

SESS. II.—1897.
NEW ZEALAND.

PRIVATE BENEFIT SOCIETIES

(REPORT AND EVIDENCE OF THE ROYAL COMMISSION ON).

Laid on the Table of both Houses of the General Assembly by command of His Excellency the Governor.

COMMISSION.

To all to whom these presents shall come, and to the Honourable WILLIAM JUKES STEWARD, of Waimate, Member of the House of Representatives, GEORGE FISHER, Esquire, of Wellington, Member of the House of Representatives, and EDWARD TREGEAR, Esquire, of Wellington, Secretary of the Department of Labour: Greeting.

WHEREAS in many cases employers have established or assisted in establishing societies which offer to their employés benefits beyond their ordinary wages, and to the funds whereof the employés contribute: And whereas such societies (hereinafter called "private benefit societies") are in many cases unregistered under any Act relating to the registration of friendly or other societies: And whereas it has been alleged that in many cases employés are coerced by their employers into joining private benefit societies, and have other grievances in connection therewith: And whereas in particular it was so alleged by one Henry McLachlan, of Auckland, in a petition presented by him to the Honourable the Speaker and members of the House of Representatives, in or about the month of July, 1896: And whereas, on the 8th day of October, 1896, the Public Petitions Committee of the said House, when reporting on the said petition, recommended that, as the matters contained therein were of an important nature, the petition should be referred to the Government for favourable consideration:

Now know ye that, in pursuance and exercise of all powers and authorities me enabling in this behalf, and acting by and with the advice and consent of the Executive Council of the Colony of New Zealand, I, James Prendergast, Knight, the Administrator of the Government of the said colony, do hereby appoint you,

WILLIAM JUKES STEWARD,
GEORGE FISHER, and
EDWARD TREGEAR,

to be Commissioners for the purpose of inquiring into the matters set forth in the said petition, and also generally into the working of private benefit societies, the relations existing between employers and their employés in connection with such societies, and the expediency or otherwise of bringing such societies under legislative control.

And for the better enabling you to carry these presents into effect you are hereby authorised and empowered to make and conduct any inquiry hereunder at such places in the colony as you deem expedient, and also to call before you,

and examine on oath or otherwise as may be allowed by law, such persons as you think capable of affording you any information in the premises; and also to call for and examine all such books, documents, papers, or records as you think likely to afford you any information in the premises; and generally to inquire in the premises by all lawful ways and means whatsoever. And, using all diligence, you are hereby required to report to me, under your hands and seals, your opinion resulting from the inquiry hereby directed in respect of the several matters investigated by you under these presents not later than the 1st day of October, 1897, or such extended date as may hereafter be appointed in that behalf. And it is hereby declared that these presents are subject to the provisions of "The Commissioners' Powers Act, 1867," and its amendments; and also that these presents and your powers and functions as Commissioners hereunder shall continue in full force notwithstanding that the inquiry hereby directed may be interrupted from time to time by adjournment.

In witness whereof I have hereto set my hand, and caused these presents to be issued under the seal of the said colony, at Wellington, this 3rd day of May, 1897.

Issued in Council.

(L.S.)

JAMES PRENDERGAST.

REPORT.

To His Excellency Sir James Prendergast, Knight, Administrator of the Government, and Chief Justice of the Colony of New Zealand.

MAY IT PLEASE YOUR EXCELLENCY,—

We, the members of the Commission appointed by your Excellency on the 3rd day of May last for the purpose of inquiring into the matters set forth in the petition of Henry McLaughlan, and generally into the working of private benefit societies, the relations existing between employers and their employes in connection with such societies, and the expediency or otherwise of bringing such societies under legislative control, have the honour to report as follows:—

Your Commissioners assembled at Dunedin on Monday, the 17th May, and, after examining witnesses in that city, proceeded to Christchurch, Wellington, and Auckland, in all of which places the constitution and method of working of various societies coming within the scope of your Excellency's Commission were investigated. Altogether, the evidence of 165 witnesses has been taken, to be found to the report appended.

From inquiries made, your Commissioners arrived at the opinion that it was not necessary for them to visit the smaller centres of population, inasmuch as almost every form of private benefit society is represented in the four chief cities, and there are, indeed, few, if any, existent elsewhere in the colony. Nor would an extended tour have, in your Commissioners' opinion, justified them in incurring the expenditure which it would necessarily have involved, seeing that sufficient data for the report were available at the centres named.

At Dunedin the affairs of eight societies were inquired into, at Christchurch nine, at Wellington seven, and at Auckland six, which your Commissioners believe are all the organizations in those cities coming within the scope of the Commission. These were as follows: At Dunedin—Union Steamship Company's Mutual Benefit Society, McLeod Brothers' (Limited) Employes' Mutual Sick Accident Society, Phoenix Company (Limited) Employes' Sick and Accident Society, Sargood, Son, and Ewen's Boot-factory Yearly Benefit Society, Roslyn Worsted and Woollen Mills Yearly Benefit Society, New Zealand Clothing-factory Relief Fund, *Daily Times* Mutual Provident Society, and Kaitangata Railway and Coal Company's Employes' Friendly Society; at Christchurch—"Zealandia" Boot-factory Employes' Sick Benefit Society, *Lyttelton Times* Sick Fund Society, *Press* Sick Fund, Christchurch Railway Annual Sick Benefit Society, Kaiapoi Clothing-factory Sick and Accident Benefit Society, Christchurch Rail-

way (Addington Workshops) Employés' Sick Benefit Society, Lyttelton Lumpers' and Wharf-labourers' Association, Ward and Company's Employés' Sick Benefit Club, and Kaiapoi Woollen Factory Sick and Accident Benefit Society; at Wellington—Stewart and Company's Workmen's Sick Club, "Palace" Boot-factory Employés' Sick Benefit Society, Bank of New Zealand Officers' Guarantee and Provident Fund, Bank of Australasia Officers' Guarantee and Provident Fund, Bank of New South Wales Officers' Guarantee and Provident Fund, Union Bank of Australia Officers' Guarantee and Provident Fund, and Australian Mutual Provident Society Officers' Provident Fund; at Auckland—Colonial Sugar-refining Company (Limited) Employés' Benefit Society, Colonial Sugar-refining Company (Limited) Employés' Provident Fund, Stitchwell Club, Kauri Timber Company's Employés' Accident Relief Fund, Timber-workers' Accident Relief Fund, and New Zealand Loan and Mercantile Agency Company Officers' Provident Fund.

These societies, numbering thirty in all, and having a membership of 5,366, vary greatly in constitution, benefits, methods, and objects. Membership of employés appears to be (or to have been) in some cases compulsory, but in all other cases purely voluntary. The scale of contributions varies very widely, and the benefits secured are also of a very diverse character, in some cases being limited to provision against accident or sickness only, and confined to the individual member; in others providing medicine, medical attendance for members, or for members and their families, burial allowances for members only, or for members and their wives. In some cases a surrender value is paid to members withdrawing from the society, while in others there is no such provision. In some societies the employers contribute to a large extent, in others to a small extent, and in some have no connection with the society. Again, in some societies the control and management practically rests with the employers, while in others there is no interference with the men, who carry on the society as they please. Further, the societies in one group have a continuous finance, carrying on from year to year, and accumulating funds for investment; while the societies in another group are annually-terminating societies, distributing among members all the surplus funds, less a small fixed reserve to commence the operations for the next twelve months. These last-mentioned societies have in all cases purely voluntary membership, and appear to be working very satisfactorily.

It has been a source of gratification to your Commissioners to find so large an amount of thrift and self-reliance among the industrial classes of the colony. This has its beneficial influence, not only directly on the members of the societies and those dependent upon them, but also is an advantage to the community in that it diminishes appreciably the burden on the general public for hospitals and charitable aid.

Your Commissioners submit that in any legislation affecting private benefit societies special provision should be made for the recognition of the annually-terminating societies and the acceptance of their rules with as little departmental interference as possible. The registration of such societies and their rules, so as to give the latter the force of law, should be effected at a merely nominal charge. Your Commissioners would add that these annually-terminating societies are at once the most valuable and most secure of all private benefit societies.

The permanent societies naturally divide themselves into two groups—namely, those that are financially assisted by employers and those to which no such assistance is afforded. In the former group the highest rate of subsidy on the employers' part is given to the benefit society of the Colonial Sugar-refining Company and the society connected with the works of Messrs. McLeod Brothers, Dunedin, this being at the rate of pound for pound upon the contributions of the employés. The Union Steamship Company and other companies have assisted the societies established in connection with their employés by donations to the funds of such societies in the form of endowments, either by gifts of lump sums or by annual contributions, or both, for fixed periods of years. In return for or on the ground of such contributions it will be observed by the rules of the societies referred to that in some cases the employers have secured

to themselves either the balance of control or a large share in the direction of the societies. In regard to societies so assisted, it becomes necessary to consider whether the contributing employer should be entitled to a share in the government of the society, and, if so, to what extent. A number of witnesses examined object to the employer having any voice at all, under any circumstances whatever; but your Commissioners are of opinion that to refuse legal recognition of any society which provided for a voice in the management by the contributing employer would in many instances absolutely prevent any contribution being made on the employer's part. They therefore think that in the case of assisted or endowed societies provision should be made for the representation of the employer on the governing body, but that in no case should this be permitted to be a preponderating influence—that is to say, they think that assisted or endowed societies should be capable of registration, and that their rules should be accepted, provided always that, no matter how large the contribution of the employer, the balance of representation on the governing body should always be secured to the contributing employés. Secondly, in the matter of investing accumulated funds, your Commissioners are of opinion it should be required by law that all surplus funds—*i.e.*, funds not required for immediate use—should be invested in Government securities—that is to say, debentures, bonds, or Treasury bills issued by or on behalf of the General Government of the colony, under the authority of any Act of the General Assembly; or in the Post-Office Savings-Bank; or in any savings-bank constituted under “The Savings-banks Act, 1858”; or in such other bank or banks in the colony as the Governor may from time to time appoint; or on mortgage on freehold security, subject to the approval of the Government Valuer-in-Chief. Provided always that the obligation to invest in the securities above specified shall apply only to such portion of the surplus funds as shall arise in respect to the contribution of members, and shall not bar the portion which arises in respect to the employers' contribution from being invested either by deposits at interest in the hands of the employer or in shares in the employer's own business, if that is a limited liability company. For example, if the employer contributes a subsidy of 10s. in the pound, then of any surplus to be invested one-half should fall within the requirements as to the securities first mentioned, and the remaining half only should be capable of investment with the employer or in the employer's business, and so in proportion to the amount of the respective contribution of employers and employés.

It is a matter for consideration whether in the case of the larger societies, which provide sick-pay, medical attendance, funeral allowances, and have a surrender value, or any of these, it should or should not be a condition of registration that the scale of contributions is certified as actuarially sound—that is, as sufficient to assure the benefits contemplated; and also whether or not there should be a fixed limit of contributions on the part of any wage-earner—namely, not exceeding a stated maximum percentage of earnings. There can be no doubt that such provisions would be in the nature of useful safeguards against possible evils or abuses; but your Commissioners recognise the difficulty of imposing too many restrictions in regard to societies of this nature, feeling as they do that the effect might probably be the refusal of the societies to take advantage of any Act enabling them to become registered.

As will be gathered from what has been already said, your Commissioners, while of opinion that it is desirable that legislative provision should be made to enable private benefit societies to obtain legal recognition and status, at the same time represent the undesirableness of attempting to impose any conditions of an irksome character involving either undue trouble or expense. In fact, they are of opinion that these organizations are generally of a beneficial character; they should be encouraged, and not impeded by the State; and they fail to see how it would be possible to compel such societies to discontinue operations while unregistered. All that your Commissioners think it possible to effect by legislation is to provide a simple and inexpensive means for securing to such societies as voluntarily take advantage thereof the benefit of obtaining legal recognition as societies coming within the provisions of an easily-understood

measure, and the very registration of which would, therefore, be in the nature of a guarantee that they are organizations of a satisfactory character in which the members may safely put confidence.

In view of the fact that the objections hitherto taken in certain quarters to the existence of these societies are founded largely upon the belief that compulsion is exercised by the employer upon the employé, your Commissioners are pleased to be able to report that the largest of the societies, which in their rules avowedly made membership compulsory, have repealed this rule, and that in only one or two instances do they find the principle of compulsion enforced by rule. Upon the question as to whether it is or is not desirable that there should be power given to such societies to compel all employés to join, your Commissioners have met with wide differences of opinion. On the one hand it has been shown that in the absence of such a provision a part of the employés, in some instances, stand out and thus weaken the power of the society to provide the benefits contemplated; but, this fact notwithstanding, the large preponderance of opinion on the part of witnesses is that it is not desirable to give the power to a majority of employés, however large, to compel the adhesion of the minority. Your Commissioners concur in this view, and may point out that, were it proposed to confer upon a majority of the employés a power of compulsion in respect to the minority, such compulsion could not be exercised without calling in the assistance of the employer—in a word, it would be necessary to give effect to such compulsion *to compel the employer to compel*. This is, on the face of it, an impracticable state of things, since, all the employés being subject to the control of the employer, the latter, if disinclined to concur with the wish of the majority of his workpeople, may elect to discharge those very employés rather than carry out their wish as regards the compulsion of the minority. Your Commissioners, therefore, have to recommend that it be a condition of registration that the rules of the society shall not contain any compulsory provision.

As regards compulsion on the part of the employer, while, as will be seen by the above, only in one or two instances is compulsion provided for by rule (and even in those cases it has been stated in evidence that the rule is not always enforced), yet it is alleged that a species of compulsion is exercised in that the employés are permitted to understand that preference of employment, other things being equal, will be accorded to those who comply with the employer's wish by joining the benefit society. That is a point to which your Commissioners direct special attention. It is one that raises wide issues, and requires very careful consideration, inasmuch as such a state of things would appear to be an interference with the liberty of the subject by the imposition of conditions such as should not attach to any employment. The question of how to provide against the exercise of a choice on the part of employers in favour of employés who are willing to accept such conditions is an exceedingly difficult one, as such a choice is exercised without restraint or hindrance in other directions, as, for example, in regard to the nationality and even religion of the employé; and it is hard to see how a state of things which your Commissioners perceive to be evil can be remedied. They, however, are bound to represent that a large number of witnesses regard the existence of such conditions as a grievance, and there is no matter in connection with the investigations of the Commission upon which there is a more general consensus of opinion that some remedy is needed if it be possible for a remedy to be found.

As one of the matters which came under investigation, your Commissioners have now to refer to certain representations made as to the effect upon registered friendly societies of the existence and operation of private benefit societies. The contention has been advanced that the latter are inimical to the former, and that the result of the existence of the private societies has been to restrict and deplete the membership of the friendly societies, in that members of those societies have left them and ceased to be members because of their being required or persuaded to join the private societies; and, further, that persons who would have become members of the friendly societies were it not for the existence of the private societies have joined the latter. In connection with this branch of the inquiry, your Commissioners report that they find but very

little ground for the objection stated. In a few instances there is justification for the view referred to, but they are bound to say in so few as not to be at all an important factor in the case. They agree in finding that in the main the operations of the private societies are outside, and do not trench upon, those of the ordinary friendly societies, while they are the means of inducing a considerable number of persons to insure. Such persons are generally those who, by reason of disability of age or physical conditions, or by reason of want of appreciation of the necessity of thrift or insurance against the risk of sickness, accident, or death, would otherwise make no provision for such contingencies. It is therefore, they think, unquestionable that the private societies fulfil a useful function, and that they do not clash, except in a very inappreciable degree, with the operations of friendly societies.

Your Commissioners have now to report upon certain provident societies established in connection with banking corporations trading within the colony. As will be seen in another part of their report, nearly all the banks doing business in New Zealand have a fund of this nature, to which the officers are compelled to contribute. Elsewhere the details are supplied, more particularly in the evidence appended to this report. Your Commissioners do not consider that it falls within their functions to make recommendations as regards those institutions the head-quarters of which are not in New Zealand; but, as regards the provident society connected with the Bank of New Zealand, they feel it incumbent upon them to make strong representations. In this bank there is an extraordinary state of things. The provident fund shows a total (in round figures) of £135,000, of which only £25,000 has been contributed by the bank itself, and, allowing £10,000 as accrued interest, there remains a balance of £100,000, which represents enforced deductions from the salaries of officers. Those officers are promised pensions on attaining the age of sixty, but it would appear that these promised allowances have been calculated on a basis of expected interest from investments at the rate of 6 per cent., and that, the value of money having since fallen, that basis is unsound, and that the anticipated pensions must therefore be, and, as a matter of fact, have been already, on this ground reduced. Further, that there is no surrender value attached to this fund, and that therefore, while one employé who has reached the age of sixty may secure his pension (at a reduced figure perhaps, on his retirement, notwithstanding that he may have contributed for only a few years to the fund, another who dies at fifty-nine years of age, and may have contributed many years longer than the former, has no interest whatever to leave to his representatives. Again, since the amalgamation of the Colonial Bank with the Bank of New Zealand another provident fund, which your Commissioners will refer to for convenience as "No. 2 fund," has been established, and officers newly joining the Bank of New Zealand have now the option of joining either the original or the No. 2 fund, the latter having a surrender value, while the former has not. The result has been that, without exception, so far as your Commissioners can ascertain, the new officers have elected to join the No. 2 fund. The effect, accordingly, is that the original fund has no new contributors, while it has, of course, prospectively an increasing number of beneficiaries—a state of things which must necessarily result in the further reduction of the pensions promised. It is quite clear that the large majority of the officers of the bank have no reasonable expectation of participating in the benefits of a fund to which they are compelled to contribute, and it is beyond question that at least 90 per cent. of them regard the present state of things as a grievous injustice, and desire that Parliament should provide some remedy. It is perhaps scarcely necessary for your Commissioners to point out that this particular bank occupies a different position as towards the State to that of any other bank trading in the colony, and they are of opinion it is expedient that the case, being an exceptional one, should be treated as such, and dealt with by special legislation. There are, it appears to your Commissioners, three courses open in dealing with the provident fund of this bank—namely, either—(a) To distribute the existing fund among the contributors, and, if it be decided to continue any provident fund in connection with the bank, to establish such fund on a new basis; or (b) to retain the balance

to the credit of the existing fund as the nucleus of a new provident fund to be established under revised and largely altered conditions ; or (c) that the existing balance be distributed, and no new fund established, the employés being left to make their own arrangements as to provision for their future through the medium of other existing organizations—*i.e.*, organizations not connected with the bank, such as insurance societies, &c.

Your Commissioners leave to the consideration of your Excellency's Advisers as to whether the fund should be absolutely terminated or remodelled ; but, in the event of the first alternative being chosen, they respectfully submit for consideration the suggestion that all who have contributed to the creation of the fund, or, at any rate, all who have so contributed for a period of, say, five years or more, should be entitled to participate in such distribution *pro rata* of their contributions, whether or not such persons be or be not now actually engaged in the service of the bank.

In the event of the reconstitution of the fund, your Commissioners submit that the regulations relating thereto should be largely revised and amended, those at present in operation being manifestly unsatisfactory, and, indeed, unjust. For example, the trustees are now practically, both as regards their *personnel* and their powers, altogether beyond the control of the contributors to the fund, and even the benefits professedly secured to the contributors are liable to reduction, or even withdrawal, at the will of the trustees, subject only to the concurrence of the directors of the bank. A reference to Rule 23 in the deed of settlement will show this to be the case. In any reconstruction of the fund and revision of the rules no such power as this should be accorded to the trustees, and the contributors should certainly be given a freer hand in regard to the selection of the persons in whom the management of the fund is vested.

Taking now the various societies which have formed the subject of their investigation, your Commissioners come first to that which is connected with the Union Steamship Company, known as

The Union Steamship Company of New Zealand (Limited) Mutual Benefit Society.

