agent doing this business at present.