

100A. There is one society with 4,464 members showing a deficiency of over £55,000?—The great bulk of that deficiency is due to the society in question some years ago raising its funeral benefit very considerably without making any adequate provision for it. I may say, as regards that society, it is engaged upon dealing with the matter in order to get right itself.

101. It will gradually adjust itself?—It has a heavy task, and it is very difficult to recover.

102. But is there not a difficulty about this, that in order to make a subvention to that particular lodge to make it financial you will have to pay to that lodge a large sum equal to that deficiency? How do you propose to get over that?—There are other lodges in that district society.

103. That does not matter. If you are going to pay a subvention to a society which has an enormous deficiency, then you have also to make a payment to a society which has a very large surplus?—Yes.

104. Why should that be necessary?—Well, it is not a question of charity. We are not taking the societies up because they are poor: it is because the State has got a function to carry out, and it is going to use this machinery. It is more desirable, of course, if you have a society that shows a surplus because it would show that the State money is going to be well handled. One of the principal things to be attended to in drawing up a scheme would be the provision of safeguards to see that deficiency lodges did not misuse the subvention.

105. You have worked out a subvention scheme for New Zealand?—Yes, one has been prepared.

106. What was the estimated cost?—The annual cost of that scheme was estimated by the Actuary to be about £14,000 per annum at the beginning.

107. And how many members are there in New Zealand?—About seventy-three thousand at the last report.

108. And how many are there in New South Wales?—I believe, about one hundred and sixty-four thousand.

109. I understood you to say that the New South Wales Government were giving about £16,000 a year?—They are paying £16,000 or £17,000, but it will increase very much more.

110. If that is the cost, the proposition you have will be much more liberal than the New South Wales scheme?—I do not know that it is. You mean it is costing more?

111. £14,000 for seventy thousand members is a higher rate than £17,000 for one hundred and sixty thousand members?—That is a point Mr. Traversi would be able to give you some information about.

112. You did prepare a Bill?—Yes, but it was never circulated.

113. When did you prepare that Bill?—It was prepared during last session.

114. *Hon. Mr. Sinclair.*] Have you given consideration to the question of insurance against unemployment?—Very little. They separated the two parts in the British scheme, and I regard that more or less as within the province of the Labour Department. I know they have some officers there who have investigated it, but I have only looked into it superficially.

115. Can you tell us whether inquiry has been made or is being made as to the extent of unemployment in this Dominion?—I have an idea that an officer of the Labour Department did recently make some inquiries, but my information is only gained from the Press.

116. Can you tell us who we could get to deal with that important branch of social insurance?—I would suggest you call Mr. Rowley, the Chief Inspector of Factories in the Labour Department. I know he has studied the subject.

117. You really cannot assist us with evidence at first hand on that side of the question?—No.

118. Your evidence is confined to insurance against sickness and dealings with friendly societies?—That is so, yes.

119. *Hon. Mr. Earnshaw.*] Take two societies, one solvent and the other insolvent, according to the Actuary, I apprehend what the Minister is desiring to get at is whether the State is going to benefit or lose by assisting both equally. When men become chronically ill, or become unfit for work, or arrive at a certain age-limit when perhaps there is nothing exactly wrong with them but they are not fit for work, they may become a burden on the lodges. Will the State be more a loser by contributing to the members of so-called insolvent lodges as they would by contributing to so-called solvent lodges?—I cannot see how it comes in. The men that join insolvent lodges are just as much entitled to get assistance as the men who join sound lodges, in my opinion.

120. *Hon. the Chairman.*] Although some of the money may be wasted?—In such a scheme our main object would be to take safeguards in regard to seeing that a deficiency lodge improved its methods and acted so as not to waste its money.

121. *Hon. Mr. Earnshaw.*] There would be just as many at sixty-five years of age who would come under the chronic payments in solvent lodges as in insolvent lodges?—Yes. I do not think the solvency question affects that.

122. *Mr. Harris.*] Mr. Fisher referred to the fact that the Manchester Unity in the Auckland District was showing a surplus, whereas in the Hawke's Bay District they were showing a deficit?—Yes; it is the other way about.

123. Is not that due to the fact that each district works quite separately, that they do not have uniform contributions? The Auckland District fixes the benefits and contributions at so-much and the Hawke's Bay District does the same. Once those benefits and contributions are brought into line from an actuarial standpoint probably the finances of one would be just as strong as the other?—As regards the Manchester Unity, all the districts except Otago, Southland, and Timaru are now under one scale. The Hawke's Bay District and Auckland District are paying adequate contributions. That is for their present entrants. Of course, they have both got past indebtedness to make up, and probably some of the difficulties are due to that past inexperience, but in the Auckland District they have the mining trouble, which probably accentuates it. Sickness in mining districts is generally very high.