This is the largest society of the kind existent within the colony. It has a membership of 860, out of a total number of 1,100 employés. The society was established in 1891, the company giving an initial donation of £500 to the fund, and undertaking to contribute for the first five years 20 per cent. per annum on the subscriptions of ordinary members. Membership was at first compulsory as regards employés joining the service after the date of the formation of the society. This rule was subsequently modified by a provision exempting such employés as were in good standing on the books of a registered friendly society. It has been stated by some witnesses that, this exception notwithstanding, men have been required to join who were members of friendly societies, but on the part of the company it was shown that such instances were exceptional, and that circulars had been issued to officers of the fleet enjoining that no compulsion should be exercised as regards members of friendly societies. In May last, in pursuance of an agreement between the Federated Seamen's Union and the Union Steamship Company, the element of compulsion was altogether withdrawn, and membership of the society is, it is understood, henceforth to be purely voluntary. It is not necessary for your Commissioners to set out here the scale of contributions or benefits, as these will be found by reference to a tabulated statement and copy of rules appended to their report. With whatever motive the society may have been established, your Commissioners are of opinion that the existence of this society is of great advantage to the employés of the company, as providing means of support in time of sickness, &c., to men many of whom would probably otherwise have made no provision to meet such contingencies. The subsidy hitherto granted by the company is a liberal one, and enables much larger benefits to be secured by the contributors than would otherwise be possible. Your Commissioners, however, consider that it would be much more satisfactory if the society's funds were vested in trustees not connected with the directorate of the company, and they further think that the representation of the contributors on

the committee of management should be enlarged so as to transfer the balance of power to the members of the society, instead of resting as it now does with the company.

The Colonial Sugar Company's Societies.

There are two societies in connection with the Colonial Sugar-refining Company, which has its head-quarters in Sydney, and which has numerous branches. One of these societies is a sick benefit society, the other a provident fund. The first, the benefit society, is registered in Sydney under the Friendly Societies Act of New South Wales. It has a wide scale of benefits in return for a very moderate subscription, and meets with the general approval of the employés. Membership is purely voluntary. Your Commissioners have no suggestion to offer for the improvement of the rules. The employés' provident fund is on a very different footing. It is registered under an indenture, to which the members subscribe their names, and membership is compulsory as regards the salaried staff, but is stated by rule to be optional as regards all other employés. In view of the allegations of the petition referred to in your Excellency's Commission, it became necessary for your Commissioners to inquire very fully into this point, the petitioner asserting that compulsion is exercised, the above rule notwithstanding, through preference of employment being given to men who are members of the provident society as against those who decline to become members. On the part of the company this is denied; but the evidence of the majority of the witnesses goes to show that there is, at any rate, a belief on their part that such a preference is exercised, at least when it becomes necessary to shorten the number of hands. Always assuming that the rule as to voluntary membership be faithfully given effect to, your Commissioners are of opinion that the fund is a desirable one, and they draw attention to the fact that it is very liberally aided by the company, which gave an original donation of £2,000, and subsidises subscribers' contributions at the rate of pound for pound up to a limit of £3,000 a year. There is also a very liberal surrender value, a contributor for five years or more being entitled on leaving to withdraw the whole of his contributions, and a contributor, if he leave prior to the expiration of five years, to the refund of half his contribution. If he is discharged at any time (except for fraud or dishonesty) he is refunded his contributions in full. The fact, however, that the whole of the accumulated funds is invested with the company is, in your Commissioners' opinion, unsatisfactory, and they think that that moiety of the fund which represents the subscriptions of the employés should be invested in outside securities.

In reference to the petition of Henry McLaughlan, your Commissioners consider that the petitioner's sworn evidence did not sustain the charges made in the petition, as it appears he was not discharged as he alleged, but he himself applied to be discharged, and was allowed to remain on in the company's service so as to be able to claim the amount paid by him for five years into the provident fund. It appears that indirect pressure was brought upon the men to induce them to sign certain petitions against the Private Benefit Societies Bills as they year after year appeared before Parliament, but such action does not really touch the scope of this inquiry, as it was apparently more of a political character than affecting the constitution or administration of either the Sugar Company's benefit societies, and said petitions being signed under the belief that the Bills petitioned against would put an end to both the sick benefit society and the provident fund.

Lyttelton Times Sick Fund Society.

This society is one in regard to which your Commissioners have pleasure in expressing their satisfaction, the regulations placing the entire control in the hands of the members, and membership being purely voluntary. The advantages which the society afford are clearly recognised by the employés of the *Lyttelton Times* Company, as, of a total number of 125 employés, no less than 112 have joined the society, the small remainder being probably either members of registered friendly societies or juvenile employés. At its inception the society received a donation of £100 as a contribution to its funds from the late Hon. W.

Reeves. It originated with the employés, has been framed on excellent lines, and is working most satisfactorily. In addition to providing sick and funeral allowances, this society has a distinguishing feature in that out of its accumulated funds loans of sums of from £1 to £20 are granted to members at 5 per cent. interest, repayable by weekly instalments of 1s. in the pound on the amount of the loan, a rebate of half the interest charged being refunded on repayment of the loan. In some cases loans of £50 and over are granted on similar terms. This branch of the society's operations has proved very advantageous to many of the employés, enabling them to obtain advances on personal security at a rate of interest much lower than they would otherwise have had to pay, even supposing it were possible that the loan could be obtained from any other source. Your Commissioners are of opinion that it would be an advantage that this society should be accorded the status of a registered society, and that the rules as at present in operation should be accepted *in globo*.

New Zealand Clothing-factory Relief Fund.

This society, established in connection with the New Zealand Clothing-factory, in Dunedin, was endowed by Mr. Hallenstein originally with the sum of £100, to which he subsequently added further sums, bringing up the total endowment to £237 10s. The society provides a doctor, medicine, and benevolent grants in cases of sickness or distress. The subscription to secure these benefits is exceedingly small—namely, 1½d. per week. Membership is compulsory, the rule of compulsion being that of the employés themselves. The contributions to the fund are not subsidised by the employer, save by the payment of interest on the original capital fund and on the accrued subscriptions, all of which are deposited with the firm.

Daily Times Mutual Provident Society.

This is a society originating with the employés. The membership is nominally compulsory—that is to say, compulsory membership is provided for by rule—but it does not appear that the rule is in all cases enforced. The society's benefits are sick-pay and funeral allowances, and a part of the fund is banked with the company, which pays 6 per cent. interest. The company takes no part in the management, and pays no subsidy. Generally, the working of the society appears to give satisfaction to the members.

Kaitangata Railway and Coal Company's Employés' Friendly Society.

This also is an organization of which membership is nominally compulsory, but it does not appear that the rule is enforced. The benefits are sick-pay, funeral allowances, medical attendance, and medicine both for members and members' wives, and the subscription 6d. or 3d. per week, according to the status of the employé. The society is managed entirely by the members, and is not interfered with by the company. A noticeable feature of this society is that it includes a number of young persons who would be unable to join ordinary friendly societies, and its popularity is evidenced by the fact that, of a total number of 180 employés, all with the exception of less than a dozen are included in the membership.

“Zealandia” Boot-factory Employés' Sick Benefit Society.

This is a purely voluntary society, having its origin with the employés, its institution being largely traceable to a desire to put an end to the annoyance of frequent subscriptions for the relief of the workpeople incapacitated through sickness, and not provided for through membership of friendly societies. In passing, your Commissioners make the remark that the same impelling cause has been a large factor in the origination of nearly all similar societies. The benefits afforded by the society are sick-pay and funeral allowances for member and wife. The scale of contribution has a maximum of 6d. per week.

Press Sick Fund.

This can scarcely be termed a benefit society, being rather in the nature of a levy on occasion arising for the relief of a sick member. It therefore calls for no further remark.

Lyttelton Lumpers' and Wharf-labourers' Association.

This association provides allowances in cases of accidents, and also funeral grants. It, however, appears not to have been established primarily for this purpose, but rather to secure preference of employment, the society being subsidised by the Canterbury Stevedoring Association, which largely controls its management, and confines employment on the wharves, so far as that association is concerned, to members of the society. Although nominally a voluntary society, the element of compulsion is very clearly present, and a number of men who have declined to become or continue to be members have formed another association, known as the Casual Wharf-labourers' Union, registered under the Conciliation and Arbitration Act. Practically, the opportunity of employment, so far as members of the last-mentioned union are concerned, appears to be restricted to railway-work, unless or except when the amount of work on the wharves is too large to be undertaken by members of the Lumpers' Association.

Bank of Australasia Officers' Provident Fund.

There is a provident fund connected with this bank, but it is administered in London, and no documents are available to show how it is worked. It, however, appears to be on a much more liberal scale as regards the benefits to the officers than that of any other bank trading in the colony. Full pay for three to six months is given in case of sickness, and half-pay for three to six months thereafter. If an officer dies his widow or children receive his pension for five years. The bank subsidises the fund handsomely, and it is stated that the fund and its administration give great satisfaction to the large majority of the officers. No surrender value is provided.

Bank of New South Wales Officers' Provident Fund.

There is a provident fund in connection with this institution, a surplus above £25,000 of the guarantee fund being set apart as the nucleus of a provident fund. The latter provides only for pensions, the bank itself dealing liberally with its officers in case of sickness by paying full salary up to six months. In case of the death of an officer his widow or representative is entitled to his pension for five years. There is no surrender value in the provident fund.

Union Bank of Australia Officers' Provident Fund.

The rate of contribution to this fund on the salaries of officers is stated to be £5. 5s. per centum for the first five years and thereafter $3\frac{1}{2}$ per cent., such contributions covering guarantee also. A pension accrues at fifty-five years of age, and in the case of death after ten years' service the widow is entitled to a pension allowance for five years. There is also in this case no surrender value, a fact that is much complained of in all similar cases.

Australian Mutual Provident Society Officers' Provident Fund.

The provident fund of the officers of this society was established at Sydney with an endowment of £25,000 voted by the policy-holders. The rate of contribution on the part of officers is $2\frac{1}{2}$ per cent. of their salaries, and pensions accrue at the age of sixty, while in the case of officers becoming incapacitated after ten years' service an allowance equal to one month's salary for each year of service is granted. There is no surrender value, and no provision for widows and children.

New Zealand Loan and Mercantile Agency Company's Officers' Provident Fund.

As this fund is now in process of liquidation under an order of the English Court, it is not necessary to further refer to it.

Annually-terminating Societies.

These societies, thirteen in number, are formed very much on the same lines, providing only for sick-pay, or sick-pay and funeral allowances. As they never have any large amount of accumulated funds the question of safeguards as to investments scarcely arises. Elsewhere in this report your Commissioners have stated their views as to the merits of these associations. The societies which have formed the subject of investigation are the following, namely: McLeod Brothers' (Limited) Employés' Mutual Sick and Accident Society, Phoenix Company (Limited), Employés' Sick and Accident Society, Sargood, Son, and Ewen's Boot-factory Yearly Benefit Society, Roslyn Worsted and Woollen Mills Yearly Benefit Society, Christchurch Railway Annual Sick Benefit Society, Kaiapoi Clothing-factory Sick and Accident Benefit Society, Christchurch Railway Employés' Sick Benefit Society, Ward and Company's Employés' Benefit Club, Kaiapoi Woollen Factory Sick and Accident Benefit Society, Stewart and Company's Workmen's Sick Club, "Palace" Boot-factory Employés' Sick Benefit Society, Kauri Timber Company's' Employés' Accident Relief Fund, and Timberworkers' Accident Relief Fund.

In closing their report, your Commissioners desire to express their gratification at the willingness with which officers connected with the various societies have placed all necessary documents and data at the disposal of the Commission. Although in the mass of evidence that has been taken and is appended to this report there are, on some points, contradictory statements, yet on the whole it will not be difficult to arrive at a correct appreciation of the true facts of the case so far as the main issues of the inquiry are concerned.

Your Commissioners desire also to commend the diligence and care with which Mr. J. Gray, the secretary and shorthand-writer to the Commission, has carried out his duties, in the performance of which, during the greater part of the inquiry, he was entirely unassisted. He was consequently required to work very long hours, and on this ground your Commissioners respectfully recommend him to favourable consideration.

They now return to your Excellency the Commission, together with this report and the evidence appended thereto.

In witness whereof they have hereunto set their hands and seals this thirtieth day of July, one thousand eight hundred and ninety-seven.

(L.S.)	EDWARD TREGEAR.
(L.S.)	WM. J. STEWARD.
(L.S.)	GEORGE FISHER.

MINUTES OF EVIDENCE.

DUNEDIN.

TUESDAY, 18TH MAY, 1897.

HENRY WACKELDINE was examined on oath.

1. *The Chairman.*] What is your business?—I am a fireman on s.s. "Waihora."
2. How long have you been in the Union Company's service?—As near as I can tell, nine years.
3. During that time have you belonged to a benefit society?—Yes.
4. What society?—The Druids.
5. Are you a financial member now?—Yes.
6. What is your contribution?—I am not exactly certain, but I think it is either 1s. or 1s. 3d. a week.
7. Can you tell us what benefits you derive through belonging to the Druids—I mean as to sick and death rates and so on?—I get £1 a week if sick.
8. Do you get medical attendance besides for your wife and family?—I do in cases of sickness, and children up to a certain age; but not in regard to confinements.
9. *Mr. Fisher.*] All ailments except confinements?—Yes.
10. *The Chairman.*] Do you get anything at death?—£20 at death.
11. That is a funeral allowance?—Yes.
12. Does your wife get anything?—Nothing except the £20 at my death; in case of the wife dying the member draws £10.
13. Can you tell us what the comparative benefits are in the Union Company's benefit society?—I do not think they are anything different to the other benefit societies. Members get £1 a week, so far as I know.
14. You are speaking now from your belief?—Yes.
15. *Hon. Major Steward.*] Are the benefits—that is to say, the medical attendance and so on—the same all through?—Yes.
16. To the same extent?—Yes.
17. And the funeral allowance to the same extent?—Yes.
18. *The Chairman.*] During these nine years of service you have never been asked by any officer of the Union Company to leave your society and join the Union Company's society?—No; since I have been in the employ of the Union Company I have not been asked to do that once.
19. *Hon. Major Steward.*] That is, you have never been asked by the Union Company?—No.
20. *The Chairman.*] Are you a member of the Union Company's society as well?—No. I asked once to be allowed to join their benefit society.
21. What was the answer?—They told me I would not be allowed to join it because they did not wish to clash with outside friendly societies.
22. *Hon. Major Steward.*] You were refused permission to join it on account of belonging to another society?—Yes.
23. *The Chairman.*] Can you tell us, in your opinion, the reason the Union Company had for starting this society?—No; I have no idea whatever.
24. You had no idea, when the Druids offered equal benefits, why a society for the Union Company's employés was necessary?—No; I did not know any reason for starting that benefit society.
25. You have never heard amongst any of the men belonging to the Union Company's society that they have had pressure put upon them to join?—No; not in any of the boats I have been in.
26. *Hon. Major Steward.*] What boats have you been in during the nine years?—The first ship I was in was the "Arawata"; then the "Te Kapo"; then the "Mararoa"; then the "Wakaitipu"; then the "Rotomahana"; then the "Te Anau"; then the "Manapouri"; and now I am in the "Waihora." I have never heard any complaint made by the men; they never talk about the society's affairs before me.
27. *The Chairman.*] You have never heard that it was a condition of employment in the Union Company's service that the men should join this society?—No.
28. *Mr. Fisher.*] You say that the men belonging to the society on board the Union Company's ships never mention the business of their benefit society in the presence of the men?—They never talk about it—never to me, because I am not in their society, and know nothing about their society.
29. I gathered from what you said that the men belonging to the Union Company's benefit society were careful to refrain from mentioning its affairs?—Not exactly careful; they talk amongst themselves about it. I never take any notice of them because I do not belong to the society.
30. *The Chairman.*] Because you are a Druid?—Yes.
31. *Mr. Fisher.*] Do you know as a fact that men who do not belong to any other friendly society are compelled to join the Union benefit society?—Those not belonging to any other society have to join.

32. That is compulsory?—Yes.

33. *The Chairman.*] Did you ever know of any men belonging to the Druids or any other friendly society who, by their own choice, left to join the Union Company's society?—Not that I am aware of.

34. Do you think you would have known if such had been the case?—Yes; I have never heard anything of the kind spoken about by any members on the boats I have been in.

35. *Hon. Major Steward.*] Are you an officer of your own lodge?—No; I never have time for that. I may be here to-day and not be back again for a month—just according to the running of the boats. I have been a member of the Druids for about twelve or thirteen years.

36. *The Chairman.*] As a member of a benefit society where the men have some control over their funds, you would consider it an advantage to belong to a registered friendly society rather than to one in which the control of the funds is in the hands of private persons?—I do not see much difference. I do not know exactly on what lines the Union Company's society is carried on. I do not know whether it is a registered society; I do not think so.

37. But that is what I am asking you: Do you not consider it a greater advantage belonging to a registered benefit society than to one not registered?—I should think so.

38. Then, if it is an advantage, you think also that a man who leaves a registered friendly society to join a private benefit society would be doing a thing to his own disadvantage?—I should think so.

39. Do you think a man would do a thing voluntarily to his own disadvantage unless some big principle is involved?—I do not think so.

40. Therefore, if a man did leave a registered society to join the Union Company's society he would not do it voluntarily?—I have never heard of any man belonging to a registered friendly society having to join the Union Company's society.

41. *Hon. Major Steward.*] As a matter of fact, if a man did so would he not lose any accrued benefits in his society—for instance, suppose you left the Druids voluntarily, would you be entitled to draw anything in respect to your contributions?—No, nothing.

42. *The Chairman.*] Any surrender value?—I think members of the Union Company's society receive a surrender value.

43. *Hon. Major Steward.*] How did you become acquainted with that when you do not have any conversations with the men?—I was told by a shipmate who left the society that he had drawn his surrender value from the society.

44. *Mr. Fisher.*] Can you please give us the name of that man?—I do not recollect his name; we were shipmates on one of the boats.

45. *Hon. Major Steward.*] You only heard of that one case?—Yes.

46. *Mr. Fisher.*] We are not here to take one-sided evidence?—I am just giving it as far as I know.

47. I should have been glad to have got the name of that man?—I really forget it. I have been shipmates with so many men; we are continually being shifted.

48. Have you ever known of a man in any of the ships who wished to leave the Union Company's society with the object of joining an outside friendly society?—No.

49. Have you ever heard a man express any objection to being compelled to join the Union Company's society?—No.

50. *The Chairman.*] Have you anything else you would like to tell us?—No; I have not.

51. *Mr. Fisher.*] You are aware that it is compulsory upon a man, if not connected with an outside society, that he must join the Union Company's benefit society before he can enter the Union Company's service, or as a condition to obtaining employment. For instance, I will quote these instructions, issued to the purser of the "Grafton" on the 11th May, 1896: "Inform Dorling that unless he joins forthwith, paying as from the 1st April last, instructions will be issued for his dismissal from the service." Have you known of cases where men who did not join the Union Company's society were informed that unless they joined they would be dismissed from the service?—I have not heard of any case in the boats I have been in.

52. *The Chairman.*] Have you ever heard anything as to the point that men of a certain age were not allowed to join the Union Company's society?—Well, I think there is one man I know over a certain age who is not in the Union Company's benefit society.

53. *Hon. Major Steward.*] What is the limit?—I do not know.

54. This man over forty years of age that you refer to could not join the society?—I know he is not in the society, but he is working all the same.

55. *The Chairman.*] Consequently, if a man could not join the society he could not join the Union Company's service?—He is in the service, and is working now on one of the boats.

56. *Mr. Fisher.*] What is his name?—Cumnock.

57. *Hon. Major Steward.*] On what boat?—The "Waihora."

58. *The Chairman.*] Now?—Yes.

WILLIAM DAVIES was examined on oath.

59. *The Chairman.*] What is your occupation?—I am a lamp-trimmer on the "Waihora."

60. How long have you been in the Union Company's service?—Fifteen years in the "Waihora."

61. *Hon. Major Steward.*] All the time in the one boat?—Yes.

62. *The Chairman.*] How long have you been a member of the Union Company's benefit society?—I do not belong to it.

63. Do you belong to any other society?—I belong to the Foresters.

64. What is your contribution to the Foresters?—It comes to about 9s. a quarter; it is 8s. 6d. one quarter and 10s. 6d. the next.

65. *Hon. Major Steward.*] It averages about 9s. 6d. a quarter?—Yes.

66. *The Chairman.*] What benefits do you get in case of sickness?—I get £1 a week and doctor.

67. And, if any member of your family is taken ill, do you get medical attendance?—Yes.

68. *Hon. Major Steward.*] Except confinements of the wife?—Yes.

69. What is the death or funeral allowance in case of yourself or your wife?—£20 in case of myself, and £10 of my wife.

70. That is the same as in the Druids?—Yes.

71. *The Chairman.*] Do you know whether the benefits offered by the Union Company's society are greater, or less, or equal to those enjoyed in the Foresters?—I really cannot tell; I have never read their rules.

72. *Hon. Major Steward.*] In fact, you do not know?—I do not know.

73. *The Chairman.*] Supposing the Union Company's society offers you better advantages than the Foresters, is it not rather to your disadvantage that you have never taken the trouble to learn which is to be preferred? Is it not remarkable that you have not chosen the most beneficial society?—Well, as I was a member of the other society years before the Union Company's society was started I never inquired. I have read a few of their rules, and I saw that as long as I was a financial member of another society I need not join the Union Company's society.

74. *Hon. Major Steward.*] Supposing you had found out that somewhat greater advantages accrued from the Union Company's society—I do not say they do—would that have induced you to desire to change from the society you belong to to the Union Company's society? For instance, you would have been unable to obtain any surrender value or any allowance in respect to your contributions on leaving the Foresters. As a matter of fact, if you left the Foresters now would you be able to draw anything in respect to your contributions?—I do not know. I do not think there is any surrender value, but I do not say so positively.

75. Well, supposing there was no surrender value, you would have forfeited any benefits by leaving to join the other society?—Yes.

76. Have you heard of any pressure being brought to bear upon any man in the service to compel him to join the Union Company's society?—I cannot say that I have.

77. *The Chairman.*] That is, when they belonged to other benefit societies?—Yes; that is all.

78. *Hon. Major Steward.*] Suppose they did not belong to another society, are they required to join then?—I believe they are, for the rules say providing they are financial members of another society they need not join.

79. *The Chairman.*] Has there been any attempt on the part of the Union Company's officers to overlook your Forester's book to see whether you kept up your payments?—They have never looked at any book.

80. Suppose you belonged to the Union Company's service but not to the society, and on going into that service you said you belonged to the Foresters, but in the meantime you do not keep up your financial position, do you think you would still be allowed to remain in the Union Company's service without joining the benefit society? I am trying now to get at the question of overlooking your society books?—If you are not a financial member you cannot remain in the service.

81. But suppose you allow your financial position to lapse, does the Union Company in any way keep you up to the mark by looking to see if you are a financial member of the Foresters?—When the society started they asked what society I belonged to, and the number, and where registered, and if I was a financial member. I gave them the number, and where the society belonged to.

82. How long ago?—About five years ago.

83. At this present moment they do not know of their own knowledge if you are in the Foresters or not?—They have never inquired since.

84. *Hon. Major Steward.*] There is no such thing as a periodical inquiry from year to year to ascertain if men not members of the Union Company's society are keeping themselves in good position as financial members of other societies?—Some pursers, when they take the contributions of the others on the pay table, do not trouble to ask, because they know I am in the Foresters; but any new man who comes will ask the question.

85. A purser, if he was in the ship with you for four or five years, would assume you were keeping up your payments?—Yes.

86. *The Chairman.*] I would like to ask whether you consider, in belonging to the Foresters, a registered friendly society, you are not in a better position than if you belonged to an unregistered society, remembering, of course, that the Foresters have control over their funds and know how their funds are invested. Would you be willing to throw up your share in that registered society and accept equal benefits in an unregistered society?—I do not see why I should leave.

87. You would consider it a disadvantage to a man to throw up his position in a registered society for one over which he has no personal control?—I do not know.

88. You have considered it to your advantage to remain where you are?—Certainly, because I have paid so much into it. There would be no advantage in leaving a society into which you have been paying for years.

89. Then it would be a disadvantage to you to leave your society?—It would be, in a way.

90. *Mr. Fisher.*] Would you think it to your advantage, or would you leave a friendly society in which you have the protection of the Friendly Societies Act, and which therefore is registered, to join an unregistered society over which there is no parliamentary or personal control by the members?—I would rather be in the one that is registered.

91. *The Chairman.*] You consider it a disadvantage to belong to a private benefit society as compared with a registered society?—That is, when you are a member of another society, of course.

92. You do not think a man would do so voluntarily?—I do not think so.

93. *Mr. Fisher.*] Have you heard men on board ship at any time discuss the regulations or the Union Company's benefit society itself?—I cannot say that I have, because I do not belong to the society, and never take any notice of what is going on in connection with it.

94. Are meetings held by members of the benefit society?—Not so far as I know.

95. Are meetings of the members of that society held anywhere else than in Dunedin?—That is more than I know. I do not know if they are held in Wellington or not.

96. *Hon. Major Steward.*] Do you know nothing about the working of the society?—I know nothing about it.

97. *The Chairman.*] Do you know whether the Foresters will take in a person who is over forty years of age?—Well, I really do not know. I read their rules when I joined—that is eighteen years ago—but not since.

98. Suppose the Union Company made it an absolute rule that no man could go into the service unless he joined the benefit society, all men over forty years of age are excluded?—There are some still working in the service who are over forty.

99. *Mr. Fisher.*] Have you heard that there is a great feeling of contentment and satisfaction amongst the men who belong to the Union Company's benefit society?—Well, I never take any notice of what they say so far as the society is concerned. In all cases you find some dissatisfaction.

JOHN AUSTIDE was examined on oath.

100. *The Chairman.*] What is your business?—I am engineers' storekeeper on the "Waihora."

101. How long have you been in the Union Company's service?—Between eight and nine years.

102. Always on the same ship?—I have been about six years and a half in the "Waihora," and about two years and a half in the "Takapuna."

103. Are you a member of any friendly society?—Only the Union Company's benefit society.

104. Were you a member of any friendly society previously?—No.

105. How long have you been a member?—Since the beginning of the society in 1891.

106. Will you tell us what your contribution is?—It is 5s. a month.

107. What benefits do you get?—£1 a week if sick and free doctor and medicine.

108. And for your family also?—Yes.

109. What do you get at death?—£20 I think.

110. If your wife dies do you get anything?—£10.

111. *Mr. Fisher.*] You are supplied with a printed copy of the rules?—Yes.

112. *The Chairman.*] When you joined the society did you go through any medical examination?—Yes.

113. Have you ever heard of any case of any man belonging to the society who was not asked to go through a medical examination?—I do not know, personally.

114. Do you know of any persons working for the Union Company who are not members of this society?—Oh, yes; several.

115. I mean in the ships?—There is one in our ship who does not belong to the Union Company's society.

116. Does he belong to any other society?—Yes.

117. Do you not know of anybody who is allowed to work in the ship unless a member of some benefit society?—I do not—at least, there is an elderly man in our ship who does not belong to the Union Company's benefit society, and I do not think he belongs to any other.

118. Is there any limit of age after which a man cannot be taken into the Union Company's society; if a man is over forty will he be taken in?—I think so.

119. Will you tell us the name of that man who is not in the benefit society?—I do not know if he is in another society or not.

120. Did you ever hear that the society refused any members because there were more members than could find employment?—I have never heard that.

121. Do you know how many members have been rejected from the benefit society through being physically unfit or anything of that sort?—I cannot say how many.

122. How do you contribute towards this society—by means of a book?—Yes.

123. And it is deducted from your pay?—No.

124. Do you hand over the cash?—Yes. If you ask the purser to withdraw your contribution from the pay well and good; or, if not, he pays you in full and you pay the contribution yourself.

125. *Hon. Major Steward.*] It is not compulsorily deducted?—No; mine has never been. I can only answer for myself.

126. Did you ever hear of any man leaving a registered friendly society, like the Druids or Foresters, to join the Union Company's society?—I never heard of such a thing.

127. You would not consider it wise for them to do so?—No; if I belonged to one of them I would not leave it to join the Union Company's society.

128. Is there a man named Cummock working in the service at the present time who has not joined the benefit society?—Yes.

129. *Mr. Fisher.*] What is the proportion—take your own ship—of men who belong to the Union Company's benefit society as compared with other societies?—Well, nearly all belong to the Union Company's society on the firemen's side; all save one or two. As for the sailors, of course I do not know. Neither do I know what societies the men belong to. I only know two men in our department who do not belong to the Union Company's society, and they are Waakeldine and Cummock.

130. *The Chairman.*] If you left the Union Company's service would you get any money from the society?—I believe I would get a surrender value.

131. *Mr. Fisher.*] Do you know of your own knowledge any man who ever got that value?—No.

132. Can you say if all the men who belong to the Union Company's society are contented and are pleased and happy that they joined?—I cannot say; I can only answer that question for myself.

133. Well, are you quite satisfied?—Yes; I am satisfied.

134. *The Chairman.*] In all these years, do you know of any man who left the Union Company's service?—Yes.

135. Have you ever heard if these men got anything out of the society?—Only from hearsay.

136. *Mr. Fisher.*] Did you ever hear amongst men joining the ship of pressure being brought to bear upon them to make them join the Union Company's benefit society?—No.

137. Then, you never heard of anything of this kind: "To purser, 'Grafton.'—Inform Dorling that unless he joins forthwith, paying as from the 1st April last, instructions will be issued for his dismissal from the service." This letter is from the company itself?—It may be in the rules, but I have never gone through them.

138. *Hon. Major Steward.*] Coming to a matter that is within your own knowledge, I think you said you joined the society when it was first established in 1891. Did you join voluntarily, or were you asked to join or pressed to join?—I was asked to join.

139. By whom?—By Mr. Ness, the paymaster for the Union Company, and Mr. Kirby, the shipping agent. We were not altogether pressed to join; but we were all called together into the smoking-room of the ship, and the society's rules and regulations were read. We were told that there was no compulsion in joining the society, but that those who belonged to the society or another society would get the first chance of any job that was going.

140. That preference would be given in employment to persons who did belong to the society?—Yes. If I did not belong to the Union Company's society, and another man did, he would get preference for the job.

141. I understand this: When you were called together they ascertained who were members of other friendly societies, and such members were not compelled to join the Union Company's society?—Yes.

142. *The Chairman.*] Have you ever known a man belonging to another friendly society who left that and joined the Union Company's society?—No.

143. And you do not know of any man who has joined the two at the same time—that is, kept up the Foresters or Druids and the Union Company's society also?—Yes.

144. Then, they saw some advantage in joining the Union Company's society, although they were already members of another society?—I suppose they must have fancied so.

145. Can you at the present moment recollect the name of any such man?—I believe a man named Coleman subscribes to both.

146. What ship is he on?—The "Waihora."

147. *Hon. Major Steward.*] At the time of this interview were the rules read over to you?—I believe they were read in the smoking-room.

148. Can you charge your memory as to whether there was any limit of age at which you could join?—I cannot remember.

149. *The Chairman.*] You were never visited in the fore-castle by the Union Company's agent asking men to join?—Not that I remember.

150. What in your opinion was the reason for the society being instituted; was it purely from a humanitarian motive—done to look after the men?—That I cannot say.

151. The reason I ask that is because there seems no greater benefit than in belonging to the Foresters or Druids, and I wanted to know if the men considered there was some special advantage in belonging to the Union Company's society as compared with other societies?—I do not belong to any other society, and do not know what benefits they give.

152. *Mr. Fisher.*] I suppose if left to yourself you would not have joined any society at all? If you were in America, London, or Liverpool you would go aboard your ship without being asked or expected to join any benefit society?—Quite correct; and there, of course, I was never asked to join any society.

FRANK KARON was examined on oath.

153. *The Chairman.*] What are you?—A fireman on the s.s. "Waihora."

154. How long have you been in the Union Company's service?—Six years.

155. In what boats?—I was first in the "Omapere"; then in the "Maori," at Suva; then the "Taviuni"; then the "Rosamond"; then the "Rotorua"; and lastly the "Waihora." I have been in the "Waihora" about eighteen months.

156. Do you belong to the Union Company's benefit society?—Yes.

157. How long?—Since the very beginning. I joined in the first three months after the society was started.

158. Who asked you to join?—I cannot say I was asked. Circulars went round at the formation of the society urging us to join, and as I did not belong to any society I thought I should belong to this.

159. You joined voluntarily?—Yes; I was not compelled.

160. What inducement was held out to you to join; I mean more than in any other society?—I thought I might become ill some time, and I thought the £1 a week would be beneficial to me, as I was going to get married. I would not join another society.

161. *Mr. Fisher.*] Have you a book of regulations with you?—I have not got them here.

162. *Hon. Major Steward.*] What was your age at the time of joining?—I was thirty-two.

163. *The Chairman.*] You passed a medical examination?—Yes.

164. Did you ever hear of any other man who joined the society without passing the doctor?—No. I know of a case of a man who wanted to join, but could not because he belonged to another society. At first I believe there was some coercion on joining, but not now.

165. *Hon. Major Steward.*] Was it this: that they gave preference in employment to people who were members of their society?—Well, all the members believed so. For my part, I was ashore for five months, and I saw a man who did not belong to the society shipped before me; so in my case it was not that.

166. No preference was shown?—Not in my case.

167. Are you pretty familiar with the rules?—Yes; but there have been some alterations.

168. Can you tell me if there is any limit of age at which a man can join the society?—I do not think there is any limit, but there is a limit in the contributions from fifty to fifty-five; but the rules do not state up to what age.

169. Do you know if a man would be accepted if over forty years of age?—Yes; I am sure of it. I know a man in the “Omapere” who joined at fifty or fifty-five.

170. Does that same rule obtain now—that a person at fifty or fifty-five can join the society? You spoke of alterations in the rules. Has that been altered?—No; but the table in the rules states that from fifty to fifty-five members shall pay a larger subscription.

171. *Mr. Fisher.*] What is your contribution?—My contribution is 5s. a month. Of course, at the time I joined, when I was thirty-two years of age, I contributed 4s., and 6d. for medicine. I got married, and then had to pay 6d. more for wife and family—that is 5s. a month.

172. *The Chairman.*] Have you ever known of a purser going round and inspecting the contributions of the men and seeing that they were marked off in the books? You always paid in cash?—Yes; I always paid cash. On pay-day the purser gives me my £8 and asks me if I contribute to the society. I say “Yes,” and he asks me if I will contribute now, and he marks it off in the book.

173. *Mr. Fisher.*] Do you know when the last meeting of your society was held?—Not very long ago, but I do not know the date.

174. Were you present?—No; I was at sea.

175. Has the Union Company intimated to members of the society, by means of letter or circular, notice of its intention to retire from the active management of the society?—No.

176. Or that the Union Company would retire and make it a purely voluntary association?—I have had no notice of that.

177. *Hon. Major Steward.*] How is the society managed at the present time?—There is a committee, half of which is elected by the crew—by the engine, deck, and stewards’ departments—and the other half is elected by the Union Company. The chairman, I believe, is Mr. Mills, the managing director.

178. How many are there on the committee altogether?—Six on each side.

179. Those elected by the men and those appointed by the company?—Yes.

180. That is the entire body of management?—Yes.

181. It is managed by a committee on which the Union Company has six representatives and the men have six?—Yes.

182. Do you know what would happen if the votes were exactly equal and the views of the men’s representatives differed diametrically from the views of the company?—The Union Company would carry it, because they have a casting-vote. The chairman’s vote would turn the scale in favour of the Union Company.

183. *Mr. Fisher.*] So far as you know, do the seamen’s members of committee give a fair representation to the views of the seamen, including firemen, &c.?—I believe so. These men do their best. I do not say they would push things too far, because their situations depend upon the Union Company. But I think they do their best, so far as they are concerned.

184. But, as you say, in speaking of the members of the committee, they have to keep an eye on their situations too?—Oh, certainly.

185. How are the elections conducted?—So far the elections have been conducted by proxy; but now, according to a new rule, the voting-papers are issued three months before the election, and sent direct through the boats of the Union Company.

186. Then, a voting-paper is sent to each individual?—Yes; it is individual voting.

187. Do you send them back to the Union Company’s office?—Yes.

188. Are the voting-papers opened at the meeting?—I do not think they are opened before reaching the meeting.

189. It is a sort of ballot?—Yes.

190. Have you any idea why the Union Company’s society does not register—why it should not be made the same as the Foresters or Druids?—That is just my grievance. I have nothing to complain about the society if it were registered. I do not know the reason why it is not registered. Of course, we do not see the newspapers, and we cannot overhaul the papers for a month back to see what has been going on.

191. *Hon. Major Steward.*] Are subscribing members of the society supplied with a copy of the balance-sheet half-yearly or yearly?—Yes, at every half-yearly meeting.

192. Is the balance-sheet audited by any officer on behalf of the society?—I cannot say. Of course we do not notice these things, because we are away.

193. You see, if the society were registered the law would compel them to do that?—Yes. So far as I am concerned, I have derived benefits from this society. I have been ill two or three times, and have got sick-money. I cannot complain about the society so far as I am concerned.

194. *The Chairman.*] Still, you consider it a disadvantage that the society is not registered?—I wish it were registered.

195. *Mr. Fisher.*] So far as you know, is there a feeling of contentment and satisfaction amongst the members of this society, and are they pleased at belonging to it?—The men can be divided into two categories—married men and single men. The married men are satisfied with it, and, as for the single men, it is all one to them whether they belong to the society or not. That is my impression.

196. *Hon. Major Steward.*] You think some single men do not see the advantage of making provision for these things?—No; some men have an impression that the Union Company keeps this money in its own hands, and derives the benefit of the interest on the money instead of the society.

197. Some think that the money should be put out at interest, and utilised to the best advantage of the funds?—Yes.

198. *Mr. Fisher.*] Is that one reason why many prefer belonging to a registered society?—I suppose so.

199. Do you know of your own knowledge of any man who, having left the Union Company's service, has received the surrender value of his benefits in the company's society?—I cannot name any man; but I know cases of men who left the company's service and got the surrender value of their contributions.

200. You cannot give any name?—No.

201. But there is no doubt whatever that it is compulsory to join the company's benefit society if you do not belong to another?—Yes, the company expect a man to belong to some society.

202. And compel him to?—Well, so far as I am concerned, I was not compelled. Of course, some men think the opposite way to satisfy their own fancy, and say they have been compelled when there was no compulsion.

203. What do you mean by compulsion?—That a man, if he did not join, would be dismissed from the Union Company's service. Well, when I was ashore for five months I have seen men who did not belong to the society shipped and I still stopped behind. There was no favour in my case; if there had been favour I should have gone before this man.

204. *Hon. Major Steward.*] Then you have seen men taken on, notwithstanding that they did not belong to the benefit society, before men who actually did?—Yes.

205. On the other hand, a man who was in the service and did not join the benefit society and was not a member of any other society would be dismissed?—That is the impression.

206. That seems contradictory?—That is a fact. I can show I have been suspended three months because I was not paying my contributions.

207. *The Chairman.*] As soon as ever you left off paying your contributions you were suspended?—Yes.

208. And you did not get any show for work?—I was promised work. I had to wait; and as soon as I got on a boat I had either to join afresh and pay 10s. entrance-fee or pay the back arrears for five months.

209. Which did you elect to do?—At that time I was suspended three months, and my contributions started again from that time. I was financial all the same, and I would have derived benefits from the society if I had been sick. I paid up two months, and that made me clear.

210. *Hon. Major Steward.*] It was a fine of 10s?—Oh, no; it was the contribution for two months. I was two months in arrears and three months suspended; that made me five months ashore.

211. *The Chairman.*] Why were you ashore?—I left the boat, and then I did not get any work somehow.

212. *Hon. Major Steward.*] Did you leave to go ashore because you wanted to take some other service?—Yes.

213. *Mr. Fisher.*] It is a fact, I suppose, if you belong to the Union Company's society you have preference in regard to employment?—I cannot say that so far as I am concerned.

214. Why were you suspended?—Because I did not contribute during the time I was ashore. I considered it a favour.

215. *Hon. Major Steward.*] If you had not been suspended, as it were, under the regulations of the society, but absolutely struck off the books instead, you would have had to start afresh and pay a higher amount. You were allowed to resume on your old footing from the fact that you had been suspended for three months?—Yes. Of course, I should have had to join at a more advanced age, and the contribution would have been higher.

216. *The Chairman.*] Registered societies very often have a rule providing that when there are surplus funds at any time they should be divided as a bonus amongst the members. Has that been done in the Union Company's society?—No.

217. *Mr. Fisher.*] Is any provision made for a division?—No.

218. What, in your opinion, was the intention of the company in originating this society?—I cannot say. In our regulations it says it is intended to bring about closer relations between the employers and the employés, so that the employés may be more interested in the Union Company's service. But if that is the real reason I do not know.

WILLIAM JOHN COLMAN was examined on oath.

219. *The Chairman.*] What is your business?—I am a fireman on the "Waihora."

220. How long have you been in the Union Company's service?—Six years last May.

221. Do you belong to any friendly society?—Yes; I belong to No. 19, Linden Lodge, Kaikorai, Independent Order of Oddfellows, and have been this last sixteen or seventeen years.

222. You are a full financial member?—Yes; and have been right through.

223. And, of course, you were a member of that lodge before you joined the Union Company's service?—Yes.

224. Were you ever asked to join the Union Company's society?—Yes.

225. Did you refuse to join?—I made an objection because I was already in a friendly society, but they overruled it.

226. *Mr. Fisher.*] What is your contribution to the Union Company's society?—I pay 4s. 9d. a month; and for the Oddfellows I pay 1s. 4d. per week.

227. Do you belong to the two?—Yes.

228. *The Chairman.*] Do you know if there is any limit of age at which a man can join the Union Company's society?—I think so; I have no personal knowledge of it.

229. What is your object in joining both societies; did you think it would be to your benefit to join the Union Company's society as well?—No; I did not think so. In the first place, I was asked to join the Union Company's service as a "blackleg," but I did not see it. So I waited until some favourable opportunity, and I joined the company, but when I joined I was asked to sign a paper that I did not belong to any other union than the Union Company's society. So that is how I joined the Union Company. When I joined the Union Company's service I signed a paper that I did not belong to any union of a nature detrimental to the Union Company, and I have kept that agreement right throughout these six years I have been in their service. I belong to no union whatever.

230. Do you know of any inducement held out to men to join the Union Company's society?—No; I have not the slightest idea.

231. You have never heard, yourself, of any such argument as this: that if you did not join the society you could not get work from the Union Company?—Yes, I have; but you must put it this way: You want employment; well, if you did not join the benefit society the chances were you would not get a job. It was not a threat, but it was an understood affair. But it was not carried out in my case.

232. Because you did join the society?—Oh, certainly; at once. I said I would join the society as it only meant 5s. a month. If I was sick they would give preference to somebody else.

233. You are perfectly certain they knew you did belong to the Oddfellows?—Well, I cannot exactly substantiate the fact. I told them I was, but I did not show them any books or anything of that kind.

234. Do you know of any man in the Union Company's service who, having formerly belonged to a friendly society, relinquished that society on purpose to join the Union Company's society, seeing that the advantages are equal?—I do not know one case. It might have been, but it did not come under my notice.

235. *Mr. Fisher.*] Have you the printed rules and regulations of the Union Company's society?—Yes; we have them in our books.

236. Is each man supplied with a printed copy of the rules?—Yes.

237. If he does not take care of them—if he loses them it is his own fault?—Yes; but they do not lose them.

238. Do the rules or regulations provide that when a man leaves the Union Company's service he receives what might be called the surrender value of the money he has paid in?—That is a long question; I will answer it to the best of my ability. In the first place, if a man wants to leave the service I do not think he will be so hasty as to demand his surrender value at once. There are two reasons for that. In the first place, he does not get an equivalent for the money he has paid in, and, in the second place, you have to state what the grievance has been, and why you have been "sacked," and why you are leaving the society.

239. That is a condition first of all?—Yes; it all stands on that.

240. A man leaving the society, if he has been discharged for some fault, would not be considered on the same footing as a man who left of his own free will?—Undoubtedly not; there must be some fault or fault-finding if you would curtail the bonuses or benefits. If a man leaves of his own free will to better himself or go ashore I think he should be paid one-third, which is provided, two-thirds being for expenses; that is to say, if you are benefited £3, you only get £1.

241. But the point is this: Suppose a man says, "I wish to leave the service of this company. I may have had a difference with the company or with its officers, and there may be a little feeling between myself and the boss." Is it then the latter's prerogative to say whether that man shall receive his surrender value or not?—I do not think so. The benefits belong to the men themselves. So far as my knowledge goes, we are a body collected together, and we say we will make certain rules and regulations, and contribute so much, and distribute so much. There is no one else other than the men we appoint ourselves, such as the president or vice-president. We all contribute alike, and we all get alike.

242. I wish to know what happens in case of a difference. Suppose you say, "I wish to leave the service of the company," is it then within your right to demand your one-third surrender value?—Yes, I think so.

243. Are you paid it if you demand it in any case?—I think that is a case of law.

244. Then the right is not clear?—I do not think so; you might demand it and I might demand it, but the trouble is, we have not the deciding of the matter.

245. *The Chairman.*] Suppose, for instance, a man in the Union Company's service was mutinous, or otherwise misbehaved himself, the company could punish the man by discharging him? I am not speaking of the benefit society but of the company. They could not carry the matter further; they have no means of interfering in the friendly societies, so that they have no power to make his friendly society punish him also?—They have none whatever.

246. *Mr. Fisher.*] Have the men, in the event of leaving the service through a difference with their employers, the undoubted—the indubitable—right to claim their surrender value or whatever you call it before leaving the service?—So far as I know, that has been the rule; the men have claimed their surrender value, and have got it.

247. *Hon. Major Steward.*] Notwithstanding they were discharged?—It does not matter two pins. In fact, I think it is a good thing for young fellows to join some society, because they do not belong to any other society; and it is better to join one where they get £1 a week when they are off work sick. We all know the company is bound to supply a man with physic at any port he goes into; but, apart from that, I believe the company always has been liberal enough to supply a man with pay, and do other things for his comfort.

248. *Mr. Fisher.*] You belong to both a friendly society and the Union Company's society. Now, in regard to this compulsory joining of the society, is there or is there not any feeling of discontent amongst the men on board the ships because of being compelled to join the Union Company's benefit society?—I do not think there is just now; but there was at one time, to the best of my knowledge.

249. Now, have you ever heard by word of mouth from anybody on board your ship, or by letter or by circular, of the intention of the Union Company to abandon all part in the management of the benefit society, and leave it to the men entirely?—I have not heard anything about it.

250. *Hon. Major Steward.*] Have you ever received any intimation, either verbal or written, to the effect that, either from now or from a very near date, the rule as to its being compulsory to join this society will be done away with altogether, and that the matter will be left purely optional?—No; neither written nor otherwise. I did at one time try to get out of it.

251. *Mr. Fisher.*] I ask this question for this reason: that this morning the Commission was informed that was the intention of the Union Company—to leave the entire management to the seamen themselves. In case we may have misunderstood what was said this morning, there is this statement in the newspaper (although we should not take any notice of what appears in the Press, because it is not official)—Have you received the intimation, by word of mouth, circular, or letter, that “the company has intimated its intention of doing at the end of September that which all along it expressed its intention to do—retire from all participation in the management as soon as the society could go alone, and make it then a purely voluntary association like any other friendly society”? You say you have heard nothing to that effect?—I have heard nothing.

252. The previous witness said the same thing?—I have not heard anything of it.

253. *The Chairman.*] When you are paying your monthly subscription to the Union Company's society do you pay it in cash?—I pay it in cash to the purser.

254. He never marks it off in the books?—Certainly not. You pay it across the counter. I have been in the habit always of doing that.

255. When you joined the society did you go through any medical examination?—Yes.

256. You never heard of any man being admitted without that medical examination?—Not that I am aware of.

257. Did you ever hear complaints amongst the men, especially the single men, about their having to join this society at all?—Certainly I have.

258. Now, you are a very good witness for us, because you belong to both sides, and, consequently, can be expected to give a fair answer to this question. I want to know whether you consider an unregistered society like the Union Company's society occupies as good a position as a registered society, like the Oddfellows, for instance?—No; I do not think so. That is my humble opinion.

259. Then, if an unregistered society is of less advantage to a man, according to your opinion, than a registered one, a man who was compelled to join one of the former societies would be put at a disadvantage?—I would put it this way: Say you receive two guineas a week. Well, you can afford to join the Oddfellows' society, for instance, to which you would pay 5s. per month. Then, if you were asked to join another society in order to get employment that would mean 10s. a month, and you would derive no more benefit. You would think 10s. a greater hardship than 5s.

260. Of course, you did not join quite voluntarily; you joined because you want work?—It is this way: In this case I did belong to the Oddfellows, and I belonged also to the A.M.P. Society. I stated my case before Mr. Ness and Mr. Kirby, and they said, “You had better join the company's society.” Well, I thought, myself, it will be another £1 a week in case I am sick or incapacitated, and I said, “Well, it does not matter; it is only 5s. a month more, and it is like paying it into the bank—laying up a store for possible accidents—and £2 a week and doctor's attendance would be very good.”

261. *Hon. Major Steward.*] Do you know if there is any limit of age?—I think so.

262. I mean as regards the Union Company's society; do they take in all their employés irrespective of their age?—I do not think so. There is a chap called Cummock; they would not take him; of course, he is too old.

263. *Mr. Fisher.*] The difficulty we have in dealing with witnesses is this: All you men come here, as we believe, with the desire to give the Commission the best information you can, but even having that desire you make contradictory statements to us—all in good faith, no doubt. One witness says he has never known of pressure being brought to bear to compel men to join the benefit society; you say you objected to join but were overruled?—That is correct; if I had liberty to speak, perhaps I could enlighten you and show that that man's statement was not what you would call accurate.

264. *Hon. Major Steward.* It may be pointed out that the statement of the witness does not contradict the previous statement. He merely says he is not aware of it.

Witness: That is so.

265. *Mr. Fisher.*] I understand you to say this: that there is, for a reason, a difficulty in getting accurate information from you men?—I do not think so.

266. Am I right in supposing that there is a difficulty in getting accurate information on these questions?—Not that I am aware of.

267. How is it you men differ?—That is easily said; you take one view of a thing and another gentleman takes a different view of it. If you take my evidence right through you will see I have told the truth right through. This man might say what he likes, but what I have told you is the whole truth. When I am answering a question I cannot help but tell the truth.

268. *The Chairman.*] You remember the formation of the society?—I do; thoroughly.

269. Do you know the reason why the society was instituted; was it just to help the seamen?—I cannot tell you the reason.

270. What I mean is, when there were so many societies already in existence—and this benefit society does not seem to offer any particular benefits beyond the other societies—what was the reason for starting a new one?—I have not the slightest idea.

271. Can you tell us the names of any other members of friendly societies who also belong to the Union Company's benefit society, either a man who belonged to a friendly society and left it to go to the Union Company's society or men who have kept up their payments to a friendly society and joined the other too, like yourself?—Wackeldine is supposed to belong to the Foresters.

272. But he does not belong to the Union Company's society?—No; because he was a member of another society.

273. *Hon. Major Steward.*] On the other hand, they refused to allow you to take advantage of your membership of another society?—There is a different rule now. There is a lot of difference.

274. The rule now is that any member of a friendly society is not required to join the company's society?—Yes; but six years ago it was a different thing altogether.

275. *Mr. Fisher.*] You do not occupy any office in the Union Company's benefit society?—No.

276. Who represents you on the Board, or whatever it may be called?—Well, there are supposed to be six out of the Union Company's boats to represent us, and there are supposed to be seven of the Union Company's officials to represent the company, making a committee of thirteen. I do not know what number makes a quorum, but I know this much: that the treasurer, secretary, chairman, and auditor all belong to the Union Company. We have a very infinitesimal representation on that Board. Mind, I am not telling you it is really a fact, because I am not positive, but it is very near it.

277. But you can tell me, so far as you are able to judge, do your members fairly represent the views of the seamen on that Board?—Well, that is a very momentous question to answer, because I am not in a position altogether to be Judge and jury on that affair. I would not care about passing a verdict on that; it is a very delicate thing. It does not matter what I think, but I would not be warranted in saying we had not fair representation.

278. *The Chairman.*] You mean that the sailors or firemen would be overawed?—No; I would not take it upon myself to say so.

279. But you think so?—It does not matter what I think; I would not say so.

Mr. Fisher: You see that is our difficulty.

Witness: I might answer for myself individually, but if you look at the thirteen men collectively it is a different thing altogether.

Mr. Fisher: You see we want to get at, if we can, your real opinion. If you will not give us your real opinion we cannot help it; the fault is not ours.

280. *Hon. Major Steward.*] Suppose we put the question this way: Are you satisfied with the representation you have on the committee of management?—Yes; I think so. I am thoroughly satisfied personally, but collectively—that is a different question.

281. *Mr. Fisher.*] Suppose some crucial, some difficult question were to arise on that Board, whose views do you think would be predominant? Do you think you would get a fair decision from your six and the seven who represent the interests of the Union Company only? How do you think some difficult point affecting the interests of the men as against the interests of the Union Company would be determined? It is a difficult question to answer for two reasons. In the first place, these men depend upon the Union Company for their job, and if they do not go in favour of the Union Company it is only a question of time whether they will remain there or not.

282. *The Chairman.*] You see, we look at it entirely from this point of view: Suppose there are thirteen men on the Oddfellows' committee, and the point under discussion is in reference to the investment of funds. Now, in the Union Company's society there are thirteen committeemen: Would you have the same confidence in the unbiassed opinion of the thirteen of the Union society as in the thirteen of the Oddfellows' committee?—No; I would not.

283. *Hon. Major Steward.*] The reason being, as I understand, that they have of necessity to regard their own positions as servants of the Union Company as well as the merits of the question at issue. There are two things to be looked at. If I ask you a question it might turn a different way when you answered it. I am trying to tell you as near as I possibly can the straight thing as far as I know myself.

284. Can I put the question in another way: Is the committee as at present constituted in a position to give an unbiassed judgment?—I would think so. I do not see why they should not.

285. *The Chairman.*] Do you not think it would be an advantage if the society were registered?—I think it would be better. I do not see anything wrong with the society; but if it was registered I would be satisfied. Thousands of young men who do not belong to any society appreciate the chance of joining our society.

KENNETH McLEAN was examined on oath.

286. *The Chairman.*] What is your business?—I am a sailor on s.s. "Waihora."

287. How long have you been in the Union Company's service?—About four years.

288. When you entered the Union Company's service did you join the society?—I was given a card to go and see the doctor, and got passed.

289. You were told that this was absolutely necessary—that you could not enter the service unless you joined the society?—I was not told that. The mate gave me the card to go and see the doctor with four others.

290. You understood you had to go?—Oh, yes; we were all in it.

291. You have kept up your payments until now?—Yes; they take it every month regularly.

292. How do you make these payments?—It is kept off. Some pursers give us the full amount of our wages and let us pay them, and in other cases they deduct the contributions and pay us the balance.

293. Some pursers pay the wages in full and leave it to the men to pay their contributions, and others deduct the instalment and pay the balance to the men?—Yes.

294. *Mr. Fisher.*] You do not belong to any other benefit society?—Not now.

295. When you joined, what was said to you about the benefit society?—All that was said was a card was handed over to me to see the doctor, and I knew what that meant.

296. When you passed the doctor you joined the service?—Oh, I was in the service before that.

297. Then, you were in the service before you were told to go and see the doctor?—Yes.

298. You quite understood that when you passed the doctor you would have to pay these instalments?—Yes.

299. Have all the men who join the society to pass the doctor?—Yes.

300. Is pressure put upon men to make them join the benefit society?—Well, all who belong to other societies need not join.

301. So that in cases of men who do not belong to other societies pressure is put upon them to join the Union Company's society?—I do not know now. At one time I knew of men who had to leave the service because they did not belong to it.

302. That is not the case now?—I do not think so.

303. *Hon. Major Steward.*] They give preference to members of their own society in the matter of employment?—Yes.

304. *Mr. Fisher.*] Is there any feeling of objection on the part of the men about being compelled to join?—Yes; many think so, although the married men are satisfied.

305. *The Chairman.*] You mean the single men do not like it?—Yes.

306. *Mr. Fisher.*] You say that nearly all the men, except some of the married men, object to the compulsory membership of the society?—They do not care about it.

307. Therefore they do object?—They do not object to it altogether.

308. Do they know there will be a consequence if they do not join?—I dare say there is that feeling amongst them; I can understand they do not half like it.

309. But they accept the joining of the service with the joining of the society because they know they have to?—Yes.

310. *Hon. Major Steward.*] Have you recently received any intimation from the company or the society to the effect that they are going to give up making this a compulsory thing, and leave it to your own free will; have you been told that?—I am not aware of it.

311. *Mr. Fisher.*] You are a member of the society; have you received any intimation by word of mouth, by letter, or circular to the effect that the Union Company intend to abandon the management and leave it to the seamen?—I do not recollect.

312. If you cannot tell us, you being a member of the benefit society, who can?—I cannot answer that question.

313. It is very clear you never received any intimation to that effect. It appears to me very strange that a newspaper should have received the information and you, a member of the society, tell us you have not?—We get a report every six months.

314. I suppose some of the men read it?—As a rule they all do.

315. Are you aware of any member of a friendly society having to leave his lodge in order to join the Union Company's society?—I cannot answer that question.

JAMES CUMMOCK was examined on oath.

316. *The Chairman.*] What is your business?—I am a fireman on the s.s. "Waihora."

317. How old are you?—Fifty-two years.

318. How long have you been in the Union Company's service?—About fourteen years.

319. Do you belong to the Union Company's benefit society?—No.

319A. Can you tell us the reason why you do not belong?—Yes; altogether I was six months in arrears in my payments to the benefit society. I was idle for about six months, and when I got into another boat again they told me I was too old to rejoin, but that I was just to work away.

320. *Hon. Major Steward.*] Then, you had been a member of the society?—Yes; I was a member from the 1st June, 1891, till three years ago.

321. *The Chairman.*] How long altogether?—About two years and a half.

322. When out of employment was it because you had been discharged, or what?—No; I lost my passage in the "Waihora" in Melbourne. Then I got back into the same boat.

323. You wanted to rejoin but they would not let you?—Yes.

324. *Hon. Major Steward.*] What is the limit of age?—Fifty.

325. *The Chairman.*] Was there a time when thirty-eight years was the limit?—I cannot say.

326. *Mr. Fisher.*] You are not a member of the benefit society, therefore you have not a copy of their rules and regulations?—No.

327. *Hon. Major Steward.*] Did you ever receive any payment as a refund on account of what you had paid in?—No; not one payment.

328. *The Chairman.*] Has the company, out of kindness to you, made an exception in taking you back into their service while not allowing you to rejoin the benefit society?—Yes, I think so. I think they made an exception of me through kindness.

328A. You do not know of any other person who is in your position—namely, who is allowed to work in the service although not a member of the benefit society?—No; I do not pay any attention to others.

JAMES ROBERTSON was examined on oath.

328B. *The Chairman.*] What is your business?—I am a seaman on s.s. "Waihora."

329. How long have you been in the Union Company's service?—A little over six years.

330. And you belong to the Union Company's benefit society?—Yes.

331. You were already in the service when the society started?—Yes.

332. How were you induced to join; did they tell you it was compulsory?—Most of the men on board joined at the time, and I joined voluntarily with the crowd of them.

333. Do you belong to any other society?—No.

334. Did you ever belong to any other society?—No.

335. *Mr. Fisher.*] What is the amount of your contribution?—It is 5s. 6d. a month; I used to contribute 5s. a short time back.

336. *The Chairman.*] You are not one of the committee?—No.

337. Do you think that the society is properly represented in the six who represent the seamen and the seven who represent the Union Company; do you think their position as servants of the Union Company would influence them in regard to coming to a decision?—It might do so.

338. *Mr. Fisher.*] I suppose you do not take much interest in the society one way or the other?—There is only one of my family who will benefit by it.

339. Still, there is a feeling of security to yourself?—Yes, of course.

340. I suppose you are more satisfied with constant, steady employment?—That is the main thing.

341. *Hon. Major Steward.*] Membership of the society has been a condition of employment up till lately?—Yes; of course I always understood you would get preference. You are employed by the Union Company, and they prefer to have men who are insured in their society.

342. *Mr. Fisher.*] I should take it that you have no complaint to make on your own account?—No.

343. *The Chairman.*] Do you think the feeling of satisfaction in reference to the society is general amongst the crews?—I dare say amongst the married men; I do not know amongst the single men. There are some of the latter who are not very well satisfied with it.

344. *Hon. Major Steward.*] Have you ever received any intimation recently to the effect that the company was going to retire from the active management of the society, and leave the entire management to the representatives elected by the men?—I do not recollect getting any information from the Union Company to that effect. I have heard remarks of something to that effect.

345. *Mr. Fisher.*] Not remarks, Mr. Robertson. You are a member of the benefit society, and therefore entitled to receive any circulars or letters sent to each member of the society. Have you received any to the effect that the Union Company intends to retire from the management of the benefit society and leave the whole management to the seamen?—I cannot be sure of that.

346. Would you know if you got a circular or letter or some official intimation by word of mouth from any person?—I would not be sure. I do not say there was not a circular, but I am not sure of it.

347. Here is a statement made by a gentleman who is the leading manager of the Union Company. He said, "The Union Company intended to retire from the management of the society and leave it to the seamen, firemen, and others?—I do not think that I have had any letter.

348. This statement has gone forth to the public through the newspapers: "The Union Company has intimated its intention of doing at the end of September that which it has all along expressed its intention to do—retire from all participation in the management as soon as the society could go alone, and make it then a purely voluntary association, like any other friendly society." That is the impression conveyed to the general public, and therefore, as one member of the Commission, I wish to be particular in asking you if you have received in any form whatever an official intimation to that effect—surely you know if you have received any letter or circular?—Not lately; I do not recollect having received anything of that sort.

349. *The Chairman.*] Suppose you belonged to a friendly society, and you had power, as a member of every friendly society has, to know how the funds are invested, would you regard these funds as properly invested as if they were entirely under the control of the Union Company—are your funds under the control of the Union Company, or are they invested as other funds?—Well, I have seen a statement made that they are invested in other things.

350. Some of these small benefit societies' funds are held by the employers, and in the case of such an extraordinary thing as a failure happening to a mercantile company such as the Union Company the funds would be lost, and the men would get nothing for themselves. I am only asking you whether these trust funds of the society to which you belong are invested, or if they are just lodged in the bank in the name of the Union Company?—I do not know.

351. *Mr. Fisher.*] They are not in your name?—No.

352. Do you see any objection, so far as you know, to the society being registered?—I think it ought to be.

353. That is to say, cease to be a private benefit society and become a registered society?—That is so.

354. *Hon. Major Steward.*] Did you receive any intimation recently—within the last few days—to the effect that the Union Company were going to make membership entirely optional on the part of the men?—No, not lately. It was generally supposed to be optional, but we understood that those who joined would get the preference in the matter of employment. We were not forced to join the society.

WEDNESDAY, 19TH MAY, 1897.

ALEXANDER BRACEGIRDLE was examined on oath.

1. *The Chairman.*] What is your business?—I am a seaman on the “Te Anau.”
2. You are a member of the Union Company’s benefit society?—Yes.
3. Will you tell us what reason there was for allowing you to stay ashore?—I had been given to understand this Commission was appointed to see whether it was advisable that the society should be registered or not, and in the interests of the society and in my own I think it would be inadvisable that it should be registered.
4. I was not asking that. I was asking why you stayed ashore—was it at your own wish or at the wish of the Union Company?—I left at my own wish. I was asked if I wished to give evidence, and I said I did.
5. *Mr. Fisher.*] Who asked you if you wished to give evidence?—One of the committee. I take it he was representing the whole of the committee.
6. *The Chairman.*] Then, am I to understand you have to sacrifice your pay while ashore?—No, sir.
7. Are we to understand, Mr. Bracegirdle, that it is really with the wish of your superiors that you stay ashore?—No, I do not think so.
8. Do your superiors allow you to stay ashore whenever you like?—Oh, no.
9. Well, then, it is with the consent or desire of your superiors that you stayed ashore?—With their consent.
10. *Hon. Major Steward.*] On the usual pay?—On my usual pay.
11. Is there no additional allowance in consequence of your having to remain ashore?—Yes; I get my board.
12. They pay you also board money?—Yes, just the same as if I was at sea.
13. *Mr. Fisher.*] But, in addition to their request, do you appear also by your own wish or desire?—I do not appear by the wish of the company; it is my own wish.
14. Who pays for your detention while you are away from the ship—who pays your wages?—I take it the company will pay my wages, and the society my board.
15. *Hon. Major Steward.*] What is the amount of board allowance?—£1 or £1 5s. a week, but I am not sure which.
16. *The Chairman.*] Will you tell us what particular position you hold with the society that both the company in paying your wages and the society in paying your board wish you particularly to give evidence that might be supplied by the ordinary committee?—I hold no position in the society, except that I am a full paying member, but I take an active interest in the working of the society.
17. Is the “Te Anau” now in port?—No; I think she is in Lyttelton.
18. She has not returned since you have been ashore?—Yes; the “Te Anau” has been here once. She is here every week.
19. *Hon. Major Steward.*] When did you leave her for this purpose?—I left her on Friday week.
20. *Mr. Fisher.*] The point, I take it, is this: Are you in a position to give evidence that could not have been given on the one side by the seamen themselves and on the other by the committee or the officers of the society?—Well, I could not answer that question very well. I have only come here to speak of my own experience of the society, and what I think of it. I do not come here to favour the society or the company one way or the other.
21. *The Chairman.*] Will you inform the Commission what reason there is for your not having left the vessel the last time she was here, as you knew the date the Commission was to sit?—We did not know the date the Commission was to sit; that was the reason I left her.
22. How long have you been in the company’s service?—I think three or four years—about four years.
23. Have you been all that time a member of the society?—I have been a member of the society about three years and a half.
24. Who asked you to join the society?—Mr. Kirby, the shipping agent.
25. Did he hold out any inducements to you to join the society?—No.
26. Did he tell you it was compulsory?—He said if I did not belong to any other society I would have to join this one.
27. That is to say, unless you joined the Union Company’s society you could not join the Union Company’s service?—I did not take it as that. He asked me if I was a member of any other society, and I said No, I had never been a member of any benefit society in my life; and he said I must join this society.
28. Well, unless you joined the Union Company’s society you could not join the Union Company’s service?—I would not say that.
29. What do you understand would have been the result if you had said you could not join the society?—I refused to join at that time. I told Mr. Kirby I did not belong to any society, and did not wish to belong to any.
30. Then, on not joining the society did you receive any work from the Union Company?—Yes; constant work. I joined the society about six months afterwards.
31. What had occurred in the meantime to alter your opinion?—I inquired into the workings of the society, and what its objects were.
32. Are you a married man?—Yes.
33. Were you married at that time?—No; I was single then.
34. You positively affirm there was no pressure put on you to make you join the society?—Yes; there was no pressure whatever.

35. *Mr. Fisher.*] Can you say of your own knowledge whether pressure has been brought to bear upon any other employés in the company's service to join the society?—I would not say for certain. I believe there has been, but I would not swear to it.

36. *The Chairman.*] The compulsion you speak of is that if they did not care to join the society they could not get work?—I would not say what the alternative is. I have heard lots of talk about it, but there is nothing of my own personal knowledge I could swear to.

37. Did you ever hear of any man who belonged to any friendly society such as the Druids or the Foresters leaving such society to join the Union Company's society?—I do not remember any case.

38. Do you know of any man who belongs to the two societies—the Union Company's and a friendly society?—Yes.

39. Can you give the names of any men?—I cannot give the names. I know them by sight, but I cannot remember names. I have a bad memory for names; not that I fear to bring any names before the Commission.

40. All we should want with such names would be to ask the men to attend and give evidence?—Yes.

41. *Mr. Fisher.*] You said you inquired what the objects of the society were. What, in your opinion, was the object of the company in forming the society?—That I cannot say. It was formed years before I joined the company. I think the real idea was that it was to be a benefit to the men, but there may have been something else at the back of it which I cannot say.

42. *The Chairman.*] How is your subscription paid?—Monthly.

43. You draw your pay from the purser and then pay your contribution back to him?—Yes; and in boats that do not carry a purser the chief officer is paid.

44. *Mr. Fisher.*] You say you have known of cases which did not come within your own knowledge where pressure was brought to bear to get men to join the society?—I have not said so. I have said I have heard of them, but did not know of them personally.

45. You do not know of them of your own personal knowledge?—Only from what I have heard. The single men have told me at times that pressure was brought to bear on them, but when I asked them to give me a statement in writing to that effect, and offered to bring the matter up and see it through, they would not go any further. They always refused to carry the matter to a head.

46. Well, do you believe, so far as your belief will carry you, that there was justification in the mind of those men for the complaint?—Well, I would not like to swear to it; I can only take the men's word.

47. *Hon. Major Steward.*] All you know about it is what you have been told?—Yes.

48. *The Chairman.*] Can you tell us why the men came to you, and why you said you would endeavour to have the matter put right?—Yes. I have taken an active interest in the society, and have been at some of their meetings, and have moved that certain rules be altered.

49. *Mr. Fisher.*] Did you ever know of a case like this: The men on one ship being all called into the smoking-room and the society's rules and regulations read out to them, and being told they must join?—Not within my own knowledge, but I heard of that from one of the men. He was a member of that boat—I think the "Mararoa." It seems he was one of the members of the crew at the time. That was the first I ever heard of it. That was about three months ago.

50. But surely you must have some general idea of specific instances where pressure, coercion, or influence was used in regard to the company's men to compel them to join the society? Have you any general idea as to that?—No; I could not say for certain. It might be in other cases; it is not so in mine.

51. Surely you have a general idea?—It is simply this: I am on my oath, and if I tell you what the men tell me it might be the truth or it might not, and I would not consider that fair evidence.

52. Then, so far as you know, the society might have been established from purely humanitarian motives?—Yes; I take it to be that now, since I have taken a more active interest in the society.

53. Then, do you not think it very unkind on the part of the Union Company, if that society was established from purely humanitarian motives, for Mr. McLean to have said to this Commission yesterday that after the 30th September next no influence or pressure would be put upon the men to make them join the society?—Well, perhaps Mr. McLean knows whether pressure has been brought or not. It has never been brought to my direct knowledge. I do not consider that Mr. McLean ought to be believed before any other man.

54. Is it your opinion at this present moment that men can join or not as they please?—My own opinion is that with any new members joining the company it is optional with them whether they join the society or not.

55. I only wish to ask the further question on that point because Mr. McLean said it was not so?—I take it from the papers that he refers to the concessions granted to the Seamen's Union.

56. This report (meaning the report of the sixth annual meeting of the Union Steamship Company of New Zealand (Limited) Mutual Benefit Society, a copy of which in leaflet form had been obtained from the Union Steamship Company for the information of the Commissioners)—I expect you have seen it—tells us that the membership of the society is now 860. Can you supply us with the additional information as to how many men there are in the fleet?—No.

57. Are you a member of the Seamen's Union?—I decline to answer that question. I do not think I should be asked it, and I strongly object to answer.

58. Have you received any official intimation either by word of mouth, by letter, or by circular of the intention of the company to withdraw from any share in the control of the society after September next?—None.

59. Have you any opinion as to whether it would be advantageous or otherwise for the society to register under the Friendly Societies Act?—My opinion is that the society would have a better standing financially unregistered than it would have registered.

60. At all events, if you decline to say whether you are a member of the Seamen's Union or not, there is no harm in asking whether you are at all familiar with the terms of the Shipping and Seamen's Act?—I am pretty well acquainted with the Act. I possess a copy of it, and I have gone through it. I take an active interest in the workings of any other societies connected with or for the benefit of seamen.

61. Do you know, then, of any of the obligations of shipowners to seamen in the event of the disability or sickness of seamen while employed by them?—Yes, I do.

62. Do you know of any men who have become sick while in the employment of the Union Company, and who have been put on shore?—Yes, there was my own case.

63. Were you treated, or did you apply to get treated, by the company in terms of the Shipping and Seamen's Act?—I did not apply. I went with the captain to the company's office. It was my desire to go into the hospital, and the acting-manager of the company in Sydney gave me a letter of introduction to the Sydney Hospital. I went there and was received.

64. You did not pay?—No.

65. How long were you there?—About three weeks.

66. Did your wages go on?—No.

67. I do not wish to inquire too particularly, but what was the matter with you?—I do not know. The doctors have not found out yet; I have been in the Dunedin Hospital for the same complaint.

68. Was it an illness caused by your work as a seaman?—I think it was a form of malarial fever. I fancy it was contracted in the islands. While I keep away from the islands I am in good health, but when I go there I am always laid up afterwards. When I came from Sydney the society's medical officer in Dunedin ordered me to the hospital for an operation, but the doctors at the hospital said they could find nothing with me. I then left the hospital.

69. You are not a member of the committee, but you say you take an active interest in the affairs of the society?—Yes.

70. You know, of course, the amount of accrued funds on deposit in the Bank of New Zealand?—Yes.

71. Do members of the society receive any bonus, either from the capital or from the interest paid on the capital deposited?—Not that I am aware of. I have not received any.

72. Do you know any man who ever did?—No.

73. Who gets the benefit of the interest on the £4,300 deposited in the bank?—I take it that it goes into the funds of the society.

74. *The Chairman.*] You tell us you consider it would be better for the Union Company's society to remain unregistered; tell us your reason?—It is better to the extent of 20 per cent. to the contributions of members. The Union Company pays 20 per cent. to the contributions of members to the funds of the society, which amounts to something like £500 a year.

75. I see the company's contribution was £315 last year?—Well, if it was a registered society it would lose that contribution.

76. You think that, although the company started this society from philanthropic motives, they would withdraw their contribution if the society was registered, and make no donation at all?—Certainly, I believe they would.

77. Why do you think they would withdraw it? Presumably the society would be registered with its rules?—I think they would withdraw.

78. Do you think the representation on the board of management is a fair one?—I think the majority of the societies should rule, and that the company should not have the ruling power in the society. The society should be ruled by the members themselves, and the company should have representation in the management of the society in proportion to the amount of its contribution.

79. Then, you really think that if the society was set on its own feet without the company's donation it would be better for the society?—No; I believe it would go "bung."

80. *Mr. Fisher.*] Do I correctly understand you to say that, in your opinion, the company established the society from humanitarian motives?—Yes, that is my belief.

81. *Hon. Major Steward.*] Referring to this question of contributions, I find that Rule 47 prescribes that "the company shall give to the society at its commencement a donation of £500"—which, according to the balance-sheets, appears to have been done—"and thereafter contribute for the first five years 20 per cent. per annum (not to exceed £500 per annum) on the subscriptions of ordinary members." That, according to the balance-sheet, appears to have been done. That is what would appear to be a great advantage?—Yes.

82. You are aware that the rule ends as follows: "At the end of which period a readjustment of payments shall be made"?—Yes.

83. Well, as the first edition of the rules is dated the 1st February, 1891, this period of five years has expired. Has the society readjusted the payments in accordance with the rule?—Not that I am aware of.

84. It still continues the payment of the 20 per cent.?—Yes.

85. But it has the power to withdraw?—Yes.

86. Now, as regards the management of the society, you have expressed the opinion that the subscribing members should have the control?—Yes; that the majority should rule.

87. Your view being that the company, as a contributing body, by way of this percentage, should have an amount of representation equivalent to its share of the whole?—Yes.

88. Well, is that so now?—No.

89. As a matter of fact, I understand—and you can correct me if I am wrong—the committee consists of six representatives elected by the men and six elected by the company, in addition to the managing director of the company, who is, *ex officio*, a member of the committee?—Yes.

90. Well, there is then equal representation as far as the six specially appointed are concerned, and the power of turning the scale rests with the manager?—Yes.

91. And you think that is wrong, and that the representation should be adjusted *pro rata*, that is, in relation to the respective contributions of the members and the company?—Yes.

92. What effect would that have as regards the members? Would it not give the company a representation of one-fifth?—Yes.

93. So that, instead of having rather more than one-half of the number on the committee, they would have one-fifth of thirteen? At any rate, they would have two, or three representatives at most?—Yes.

94. Whereas the men would have, say, ten representatives?—Yes.

95. You think if that were done the men, although being in the Union Company's service, and being the representatives of the employés in the management of the society, would be as free and unbiassed in their disposal of the society's affairs as though they were the executive having the care of any other friendly society?—I do.

96. *Hon. Major Steward.*] To elaborate the Chairman's question, do you think that, in the event of the interest of the company as a company clashing with the interest of any one class of its employés, the votes of the representatives of the men would be at all influenced by the consideration that they were placing themselves in opposition to their masters, as it were?—I do not believe so; not if the society was worked on those lines.

97. In the event of the society being registered, will you explain to me why, if it were provided that the representation should be *pro rata* as you suggest, it would be a disadvantage to be registered, always assuming that the rules—including the rule that the company continues its contribution—are registered also? Supposing you were assured of that, what remains in the nature of a disadvantage?—Nothing that I can see.

98. Then, the only ground of your objection to registration is that that course would, you think, involve the loss of the subsidy of the company?—Yes.

99. It is your impression that if the company lost its present proportion of representation on the committee it would withdraw its contributions?—No.

100. So long as it remains a private benefit society?—I take it that, the society being registered, the employers have nothing more to do with it. I look upon it in this light: Supposing the company used compulsion in getting men to join the society—and I do not say they do—I think it would be very unfair for the men to turn round and say the company must give it up.

101. Would not your difficulty be got over if, in any legislation that may be introduced to deal with these private benefit societies, it were specially provided that the company, as a contributory body, should have a certain representation on the board of management?—Yes.

102. If that were done, would it not remove your objections to registration altogether?—Yes.

103. And providing that at the same time the representation of all contributing parties should be made *pro rata* of the contributions—would not that overcome the whole difficulty?—Yes.

104. *Mr. Fisher.*] Is it or is it not your opinion that the establishment of the society has created a feeling of contentment and happiness throughout the service?—No.

105. That is very strange, is it not?—No; because the men who have this ill-feeling throughout the fleet are the men who take no interest in the society whatever. They know absolutely nothing about the workings of the society. If they knew about it they would see where the advantages and the disadvantages came in. They are under the impression that the company are imposing upon them by making them belong to the society when they do not want to. If they would only take an interest in the society they would see that it is to their advantage.

106. How is the committee elected?—From the inception of the society up to the last election in November the committee was elected by proxy.

107. Was the present committee elected by proxy?—Yes, with the exception, I believe, of one member. The employés of the company had only five representatives at their meeting, and I believe the committee themselves elected the other one to complete the full number.

108. By proxy I suppose you mean the votes by proxy of all the men in the fleet?—Yes.

109. The committee, then, represents all the men in the fleet?—Yes.

110. In your opinion, does the committee fairly represent the views of the men?—Well, that would be pretty hard to say. In my opinion, they do not.

111. In the event of any crucial question—any large question—arising on the Board as between the representatives or officers of the company on the one hand and the representatives of the men on the other, which do you think would have the predominating influence?—I take it that the one which has the casting-vote would. Of course, it is pretty hard to give an opinion. I would not like to give my opinion on what other men's actions would be.

112. Naturally, if you find yourself on some difficult question opposed to your employers you would have to consider your position?—No. I have voted against them several times.

113. What is the logical deduction from your last answer?—Well, I would not like to say what the different opinions would be in a position like that.

114. In point of fact, is this committee not virtually useless?—Well, some of the company's nominees might go with the men and overthrow the ruling power.

115. And what would happen to them?—I cannot say what would happen to them, but I can say what has happened to myself. I have had occasion to fight the company several times, and I have always been justly treated.

116. Do you think that any of the company's representatives on the Board would be at all likely to vote against the company on any question affecting its interest?—I do not think so. I do not think any man would be foolish enough to vote against his employment.

117. Your answer naturally applies to one side of the Board—to the company's side—and not to the other?—Yes.

118. Then, there is a feeling of dissatisfaction amongst the men by reason or because of the compulsion used in making them members of the society?—There is not the slightest doubt about it, especially amongst the single men.

119. *The Chairman.*] They consider, do they not, that if they were working on any other ships they would have their full money to spend, and would not have to make deductions?—Yes.

120. And that the married men have the best of it?—No; because the married men have to pay more in the way of contributions.

121. It is part of human nature to fight against a humanitarian society?—I know that a lot of the men object to pay their subscriptions into the society, but they do pay. In the case of those who object I have offered to take the matter up and bring it before the company, and fight their battle for them, but they will never come up to the point. For instance, there was a man in Dunedin who complained to me of a grievance, and I brought his case before the marine superintendent. Between times, however, the man had been interviewed, and had point-blank denied every word he told me. You see, therefore, that I am placed in an awkward position.

122. I hope you do not do these men the injustice to suppose that this question is limited to the Union Company's men in New Zealand only, because this question was brought up before the House in the session of 1896 by another person, who complained of a grievance in connection with these private benefit societies?—I am aware of that.

122A. The Registrar of Friendly Societies says, "There can be no compulsory contributions conditional on employment or a certain subscription or donation from a firm or individual. Such a rule could not be registered under the Friendly Societies Act. It is opposed to the first principles of the statute." That is as to compulsory contributions. Is not the real objection to the society being registered the fact that, if it was registered, there can be no compulsory contributions?—I do not believe so.

123. You think the objection to register as a friendly society is simply and solely because you think you would lose the subsidy of the company?—Yes; and because members would lose the surrender value, and the subscriptions of members would have to be increased to pay the same benefits.

124. *Hon. Major Steward.*] We have it in evidence, and I suppose correctly, that the benefits derived from membership of your society are somewhat as follows: £1 per week during sickness, with medical attendance for the member of the society and his family, except in cases of confinement of the wife; £20 death allowance in the case of the member, and £10 death allowance in the case of the wife. That is so?—I believe so.

125. It has also been given in evidence that precisely the same advantages follow from being a member of the Foresters or the Druids or any like society?—Yes; I believe that is so.

126. What I want to get at is this: Assuming that the Union Company, having a very large number of employes, desires to make sure that all its employes shall be, as it were, assured against sickness and death—assuming that this desire is prompted by purely humanitarian motives—what difference would there be, as regards the object they seek to gain, as between keeping up this present society with compulsory membership and simply making it a condition of employment in the service that their men should show that they were financial members of some society? What difference would there be?—No difference to the company that I can see, but a great difference as regards the men.

127. The men would be assured in precisely the same way, would they not?—Yes; but they would pay more for it.

128. But it has been stated in evidence that the contributions are the same. Would there not seem to be some special reason why the company should insist on having its own society as against simply making it a condition of their service that their men should be subscribing members of some friendly society? If that be so, can you tell me what advantage the company gets in return for the £300 a year it has to pay as an addition to the contributions of the men, and which it would not have to pay in the other case—that is, the case of the men joining friendly societies?—I cannot say, but I can say the company wish to have a better feeling amongst the men than they would have otherwise.

129. Does it not seem to you that, if the contributions of the men amount to about the same as would be made by them as members of friendly societies, the advantages the men should derive in the shape of money payments at sickness or death should be 20 per cent. better from the Union Company's society than they would receive from any other society, seeing that the Union Company's society has the advantage of a 20-per-cent. special contribution from the company which the other societies have not from this or any other source?—I do not know.

130. If the scale of contributions by the members of the Druids is the same, as has been shown in evidence, as the scale of contributions by members of the Union Company's benefit society, and if the Union Company's society has from an outside source one-fifth more revenue contributed by the company, should it not be able to give one-fifth more advantage to the subscribers? Why does it not?—I cannot say. I consider that this society at present has a greater revenue attached to it than any other society south of the line, or equal benefits at a lower rate.

131. How do you make that out? What are the contributions at a given age in your society? Are the payments in proportion to the rate of pay the men receive?—No.

132. It is simply a question of age?—Yes.

132A. What is the payment for membership in your case?—It is 4s. 9d. a month.

133. What is your age?—I am thirty years of age.

134. That is a married man's contribution?—Yes.

135. Do you happen to know what would be the corresponding contribution of a man of the same age and the same condition in any friendly society?—I believe it would be 4s. 6d. in any other society.

136. Absolutely lower than yours?—Oh! I made a mistake. I meant 5s. 6d. a month. There is about 9d. difference.

137. *The Chairman.*] So that instead of getting the money as a bonus you get it in lower premiums?—Yes; and I believe we get an additional advantage in the surrender value, which has been the rule since I have been in the society, and, I believe, from the inception of the society.

138. *Hon. Major Steward.*] Then, from your point, as affecting the men, there is an advantage in being a member of the Union Company's society as compared with membership of any friendly society, in that, while obtaining exactly the same benefits as regards sickness and death, the contribution is somewhat less each month?—Yes.

139. That is the benefit to the men. Now, what is the benefit to the Union Company, if any, as against the mere insistence that the men should be members of a benefit society—an outside one?—The company get no benefit from the society as far as I know.

140. I do not mean of a pecuniary kind. Does it give them any more control over the men?—Not that I can see.

141. Would it give the men an additional interest in retaining their situations?—I would not like to answer that question. There is simply the reason that the Union Company said that the members of this society should have preference.

142. The surrender value is allowed, is it not?—Yes.

143. Does that surrender value represent the entire refund of the contributions that a man has made during the period in which he has been contributing?—Certainly not.

144. About one-third?—Yes.

145. Well, supposing a man had been contributing for twenty years, having joined the service as a young man, would it not follow that he would be sorry to lose his situation, not only because he would lose his pay, but also because he would only be entitled to the surrender value equal to one-third of the amount he had been subscribing to the society during those twenty years. Would he not take into consideration the fact that he would forfeit by leaving the society not only his wages, but also two-thirds of the payments he had made, the benefit of which he would retain if he remained in the service?—Yes, providing there had been no case of sickness during that time.

146. Well, it would be so much an additional reason why he should put up with grievances rather than leave the service of the company?—I do not see it.

147. A man who is a member of an outside friendly society, on leaving the service of the Union Company, would not forfeit his interest in that friendly society, but if he belonged to the Union Company's society and left the service of the company would he not lose the benefit of or his interest in that two-thirds?—No, sir. He can retain his right to remain in the society provided he has been two years in the service of the company.

148. In that case you do not think the company possesses any greater leverage over the men than if they belonged to other societies?—Not that I know of.

149. Is any provision made for dealing with a possible surplus; that is to say, if it should happen that the payments for sick-aid and for funerals, and so on, should be less in the sum-total during a long period—say twenty or twenty-five years—than the total of the contributions received? If, in fact, there should be a surplus capable of being disposed of without injuring the soundness of the scheme, what would become of that surplus? Is there any provision for disposing of it?—Not that I am aware of.

150. *Mr. Fisher.*] On the question of pressure on the men you said no pressure had been brought upon you, but you believed it had been in other cases. Your answer was a little vague and indefinite in regard to that question. Now, you also say that although you are not a member of the committee you take an active interest in the society. You are a member of the society, of course?—Yes.

151. You received a copy of this report [before described], and you read it, I suppose?—Yes.

152. Do you remember this letter to the purser of the Grafton: "Inform Dorling that unless he joins forthwith, paying as from 1st April last, instructions will be issued for his dismissal from the service"? How do you interpret that letter?—I think it was the fault of the secretary of the society. He had no right to write it.

153. At all events, you admit that the letter implies pressure?—Yes, I think so. Since then the committee have taken it into consideration and the secretary has tendered his resignation.

154. Another point is as to the augmented funds, or accumulated funds, placed on deposit in the bank in the name of the Union Steamship Company Mutual Benefit Society—the £4,300. That is a point upon which I do not think you quite understood me. My question was this: As to, first of all, the dominating power on the Board. Then, the question following up that, and to complete it, is this: What would become of these accumulated funds in the event of a strike occurring?—I take it it would be impossible for a strike to take place at the present time or in the future.

155. How do you explain that?—Because the Conciliation and Arbitration Court decides all disputes now.

156. But in the event of any large or difficult case which we may assume will arise some day—because the world is not perfect yet—what will be the ultimate destination of that fund? To whom will it ultimately belong?—I cannot say. I would consider that if the society was smashed up the men would get an equal share of whatever funds there were.

157. *The Chairman.*] Yes; but this is a private benefit society you are speaking of. Who is to make such a rule?—The committee, I apprehend. If they have not done so already they should have done it.

158. *Mr. Fisher.*] You have already answered that in the event of any large question arising the committee are virtually powerless?—The representatives of the men are virtually powerless now.

159. *The Chairman.*] Supposing the majority of that committee pass a resolution that the funds should not be distributed amongst the holders or members of the society, but should pass to some one else, what would be the position of members of the society then?—I think they could claim an equal share.

160. How can they? They are not known to the law; they are not registered?—You have the receipts in your book to show that this money has been paid in. That would answer in law.

161. That is why I marvelled at your answer to the question that you prefer an unregistered to a registered society?—I think the receipt is sufficient evidence that the money has been paid.

162. You will find that in law it is not worth the paper it is written on. Are you aware of any other private benefit society in New Zealand except the Union Company's society?—Yes.

163. Well, suppose the case of an employer who wishes to form a private benefit society of his own. A carpenter goes to him and wishes to work for him at 10s. a day. He says he cannot work for less than 10s. a day, because that is the union price for a carpenter. The employer then says, "I will pay you 10s. a day, since that is the union price, but I have a little private benefit society of my own for which I shall take 5s. a day. I shall keep the fund myself. You are to have no control of it." You would not consider that that society was acting on the principle of the larger benefit society?—I think the death of such a society would be very acceptable.

164. Can you tell me where the line should be drawn between the two cases, because the principle is the same?—I cannot say where it should be taken.

165. You can see how it is possible for an employer to do such a thing?—Yes; but I do not think any employer would be so mad as to do that.

166. Of course, in the case I quoted I was exaggerating; but he might take 5d. or 6d. off the wages. The principle is the same?—I think the employer is quite within his rights in doing so, in order to make provision in case of accident and sickness, and provided the fund is properly invested.

167. It actually rests with the caprice of an employer whether a company or a private individual is preferable to a benefit society properly registered?—Yes.

JAMES WILSON was examined on oath.

168. *The Chairman.*] What is your business?—I am a fireman on the s.s. "Te Anau."

169. Are you a member of the committee of the Union Company's society?—Yes.

170. You were withdrawn from the ship to give evidence before this Commission?—Yes.

171. Do you get your shore-allowance as well as your pay?—I could not say.

172. Who gave you an order to come ashore?—Well, I could not say who it was. The engineer told me, but I cannot say by whose authority it was.

173. That was last Friday week, the 7th instant?—Yes.

174. How long have you been in the Union Company's service?—Since 1883.

175. How long have you been a member of the benefit society?—Since its formation.

176. Did you join voluntarily?—Yes.

177. What were your reasons for joining? Were you a married man?—Yes.

178. And thought it a good thing—better than any other friendly society?—Well, I was not in any other friendly society.

179. I suppose you all joined in a batch, or did you join one by one?—I joined by myself.

180. Were you persuaded to join by any officer or agent of the Union Company?—No.

181. It was a matter of pure free-will?—Yes.

182. Can you tell us what the idea was as to the formation of that society: was it just owing to the kind feeling of the company towards its men?—Well, I thought so at the time.

183. Since you have been ashore, have you had any instructions from or communications with the officers of the company?—No instructions whatever as to the evidence I should give. It was left to my own free-will.

184. *Hon. Major Steward.*] Are you one of the members of the committee elected by the men?—Yes.

185. You are not appointed by the company?—No.

186. *The Chairman.*] Do you think that, under the constitution of the committee to which you refer, the opinions of the men have a fair chance of being represented in the event of any dispute with the company?—Yes. Of course, the books show that the men's representatives on the committee do the most of the work; in fact, at some of the meetings none of the company's men are present at all, except the treasurer and the secretary.

187. *Hon. Major Steward.*] What is the quorum?—Five.

188. *The Chairman.*] They are mostly the employés' representatives?—Yes.

189. Have you ever heard that formerly coercion was used to make the men join the society?—I have heard of it at different times, but, when you came to inquire into it, the individuals never gave any idea of what the compulsion was.

190. We have it in evidence that there was grumbling amongst the single men. Why should they grumble or be dissatisfied if there is no coercion? Would you join anything concerning which you were dissatisfied?—No; I cannot tell their minds on that point.

191. Is it just pure contrariness on their parts?—There is something in that. I have inquired into different cases when there was compulsion, but when you came to inquire of the individuals themselves you found there was no compulsion used.

192. You do not think there is any coercion now?—Not that I am aware of.

193. *Mr. Fisher.*] You are one of the committee, Mr. Wilson: do you know the amount of accrued funds?—Yes.

194. You issued this statement [Exhibit 1]: therefore you have read it all?—Yes.

195. I may take it, further, that you are familiar with the whole of the contents of these reports?—Yes.

196. In whose name are these funds—the £4,300 on fixed deposit—invested in the bank?—In the society's name. These things are to be found in the books; it is hard to remember them.

197. What benefits do the men receive from the society?—£1 a week in case of illness, £20 in case of death, and £10 in case of the death of the wife, if the member is a married man.

198. Beyond that, do you receive any periodical bonus from the fund, or from the division of the interest on the capital amount?—No.

199. Now, has there been pressure or compulsion put upon the men in the service of the company to make them join the society? I would rather have a little more definite answer to that question. Is there pressure or compulsion put upon men who join the company's service?—Not that I am aware of.

200. Several witnesses have said so, and one in particular said that the men on board ship were called into the smoking-rooms, when the rules of the society were read out to them, and they were given to understand that those who were not already members of other friendly societies must join: do you know anything of such an instance as that?—No.

201. If you know nothing of the pressure brought to bear upon the men in the company's service, have you heard of cases of compulsion?—I have heard some grumbling about that, but, as I say, you could not, when you inquired, get any information as to who compelled them. When I joined the society, at its formation, we were all taken to the smoking-room of the ship, and the society explained, and it was left to our own free-wills.

202. I asked you just now if you had read this report [Exhibit 1]. If you have read the report, and if you understand clearly the affairs of the benefit society, surely you must remember this letter, because, if you are a member of the committee, the letter should have been issued with your joint authority. The letter says this: "To Purser, 'Grafton.'—Please enrol Dunning if under forty years of age, and recommended by Mr. McNicol, and inform Dorling that unless he joins forthwith, paying as from the 1st April last, instructions will be issued for his dismissal from the service.—11th May, 1896." And that is not written, as the Chairman assumed just now, far back: it is dated the 11th May, 1896—not so long ago?—I was not on the committee at that time.

203. Well, then, if not on the committee, you were a member of the society, and, as a member of the society, you received a copy of this annual report, and therefore I assume you must be cognisant of the existence of that letter. How comes it, then, that your ideas on the question of pressure and compulsion are vague, with this letter staring you in the face?—[Witness made no answer.]

204. If you do not mind my saying so—I do not say so offensively—your unwillingness to answer conveys the idea that you are not stating all you know?—I am saying what I know.

205. Would it be better, in your opinion, that this society should be registered, or that it should remain an unregistered society?—I think it should be registered.

206. You prefer it should be registered?—Yes.

207. There must have been large numbers of men who, in course of time, have left the service of the company: do you know whether they have ever received any surrender value or any bonus or division of the funds of the society?—Yes; they get their surrender values.

208. How is it divided?—Well, I can hardly explain to you myself. So far as I can understand it, it is according to the time they have been in the society and the amount of funds. I fancy it is paid according to the time they have been in it.

209. You say that you should prefer the society to be registered?—Yes.

209a. Would you mind giving us, in your own language, your reasons for that opinion?—Well, I think it would be more under the Friendly Societies Act.

210. Are you a member of the Seamen's Union?—Yes.

210a. I take it you are familiar with the provisions of the Shipping and Seamen's Act and its amendments?—Well, I understand them generally.

211. Have you ever been ill yourself while in the service of the company?—Yes.

212. And left ashore?—Yes.

213. Where, and for how long?—In Dunedin; my home is in Dunedin.

214. How long?—I think, four weeks the first time—I cannot be exactly sure—and, I think, three weeks the second time.

215. The medical and other expenses came out of the funds of the society?—Yes.

216. Did the company pay your wages?—No.

217. Well, I suppose you are aware that under the Act you are entitled to receive all your wages?—It was before the new Shipping Act.

218. Can you say, in the case of men who are put ashore through illness—of course, I am speaking generally—if it is the rule of the company to pay these men's wages while ashore: in your case you say you were not paid?—I signed clear of the ship.

219. The drift of my question is this: that, while this benefit society defrays the cost of the sick-pay and attendant expenses out of the funds subscribed by the men themselves, the company does not comply with the provisions of this Act, by paying the wages of the men who require medical attendance while in their service. So I ask you generally whether you know if the company, as a rule, complies with the provisions of this Act by paying the wages of the men who become sick in their service?—I cannot answer that question.

220. Just explain, in your own language, how the committee is elected?—They were elected by proxy.

221. Then, they are elected by the men in the service of the company?—Yes.

222. Do you think the committee, being so elected, fairly represents the views of the men on the boats?—Yes.

223. The numbers are six representing the seamen and seven for the company?—Yes.

224. Now, what do you think would happen—of course, this is only a problematical question—if any large question, any difficult question, came before the committee: which would be the dominant power in the settlement of that large and difficult question from your knowledge of the composition of the Board?—I could hardly say; it is so seldom you see the full thirteen there.

225. Suppose, for the purpose of this question, there is a full meeting of the Board, which do you think holds the predominant power?—Well, there is one thing—every one speaks as he likes.

226. Speaking of the committee altogether, how do you think, in the settlement of a large and difficult question, the settlement would result?—The seven would be the higher power, if you take it that way.

227. I referred just now to a large or difficult question arising. Suppose a strike came about, and the seven have the dominant power, what would become of the fund—the £4,300 on fixed deposit, which belongs to the benefit society, and really to the men?—The society can be dissolved by two-thirds of the members.

228. *The Chairman.*] Do the members who happen at that particular time to be in the society divide the accumulated funds amongst themselves?—They are supposed to.

229. *Mr. Fisher.*] Let us get at the legal position. The legal position is this—and I am glad you said one thing, if nothing else: that you preferred a registered to an unregistered society—this society, being unregistered, could not the seven having the dominant power have the disposition of the fund?—[The witness made no answer.]

230. You see, Mr. Wilson—and I ask you whether you agree with me in regard to this question—if this society were registered its regulations would have the force of law under the Friendly Societies Act. At present, no matter what I said here, they have no force in law. Now, I ask you again what you think, these rules having no force or power in law, would become of that £4,300?—I understand two-thirds of the members—

231. *The Chairman.*] Where is your security?—This piece of paper.

Mr. Fisher: I do not press the question; Mr. Wilson does not answer.

232. *The Chairman.*] We were told in evidence by one previous witness that “When I joined I had to sign a declaration that I belonged to no union that might be detrimental to the Union Company.” You never heard of such a thing having to be signed?—I never signed any document to that effect when the society started.

233. You think that a witness, in saying such a thing—that he had to sign a declaration that he belonged to no union that would be detrimental to the Union Company—was handling the truth carelessly?—I cannot say. I never signed any paper to that effect.

234. *Hon. Major Steward.*] You are a member of the committee, and I see by Rule 23 that your committee is to consist of twelve members—two sailors, two cooks or stewards, and two from the engine-room or stokehold, and six nominated by the company; and the next rule says that the managing director of the company shall be president of the society and *ex officio* a member of the committee?—Yes.

235. It is a fact, is it not, that the company's contribution to the funds of the society is limited to the 20-per-cent. subsidy?—Yes.

236. In other words, they contribute one-fifth of the funds, and the subscribing members four-fifths?—Yes.

237. Then, do you consider this is a fair representation: that the company, which contributes one-fifth of the funds, should have more than half of the representation, and the men, who subscribe four-fifths, should have less than half? Do you not think the men should be represented on the committee in proportion to their contributions? What is your opinion? The company subscribes or donates some £300 towards the yearly income; against that it has rather more than half of the members on the committee, although its contribution is smaller than the men's: do you think that is fair?—No.

238. You think that the men, subscribing four-fifths, should be represented on the committee to the extent of four-fifths, and the company, which subscribes one-fifth of the funds, should have a one-fifth representation?—Yes.

239. That would be fair?—Yes.

240. Well, if the society was registered, and provision made that the representation should be in proportion to the contributions, so that the men would have something like ten or eleven members on the committee, as against two or three of the company, would not that be a fair thing?—Yes.

241. Do you know, as a fact, whether the rates of contribution per month for the same age are the same in your society as in any of the friendly societies, or are they greater or less?—I think they are less, if anything.

242. And you derive the same benefits practically as do the members of the Druids or Foresters?—Yes.

243. The difference in rates of contribution is not very much, is it?—No.

244. Do you know what is done with any surplus that may accrue supposing the payments by the society for sick-pay and funerals, and so on, do not overtake in a considerable period of years the amounts paid in by the men and a balance accumulates: is there any provision to divide that balance?—No.

245. Is there any provision for a fixed auditing with a view to an adjustment of the scale of contributions—I do not mean annually, I mean at fixed periods—say, quinquennially, or every ten years?—Yes: See Rules 75 and 76.

246. Supposing you have to pay 4s. 6d. per month, and that there are three hundred men paying at the same rate, and the society keeps paying out the sick- and death-allowances, and so on; and suppose at the end of five or ten years, after meeting all engagements, there is a balance accumulated which is not wanted: have you any provision whereby the account shall be audited so as to enable you to see if there is any such balance? Do you not think it would be wise to have such an audit?—Yes.

247. Because, does it not occur to you, if such a surplus did exist, that it would be possible to reduce the monthly payments, and that there would be a balance to divide amongst the contributors?—Yes.

248. You are not aware of any such provision being made?—No.

249. *The Chairman.*] Who is the auditor of the balance-sheet?—I do not know.

250. Was it ever audited by a proper accountant?—Yes; it always is.

251. Not connected with the company?—No.

WILLIAM RANDLE made an affirmation, and was examined.

252. *The Chairman.*] What is your business?—I am a fireman in the Union Company's service, on the "Te Anau."

253. How long have you been in the company's service?—Upwards of fifteen years.

254. You are one of the committee of the benefit society?—Yes.

255. How long have you been on the committee?—About two years.

256. When did you join the benefit society?—When it was first started, in 1891.

257. What made you join?—I was asked to join.

258. Were you married then?—Yes.

259. Did you belong to any other society?—No.

260. Did you join because you thought it would be a good thing for a married man to belong to some benefit society?—As a matter of fact, I thought it would be better for me to join.

261. By which you mean that you would have a better chance of permanent employment?—Yes.

262. I notice in the rules printed in 1891 it is stated: "All present employés of the company, as defined in the rules, may within three months become members of the society without payment of an entrance-fee on passing the necessary medical examination. It shall, however, not be compulsory for them to join the society, though all who join the company's service in future will be required to do so and pay an entrance-fee." It was not compulsory, apparently, in words for you to join the society because you were in the company's service; but do you know of any others who were compelled to join?—I would not like to say for a fact that I do. I cannot bring forward facts to prove that such was ever the case, and unless one can do that it is not worth while saying anything.

263. Well, your impression was that some of the men who joined were not doing so voluntarily?—Yes; I have always been of that impression.

264. Do you think that that feeling has altogether subsided now?—To a great extent it has; but still it remains there, and it will remain there so long as any society of the kind is run with the employers having a large say in the working of it.

265. Now, do you think, in the constitution of the committee as at present composed, the employers have too large a say in comparison with their contribution? They contribute about one-fifth of the sum and the men contribute about four-fifths. Do you think, then, that the employers have too large a say in the working of the committee?—Well, according to the way they have been working lately that is not the case. Practically speaking, within the last eight or twelve months we have had almost the sole working of the thing ourselves, so far as money matters, &c., are concerned.

266. *Hon. Major Steward.*] Do you mean the men's representatives on the committee?—Yes.

267. Are you one of the men's representatives?—Yes.

268. *The Chairman.*] Do you consider that if the society was registered as an ordinary friendly society the company would cease to pay their contribution?—I fancy it would; but if it was registered it would give far more satisfaction to the members.

269. *Hon. Major Steward.*] Can it do that without an alteration in the rules?—I dare say the whole thing would have to be reorganized.

270. Can the company cease payment without altering the rules? I see Rule 47 reads, "The company shall give to the society at its commencement a donation of £500, and thereafter contribute for the first five years 20 per cent. per annum (not to exceed £500 per annum) on the subscriptions of ordinary members." That five years has expired?—Yes. If the company ceases to contribute towards the society the rules will have to be altered.

271. *The Chairman.*] Just so. What was your conception of the reason the society was organized? Was it because it was a humanitarian or philanthropic sort of idea on the part of the company towards their men?—It may be partly so, but, still, there were other large reasons, apart from that.

272. Would you have any objection to state those reasons?—Well, I can give my opinion, but I do not wish it to be put into print. My private opinion is that it gave the company a very large amount of power over the men. It would prevent them from organizing or getting up any body similar to the Seamen's Union, as it was before the strike.

273. How do you think that would be carried out by the society? In what way would it work?—Fear of getting out of employment. When the society was first formed, if the men would not join it they were not discharged just at that time; but from time to time, as their articles were up, the company would dispense with their services altogether. That is my firm belief, and it is the same with plenty of other men on the boats, if they would only say so. In a thing of this kind

we have not a thoroughly free hand to speak. If I had a free hand I would speak differently, but, apart from that, if it was not that the employers have a large say in the management it would be really a first-class thing, on account of the large benefits we derive from it.

274. You are aware that if this was made a registered friendly society there would be security to the members over the funds they are paying in, and the rules would be registered?—Just so.

275. Are you aware that so long as you are paying into a private benefit society the rules of which are not legalised any rules you may pass about the division of funds is little better than waste breath?—Yes, I am fully aware of that.

276. And that is one strong reason in your mind why you would like to see the society registered?—That is so.

277. *Hon. Major Steward.*] I suppose you are pretty familiar with the rules?—Fairly so, under the circumstances; but not being heart and soul in the thing I have not followed it up.

278. Have you ever directed your attention to the possibility of the funds accumulating and your having more funds at the end of a given period than are required to meet payments? Is there any provision for the distribution of such a surplus, or for a reduction in the scale of payments from time to time?—None, to my knowledge.

279. In default of that, what would become of the money?—The only way I can see, supposing that at any time the society was wound up, is that the money would be equally divided amongst the men at that time in the society.

280. But, if the society was going on, the scale of contributions would be obviously too high: could the scale be reduced?—The only remedy for that would be to alter the rules.

281. My idea was that, if it was registered and brought under special legislation, you could deal with that point?—The only way I can see out of the difficulty, if the society is going on as at present, is that the rules will have to be altered with the view of meeting the difficulty.

282. One other point: Being a member of the committee, you know, as stated by the Chairman, that the company contribute one-fifth of the funds, and the men four-fifths: do you not think that the representation should be adjusted on the same basis?—I do, certainly.

283. *The Chairman.*] Perhaps you perceive that so long as a majority may consist of members of the Union Company—I mean their seven representatives—you really have no control over the affairs of the society?—They have the lion's share of the voting-power, and can vote as they please.

284. They could alter any of your rules?—Yes; if they brought up anything we did not like we could vote against it, but what use would it be?

285. In the event of the company taking it into their heads to discharge the men elected to represent the men on the committee, what redress would there be?—No redress whatever.

Mr. Fisher: I have been driving at this question for two days, and I am bound to say that with the other witnesses it was impossible to get satisfactory answers. But we have a plain and satisfactory answer from Mr. Randle, and I do not think it necessary to ask him any questions at all. I would only like to say this: that the assumption in the minds of the men and the committee that these rules have some force is a mistake, and I think it advisable that the members of this benefit society and this committee should be informed that these rules and regulations have no force in law whatever—that they are so much waste-paper, and that it would be a benefit if this society was registered, so that the men would have some real control over the funds. At present they have no control whatever. The dominating power on the Board is the Union Company and its representatives, and the men have no power whatever. Mr. Randle, apart from my brother-Commissioners, has made that position perfectly clear. I think it would be of advantage to all the members of this benefit society if they understood their position as Mr. Randle understands it.

DAVID ADDERLY REID McEWAN made an affirmation, and was examined.

286. *The Chairman.*] What is your business?—Chief cook on the “Te Anau.”

287. How long have you been in the Union Company's service?—About fifteen or sixteen years.

288. How long have you been in the benefit society?—Since its formation.

289. How long have you been a committee-man?—Since its formation.

290. What induced you to join the society?—Nothing induced me specially; in fact, I was one of the originators of it.

291. *Hon. Major Steward.*] Then, it had its origin with the men?—Yes. The men themselves, or several of them—one or two in the “Manapouri” and myself—originated it.

292. *The Chairman.*] You were thinking the matter out without suggestion?—Without any suggestion at all.

293. If you thought it out without suggestion, perhaps the suggestion was not yours to ask any person who joined to sign a declaration that they belonged to no union that might be detrimental to the Union Company: we have that statement given in evidence?—I know nothing about that. There was absolutely no suggestion or condition of the sort. We did not take into consideration the point as to any one being bound to make a declaration that they belonged to any society, or two societies. It was a desire amongst ourselves to inaugurate a better scheme for the one we had just lost. That was the union at the time. I do not mean the Seamen's Union. I mean the Cooks' and Stewards' Union. Mr. Fitzpatrick and myself talked the matter over, and instead of reorganizing the union we thought a benefit fund should be started whereby members would receive sick-allowance when ill and off duty. The signing of the agreement you refer to was amongst the firemen and the sailors: it was away from the society altogether; in fact, the society was not in vogue when the agreement was signed. The agreement was signed by the men returning to their work after the strike.

294. It was the Union Company's affair?—Yes.

295. The men were not allowed to join unless they signed the agreement?—That is so.

296. *Mr. Fisher.*] What do you say now in regard to that?—From my personal knowledge at the time, I believe the men were required to sign a document to the effect I have stated, but it had nothing to do with this society, for this society was not in existence then.

297. *The Chairman.*] It was a matter between the Union Company and its employes?—Yes.

298. Then, it was you and others who got the society up?—That is so.

299. The company promised to subsidise it to the extent of one-fifth?—No, no. The company was approached on the subject—I believe it was Mr. Kirby who broached the subject first—to see if it was a good thing, instead of having funds, to have a society from which we could draw some benefit, seeing that the greater part of the funds had been dwindled away in absolutely nothing. The funds went to no good purpose, and I do say it was a good thing to have a fund amongst the men that they could apply to for provident purposes.

300. Was the suggestion not made that such a society was not necessary when there were societies such as the Druids, the Oddfellows, and the Foresters?—I never heard of it. There was absolutely nothing known on the ships of the Druids and the Foresters.

301. In 1891?—Yes, in 1891. I had belonged to one before that.

302. Did you throw it up?—I did not. I kept them both going, because I considered one as good as the other.

303. Before this you had been a member of a friendly society, and, in forming this benefit society, you arranged that it should be governed by a committee, seven of whom are the Union Company's officers and six the representatives of the employes: is that so?—No.

304. What is the position of the society according to the rules? There are six representing the society and seven representing the company?—Only six from the company have a controlling power. The manager only presides at the annual general meeting.

305. *Hon. Major Steward.*] What about Rule 24, which provides that the manager shall be a member *ex officio* of the committee?—That is so. It is there right enough, but it has never been taken advantage of. Mr. Mills has never been present at one meeting of the committee.

306. If he has not exercised his power he still has it?—Yes.

307. The previous rule (No. 23) gives six on each side?—Yes.

308. *The Chairman.*] That is what I was asking you—whether in forming this society you, with your previous experience of friendly societies and their management, thought it a fair thing that the Union Company should have a majority of the representation on the committee?—No.

309. Then, that was done without your wish?—Oh, no. When we inaugurated the society we did not think that all the employes of the company would be eligible for membership, but there was an amalgamation afterwards, and when the company was approached to see if they would give us a sum to form a fund, or the nucleus of a fund, the company helped us out of the difficulty, and gave us £500 for that purpose. It was then proposed that the company should have these six nominees on the board of management, and the men six representatives.

310. And the manager?—Yes, they appointed him, but I put no stress upon it. He has never been at the committee meetings, and, besides, there are actually four nominees of the company who are working on the wharf, and who we consider are equally as good as any members of the society, These nominees of the company are paying members of the society, and from the term you use it might be inferred that they are not members of the society, but officials of the company.

311. You think I am laying undue stress upon this?—I do.

312. But surely you have been at elections where the opinions have been equally divided, making the casting-vote of importance?—Yes. The public are very often led away with the idea that, owing to the names of these people appearing so prominently in connection with this society, we have absolutely no say in the matter at all. But such is not the case. It is my duty, as a member of the society, and from my experience during the years I have had to do with the society and its dealings with the officials of the Union Company, to say that they have been most fair in their dealings with us. From the outset of the society they have had only one desire, and that was that the men should have the working of its affairs, and it is our fault, and not the fault of the company, if we have not done so. I drew up all the amended rules, and they were approved and confirmed by the general meeting without the company's consent.

313. You must not think that the Commissioners have the slightest wish to impute either wrongdoing or wrong intention to the company. We wish to understand the position as it is. We take the book of rules, and we have to take things as we find them. The fact remains that power is in the hands of the company which we consider dangerous. Let me follow that up by another question. You know that if the society was registered the rules would have to be fixed and gazetted, and so on, in the books of the Registrar of Friendly Societies, and they would then become legal documents. Do you not think it would be a far more valuable thing to have those rules absolutely binding on the men rather than that they should be at the mercy of the committee, because now, so far as we have been able to understand by the evidence, this being an unregistered society, the rules, which have never been recognised by law, are absolutely waste-paper?—I do not know that our rules would be any more liberal if our society was registered, and, for myself, I should not belong to the society if it was registered.

314. *Hon. Major Steward.*] Not with the same rules?—Of course, with the same rules; but I would not belong to it, because you cannot register a society with the code of rules this has. You cannot name one society where a member paying for ten years can withdraw and get his surrender value, and get the same privileges.

315. *The Chairman.*] Perhaps it is on a false actuarial basis?—It is not. I do not think it is unsound.

316. But would not your answer to me, that you consider this society could not become a registered society because such rules as these would never be accepted by the Registrar, augur that

they would be considered unsound by that official?—There are one or two rules that are beneficial to us that he would not accept.

317. *Hon. Major Steward.*] Are you sure of that?—Certain.

318. *The Chairman.*] Would you point out one of those rules?—Yes; there is the surrender value.

319. The Registrar of Friendly Societies would refuse to register that?—He thinks that the sum we pay is not sufficient, but with the company's contribution it is sufficient.

320. You have a sum lying in the bank at fixed deposit in the name of the treasurer or the committee?—In the name of the trustees.

321. Have you any idea how this money would be divided if the society was broken up? Do you think you have power to enforce Rule 77, which speaks about the dissolution of the society?—We have power to enforce any rule.

322. Supposing the committee, with seven in the majority, say they will divide the money amongst themselves, would you, or any member of the society, have any legal power to say they should not divide that money amongst themselves, but that instead it should be divided amongst the members?—How can you make out a minority of seven? Surely there are going to be more than seven men left in the society when you are going to dissolve it? Where is the committee mentioned in Rule 77?

323. The reason I asked the question was that I considered the committee the only governing body in existence that the members are recognising at the present moment in that society?—That is so.

324. The question I asked was, If the governing body as it is chose to divide the money amongst themselves, have the members any power to stop them? Tell me what you consider would be the legal way. Your society is unregistered. The rules are not worth the paper they are written on, and I cannot see where there is any security in your position?—With regard to the question of dissolving the society, according to these rules the committee, in recommending to members the dissolution of the society, are required to call a special general meeting for that purpose. At that general meeting we would determine in what way the funds of the society would be divided—at the general meeting called for the special purpose of considering this question. If we issue a circular round the ships on this important question, it does not rest with us, but with the members present at the meeting, to say what shall be done. They control the meeting. The committee would only have a recommendation to make, and it would be for the members to agree with it or disagree with it as they thought fit.

325. *Mr. Fisher.*] In regard to the rules for the election of members to the committee, the whole of the committee consists of thirteen?—Yes; thirteen, according to the rules.

326. *The Chairman.*] I see that the trustees of the society are the chairman and the managing director of the company?—That is so.

327. So the funds are invested in the names of these men?—Yes; they are invested in their names in the Bank of New Zealand.

328. *Mr. Fisher.*] Are you sure of that—of whose names are used in the investment of the money on deposit in the bank?—I think I am pretty safe in saying it is in the names of Mr. McLean and Mr. Mills.

329. I would like to be sure, because I am assuming that the funds are placed in the bank in the name of the Union Steamship Company Mutual Benefit Society: I have been assuming that all along?—I would not like to be positive on that point. I know our current account is so placed, but I am not clear on the point as to the fixed deposit. The secretary and treasurer would be able to tell you that.

330. *The Chairman.*] You have never in your experience known of any men belonging already to a friendly society who have been asked to leave it and join this one?—None whatever.

331. You have no experience, have you, of a man who stated that he belonged to a friendly society having had his affairs overlooked to see that he still kept financially good in that society?—Our secretary attends to that. He gets a report of the moneys paid, and in that report is a list of the societies the men belong to. I have seen cases of men who wanted to join our society. In fact, when the society was started it was almost an experiment, and members naturally rushed into the society in such great numbers that we had to stop the membership, to enable, as far as possible, only as many members as the Union Company could keep afloat to be members of the society, in order that these men could pay their subscriptions, because in the winter time some of the boats are laid up in Dunedin and some of the men are out of employment, and I consider it would be a hardship to let them join the society when they were only engaged in the summer months, and therefore not in a position to pay their subscriptions all the year round. Men have applied to me personally to see why they could not join the society.

332. For what reason is that? Is it because of the difference in the monthly payments that they wish to join your society, or from any ulterior reason, such as getting a better footing in the Union Company's service if they joined the society?—That is a point on which I could not enlighten you.

333. You say that they are so eager to join the society. Now, we have been already told that some men were compelled to join?—I have nothing to say to that. As a delegate of the men, I know that from the inauguration of the society men have found their way repeatedly to me to see if I could explain why they were refused permission to join the society. The only reason I could give was that we did not want a larger membership than the number of men who were afloat in the Union Company's vessels, because in the winter time some of the vessels were laid up.

334. Have you any idea as to the cause of the eagerness on the part of the men to join?—Well, I may have an idea. The majority of the men did not belong to any society at all. Some did, but still were desirous of joining the company's society.

335. Cannot you give us the benefit of your opinion as to what was the attractive cause?—I might explain it in such a way as this: Perhaps the men who did not belong to any society thought that by being members of the company's society their employment would be insured to a certain extent. This is the only reason I can give.

336. That was a very strong and attractive reason?—I do not see that there is anything wrong in saying that, but, so far as pressure is concerned, I am not aware that I have ever had complaints from the men in regard to it.

337. Have you never heard that the single men grumble about having to pay?—No; I have never heard of that. I know that single men get more benefit from the society.

338. *Mr. Fisher.*] You say the men come to you in numbers asking to be allowed to join the society?—I know of cases where they were not allowed to join the society.

339. Well, listen to this: "He was asked by Messrs. Ness and Kirby to join the society. The men were called together in the smoking-room, and the society's rules and regulations were read." Is that correct?—Not so far as I am aware. At the time of the inauguration of the society there was no such thing as calling the men together, so far as I know. No one asked me to join the society. I went to the purser to get a certificate to be examined by the doctor, in the same way, I presume, as the others did.

340. *The Chairman.*] You say there has been no compulsion or pressure?—Not to my knowledge.

341. There is no harm in using the word "compulsion" when your preface says, on page 7, "It shall not, however, be compulsory for them to join the society, though all who join the company's service in future shall be required to do so, and pay an entrance-fee in accordance with the rules, within one month of their joining the company's service." That reads like compulsion, or something like it?—Yes, it reads something like it; but if you read Rule 6 you will see this: "Any employé in the company's service who is in good standing on the books of a registered friendly society shall not be required to join this society."

342. *Mr. Fisher.*] I am seeking for information on this point. For instance, you say there has been no pressure. Then, what is meant by this letter: "To Purser, 'Grafton.'—Please enrol Dunning if not forty years of age, and recommended by Mr. McNicol, and inform Dorling that unless he joins forthwith, paying as from 1st April last, instructions will be issued for his dismissal from the service"? That letter was sent on the 11th May, 1896, which is only a year ago?—I do not think anything of that. I can say that the letter did not have very much effect, because ever since its being written, and even prior to its being written, I have from time to time distinctly remonstrated with the secretary for writing or communicating with the officials of the ships in any shape or form with regard to the members of the society, and so much so that it has brought about the dismissal of that officer for interfering too much with the privileges of the men. I might say, as a working-man, it does not always do to make yourself too forward; but men have trusted me implicitly with this matter, and I have fought it out to the end. This letter was not written by the instructions of the Union Company. I find it has been done on the secretary's own responsibility, because he is the paid official of the society, and I am the man who recommended him. When we balloted for him there were about sixty applicants for the position.

343. Still, you say there is no pressure?—I will show you that the pressure is not to be attributed to the Union Company or the society.

344. This man wrote, you say, as an irresponsible person?—Yes.

345. Now, listen to what the Hon. Mr. McLean says, and he is not an irresponsible person: "It did not concern the Union Company, for the company had come to an agreement with the Seamen's Union by which, after the 30th September, no influence was to be used in any way on either side—it was to be completely voluntary whether men stayed in the society or not; and when that agreement was signed, which would probably be in a day or two, instructions would be given even now to bring its provisions into effect." This is his further statement: "Of course, so far as the Union Company was concerned, the necessity for any inquiry was done away with by the fact that after the 30th September it would be open to the men to do what they liked; and the company was going further than the agreement, for it was going to make membership of the society voluntary after the agreement was signed"?—I cannot say that Mr. McLean, in making that statement here, is making it, as it were, on any authority but his own. We do not look upon Mr. McLean as instructing us in what we shall do; he has absolutely nothing to do with us, or with what the Union Company does with regard to the membership or other arrangement with any other union, whether the seamen's or any other. At the present time the company have interested themselves, and reasonably so, because they contribute largely to the funds of the society; but I question very much if Mr. McLean has made use of a statement that he has made an arrangement with the union, whether that arrangement will affect our members or not. Mr. McLean's arrangements and our members' arrangements are two entirely different things. Mr. McLean cannot say that after the 30th September this society—"We want you to leave it"—he cannot say so because the men have an interest in it.

346. I understand you to say—if you say it—that Mr. McLean speaks erroneously with regard to the agreement, because only a few days ago this statement was promulgated to the public through an influential paper: "The company has intimated its intention of doing at the end of September that which it has all along expressed its intention to do—retire from all participation in the management as soon as the society could go alone, and make it then a purely voluntary association, like any other friendly society." Is that correct?—No. My construction of the matter is this: that where it says the end of September it should be the present time, because that is actually being done to-day. It is being done now. There is no need to wait till after the end of September, because it is optional for men joining the service now to join the society. It is not conditional now.

347. Here we have a statement by Mr. McLean that after the 30th September no further influence is to be used in any way, and the society is to become voluntary?—That is an erroneous idea of Mr. McLean's.

348. *Hon. Major Steward.*] In answer to a question by Mr. Fisher with regard to pressure, in putting which he read you a letter addressed to the purser of the "Grafton," I think your reply was that the secretary, in signing that letter, signed it on his own responsibility, and you disclaim that the company had anything to do with the exercise of that pressure?—The company had nothing to do with it.

349. *Mr. Fisher.*] It is sent from the company's office?—From the society's office.

350. *Hon. Major Steward.*] Here is the sixth annual report of your society, in which this very letter is set out; but, passing over that letter, I come down a little further in the same page, and find a letter addressed to the purser of the "Ovalau," 14th August, 1895. That was several months before, and it reads as follows: "If Wilson can satisfy you that he was a member of the Foresters before he joined the company's service he need not join our society, but if he cannot do this enrol him at once." Was that letter also sent without authority?—Certainly it was.

351. And all those letters of a similar character?—Yes.

352. Then, you are a member of the committee of the society which presents this report, and which, in setting out these letters, fails to say they were sent without authority, and then goes on to say this, referring to the letters: "These all go to show that there has been no attempt, either directly or indirectly, to debar members of other societies from joining the service or to compel those who are members of other societies to join this one." But there is nothing to repudiate the request as regards persons who were not members of other societies. It does not in any way disclaim the letters requiring those who were not members of other societies to join?—That is so.

353. That report was agreed to by your committee?—That is the address, is it not?

354. It is headed the annual report?—Yes; but that is the chairman's address.

355. But at the same meeting at which that was presented there was no disclaimer in the report in reference to this pressure?—Absolutely none at all.

356. It was a curious thing, was it not, when all this took place, and the report was presented to the society—and it must have been known that this matter was going to be discussed—that the committee made no reference to it, or denied responsibility?—None. It is not the committee's report. I can explain this to you. This meeting was held on Saturday, the 5th, and all that was done was the passing of the committee's report and the balance-sheet, and the general meeting had to be postponed till the Monday following. We had absolutely no idea what our chairman (Mr. Mills) was going to lay before the members. This is our report. We had not been aware of these other things.

357. *Mr. Fisher.*] That was not all that was done. There were one or two nice speeches?—Yes, on the second day.

358. *Hon. Major Steward.*] You yourself spoke, and did not disclaim the fact?—Yes; and I do not disclaim it now.

359. Except that you say all the letters were sent without authority?—I distinctly say that all these letters in which our secretary has apparently used any pressure have been, so far as I know, written without the consent of the committee and without the consent of the Union Company.

360. *Mr. Fisher.*] Then all that, instead of being withdrawn, was printed in sheet form, and circulated throughout the country?—I know nothing about that.

361. *Hon. Major Steward.*] As a member of the committee, what is your view with regard to registration?—I disapprove; so far as a seafaring man I do.

362. Suppose that under the authority of a special Act dealing with this society it were possible to register this particular set of rules, would you or would you not consider it an advantage to have your rules protected and enforceable by law?—I do not think it would do any good.

363. As regards the representation of the contributors on the governing body of the society, is it a fair thing, seeing that the company contributes one-fifth of the revenue and the men four-fifths, that the company should be represented by fully one-half—practically a little more than half—of the governing body? Would it not have been fairer that the representation on the governing body should be adjusted in proportion to the contributions?—I do not see that any good results can be got from that. We would get so complicated in the matter. Seafaring people are so different to shore people. The men are on board ship, and how are you to place others on the committee without inconveniencing the ship to some extent?

364. You could reduce the company's representation without reducing your own?—I consider that the representation, so far as the Union Company is concerned, is fair. You must understand me when I say that the nominees of the company are not officials of the company. Some of them are members of the benefit society.

365. Then, you are satisfied with the present representation?—Yes.

366. *Mr. Fisher.*] You said you objected to the registration of the society?—Yes.

JOHN NICOL MILNE was examined on oath.

367. *The Chairman.*] What is your business?—A.B. on the "Te Anau."

368. If you wish to make a statement, just tell us what you desire to say?—Well, as regards the society, I have been a member from the start—within six months of its formation. I was in the "Talune" at the time it started. They never asked me to join till six months afterwards. They called the crew into the smoking-room of the "Talune" to see if we were in favour of joining the society.

369. *Mr. Fisher.*] Who called you?—Mr. Ness and Mr. Kirby. They said we would not be compelled to join, and that we would not be thrown out of employment. Three months' grace was

given, and, of course, the crew took that grace. At its expiration we were supposed to pay 10s. entrance-fee. It was six months, however, before I joined. Of course, they all joined at the same time. The company never asked me to join.

370. *The Chairman.*] Have you heard of any who were compelled to join?—The “Te Anau” was at the other side of the wharf, and her men joined right away. They got information that if they did not join they would have to leave. I do not know who gave that information. It was “in the air,” so to speak. I asked the question, if I was a member of any other society would I get employment, and they said “Yes,” and that I was not compelled to join. I was a single man then, and did not belong to any benefit society.

371. *Mr. Fisher.*] Have you any idea of your own why they told you that you would have to leave?—They never told me that; it was never mentioned. We were paid off, and we all went back again. If you once got out of a boat the saying was that you would not get back again unless you joined the society. But, as I say, we were all paid off for a fortnight, and then we all went back, and we had not joined the society. There was only one man in the boat belonging to a friendly society, and he was in the boat all the time.

372. *Hon. Major Steward.*] Are you satisfied with the management of the society since you have been a member?—Yes. Of course, the rules have been altered, and are not now so much in favour of the Union Company as they were.

373. Do you think it is a fair adjustment that the representation on the committee should be equal when the Union Company contributes only one-fifth of the revenue and the men four-fifths? Do you not think that the representation should be in proportion to the contributions?—Yes.

374. *Mr. Fisher.*] Have you any opinion of your own on the subject of registration—whether the society should be registered or unregistered?—I have none.

375. The men are all very pleased at being asked to join the society?—There has been some dissatisfaction amongst them, but you just hear of it now and again. You cannot take any notice of it, as it is so contradictory.

376. *Hon. Major Steward.*] Have you had any official intimation lately that the company proposes to retire from the management of the society, and leave it entirely to the men?—No; but I was not at the last general meeting.

377. You have not heard it so stated in the fleet?—No.

DANIEL MATHIESON was examined on oath.

378. *The Chairman.*] What is your business?—I am a wharf employé.

379. How long have you been in the society?—I think, since November, 1893.

380. How long have you been a committee-man?—Since that date.

381. You were nominated a committee-man?—Yes.

382. You asked to be allowed to come and give evidence: will you kindly tell us what you can about the matter? What is your opinion as to how the thing stands?—I would be very sorry to see the society disbanded in any shape or form, because it is a benefit to me.

383. Do you think that if the company withdrew its contribution the society would be disbanded?—No, I do not think so.

384. Would you prefer it carried on as a registered or as an ordinary friendly society?—The members of the society would like the company to pay that contribution to keep the society going.

385. And supposing the company did not, would the men carry the society on as an ordinary friendly society?—I cannot speak for them all. I would not be inclined to, because I belong to another lodge.

386. Well, excepting that the society gets this subsidy from the company, it stands on no better footing than an ordinary friendly society?—We get better benefits out of the company's society than I get out of the Foresters.

387. What better benefits?—Surrender value; and the benevolent fund is another.

388. *Hon. Major Steward.*] That is independent of the sick- and death-allowance?—Yes; we can vote sums for benevolent purposes.

389. Supposing the society should be registered with these rules as they now stand, or with such modifications as might be required, would it not be a great advantage to have it registered?—I would not prefer it registered. I would prefer it carried on as it is.

390. *The Chairman.*] If you have no objection, tell us what, in your opinion, accounts for preference being expressed for an unregistered over a registered society?—My opinion is this: The committee of management is very honest in its dealings with the men. In cases I have seen of accidents, and so forth, the men have received more benefits than they would have in any registered friendly society. I have never gone into the rules very much. I am a member of the Foresters, and have been for about nine or ten years. There was a division of money made some time ago, and I think my share was £1 10s.

391. *Hon. Major Steward.*] What I meant was this: Supposing this society was registered with these identical rules, do you not think it would be an advantage to have the rules capable of enforcement in law—they are not now?—That is a matter of opinion.

392. *The Chairman.*] We have been informed that one reason why the society is not registered is that the Registrar of Friendly Societies would refuse to register it on account of his having considered that it is on a false basis from an actuary's point of view—that is to say, the moneys paid in will not be sufficient to pay all the benefits: do you mean to tell me you would rather be in an unregistered society which stands upon a false actuarial basis—which means that you continue paying in your money, never to get it back again probably, because the society will break up from its own inability to pay—than in a society in which the rules are made sufficient and the position of members is defined?—I would rather remain in the Union Company's society, with the rules as

they are. There is something about having this actuarial point brought to perfection, and I would prefer to remain till then.

393. *Mr. Fisher.*] Suppose you were to-morrow to send in to the committee of the benefit society written notice of your intention to withdraw from the society, and suppose, also, you were to proceed in that withdrawal, how would that affect, or would it affect, your position in the Union Company's employ?—I do not think it would affect my position; I am certain of it.

394. Then, you think the influence of the Union Company is not exercised in that direction—to affect a man injuriously?—I am certain it is not the Union Company's intention at all, so far as I am concerned.

395. You may be aware that the Union Company, in certain cases, does exercise pressure?—I am not aware of anything of the kind.

THURSDAY, 20TH MAY, 1897.

CHARLES GRATER was examined on oath.

1. *The Chairman.*] Are you an employé of the Union Company?—No; I am an employé of the benefit society—the secretary. I have no connection whatever with the Union Company. I am carrying on business as an accountant in addition to the secretaryship of the society.

2. *Mr. Fisher.*] How long have you occupied this office of secretary?—Since October, 1892—close on five years now.

3. Needless to ask, you are still, and have been from 1892, the secretary?—Yes.

4. *The Chairman.*] You have seen in the newspapers the evidence we have taken, and therefore have an idea of the nature and scope of the inquiry, and doubtless can give us your opinion?—Shall I deal with the documents [Exhibits 1, 2, 3, and 4] I have been asked to produce?

5. Yes?—There have been three sets of rules [Exhibits 1, 2, and 3] issued. The ones with which I supplied you are the rules as they stand at the present time. Several amendments were made at a general meeting of members held in November last, and all those amendments are embodied in the rules as now printed, and with copies of which you have been supplied.

6. Mr. Ness was secretary at the time?—Yes; Mr. Ness, at the inception of the society, acted for a month or two, and then Mr. Rice was appointed.

7. *Hon. Major Steward.*] Can you indicate to the Commission the principal points of difference in the rules as they now stand and the rules as they were at the inception of the society?—Yes; I can go through the original rules.

8. The main point, as to conditions of membership, and benefits, and so on?—Well, the first alteration made was supplying members with medicine. When the society was first started the members were not supplied with medicine; but in May, 1893, an extra levy of 6d. a month was put on members, and they were supplied with medicine for this, and the married men were also supplied with medicine for their wives and families.

9. Was the scale of benefits as regards sick-allowance or death-allowance altered?—No; it remains as it was.

10. Has any alteration been made as regards the bearing of present Rule 5, which, as you will see, makes it compulsory on every employé to be a member of the society, subject to the exception afterwards provided, which is that exempting those already members of a registered benefit society? Has that been so from the beginning, or under the original rules were all compelled, irrespective of the fact of being members of a benefit society, to join?—Not since I have been secretary.

11. Then, so far back as October, 1892, when you joined, you found the rules on this point to be the same as they are now?—Yes; the members of friendly societies were exempt, and always have been. In connection with that matter, I might here make a statement in regard to the letter to the purser of the "Grafton" respecting Dorling in May last. You know the letter?

12. *Mr. Fisher.*] I wish you to be a little particular about the history of this?—Decidedly; I wish to be so for my own sake. I look upon it as the most vital part of the whole thing. In the first place, this letter was written by me entirely on my own authority, and it is unfortunate that I should have written it. However, the circumstances were these: This man Dorling entered the company's service about August, 1895—that was, about nine months before the letter was written. After he had been a month or so on the boat I wrote asking that he should be enrolled, and the purser replied that as Dorling wished, or, rather, intended only remaining in the company's service a matter of six months, he did not desire to join the society.

13. *Hon. Major Steward.*] One moment. I presume the first letter was the one set out in the evidence dated May, 1896?—No, that was not the first letter. There was a prior one to that. On the 11th September, 1895, I wrote to the purser of the "Grafton": "Please enrol E. Dorling as a member of the society forthwith." In reply to that the purser sent me a memorandum to the effect I have already mentioned—that, as Dorling only intended remaining in the company's service for about six months, he did not wish to join. When Dorling originally joined the company's service, and right up to the date of my writing the letter on the 11th May, 1896, he was always returned as belonging to no society, both in the purser's returns to me and, I am informed by the company's officials, in the returns of the chief officer to the company. Of course, I want to emphasize that fact. I had no idea he was a member of any other society. This is the first return [Exhibit 5] in which he is mentioned. In that return the word "nil" appears opposite that man's name in the "society" column, indicating that he was a member of no society.

14. *The Chairman.*] You think that inquiry would be sure to be made by the purser as to whether or not he was a member of any friendly society?—It should have been.

15. You do not think that a chief officer or purser would have made such a "nil" return without having made some inquiries?—It is not likely. I find that the pursers especially are very

careful in the matter. They do it in other cases, and why not in this one? Well, with one slight intermission—when he was ashore for a month or so—he remained in the service of the company until I wrote this letter, in May, 1896. My reason for writing was that I considered the man was trying to humbug us. He had remained in the service of the company for eight months, and I thought that if I wrote a sharp letter it might bring him to the scratch to join. I may say this: It is the only letter of the sort I have ever written, as the letter-books will show, threatening a man with dismissal from the service. I had no authority from the company to write that.

16. *The Chairman.*] Nor suggestion?—Nor suggestion.

17. Nor private instructions?—No. I am quite confident on that point. In fact, I was very much surprised that I had written in this strain, as I could almost have sworn I had not done so.

18. Do you mean that you have never written in that strain?—Never excepting this one letter. Since that occurred I have in all instructions to the purser, as the letter-books will show, always stated, in regard to the enrolment of members, that the men should be enrolled “if not members of any other society,” so as to prevent any error of this kind occurring again, or any use being made of any other letter that might be stolen, as this one must have been, from the Union Company’s boats.

19. *Hon. Major Steward.*] But you have written letters instructing that those not members of other societies should join?—Oh, yes.

20. That is in accordance with the rules?—Yes. The first intimation I received that this man was a member of the Druids was in a letter handed to me by Mr. Kirby, and written by Dorling to Kirby on the 29th May, 1896, as follows: “S.s. ‘Grafton,’ Wellington, 29th May, 1896.—To Mr. Kirby.—Sir, I have been informed by the purser that I have to join the society or be discharged. The reason I have not joined it before is because I am a financial member in the Druids lodge, Patea. Of course, if you insist on my joining it I will have to do so, as it is not convenient for me to get discharged at present. Hoping you will let me know by the time I get back, I remain, your obedient servant, E. DORLING, s.s. ‘Grafton,’ Wellington.” That was the first intimation I had of this man being a member of the Druids. Following up that letter, I then wrote to the purser of the “Grafton”: “Dorling has written Mr. Kirby stating that he is a financial member of the Druids. Kindly let me know per return mail whether Dorling can furnish any proof of this statement, and also of the date of his joining the Druids.—18th June, 1896.” In answer to that I received a reply from the purser of the “Grafton,” dated the 11th June, as follows: “Re E. Dorling: I have seen his receipts for premium paid, and I also forward you enclosed telegram from secretary of the date of his joining.—Yours truly, E. MULQUEEN, Purser, s.s. ‘Grafton.’” The telegram referred to reads: “Edward Dorling, steamer ‘Grafton,’ Wellington: Joined 7th March, 1894.—JOHN BOYLE, Star of England Lodge, Patea.” I then wrote to the purser of the “Grafton” as follows: “Why have you always reported Dorling as ‘nil’ when he has been a member of the Druids ever since he joined your ship? In future his book must be examined at least once every quarter, to see that his payment is kept up.—18th June, 1896.” In connection with the question of the treatment of members of other societies, I should like to put in evidence extracts which are printed in the sixth annual report from my correspondence to the pursers and chief officers regarding men belonging to other societies. They are as follows: “To Purser, ‘Ovalau.’—If Wilson can satisfy you that he was a member of the Foresters before he joined the company’s service he need not join our society, but if he cannot do this enrol him forthwith.—14th August, 1895.” “To Chief Officer, ‘Poherua.’—To see that contributions of Hardinge and Lawson to Oddfellows society are kept up.—18th August, 1895.” “To Chief Officer, ‘Ohau.’—Cannot admit O. Johnson to the society, as he is a financial member of the Druids.—14th November, 1895.”

21. *Hon. Major Steward.*] In regard to the last letter, I would like to ask one question. You used the words “cannot admit” this man: we have it in evidence that men have been admitted although they were members of another lodge?—I may say, in that matter, not since I have been secretary of the society. If I found a man to be a member of another society I have always instructed the purser or chief officer not to take him in, for the reason that so much had been previously made or talked about of members of other societies being compelled to join.

22. Yes; but is it not within your knowledge that, notwithstanding that letter of yours, men have been accepted who have been members of other societies?—I believe some joined at the inception of the society, but I cannot speak of any who have joined since. This is another letter: “To Purser, ‘Rotokino.’—Do not wish Denny to join society if he satisfies us that he is a financial member of Oddfellows.—20th November, 1895.”

23. Might I ask why you have used in two cases “cannot admit” and in two other cases “do not wish”? There appears to be a difference?—Well, of course, correspondence is written hurriedly, and one does not study his phrases with a view to their being dissected before a Royal Commission. In one case the man has probably asked to join; and in the other case he may have been returned as “nil,” and has been requested to join; and then the purser replies he is a member of another society, and that it is not his wish to join. That is the probable explanation. The rest of the letters I wish to read are as follow: “To Chief Officer, ‘Oreti.’—O’Brien must produce evidence that he was proposed as an Oddfellow before joining your ship, and also that he is now a financial member.—11th December, 1895.” “To Purser, ‘Moa.’—If C. Anderson is a financial member of the Oddfellows we cannot admit him into the society.—18th December, 1895.” “To Purser, ‘Talune.’—If Pimley satisfies you he is a financial member of the Hibernians we do not wish him to join the society.—7th March, 1896.” “To Purser, ‘Upolu.’—If Ashbury was a member of the Buffalo Society before he joined our society he need not continue his subscriptions, but, if otherwise, he must pay up.—24th March, 1896.” “To Chief Officer, ‘Pukaki.’—Unless the four men in the engine-room claiming to be Oddfellows can satisfy you that they are financial members of some lodge they must join.—22nd April, 1896.”

24. *Mr. Fisher.*] That is all the correspondence you wish to refer to?—Yes; they are fair samples; I swear to that.

25. *The Chairman.*] They are not picked out as exceptions?—No, decidedly not.

26. *Mr. Fisher.*] Now, I asked you at the beginning of your evidence how long you had been secretary, and you said since October, 1892, and that you are still secretary?—Yes.

27. Do you know a man named McEwan, who gave evidence yesterday?—Yes.

28. Is he is right in saying—and, if he is wrong, why should he say it—that you had been dismissed from your position as secretary for writing that Dorling letter?—He is wrong. I cannot imagine why he said so. I might mention that the committee have come to the conclusion that it would be better to have a man as secretary who would give his whole time to the work. That would not pay me, and consequently I have resigned my position as from the 30th June next.

29. That is not the point. He said you were dismissed from your position for writing that Dorling letter: that is not true?—That is my statement.

30. This is what the *Times* gives in its report of McEwan's evidence: "The letters which had been written saying that the men would be dismissed if they did not join the society had been written by the secretary of the society on his own responsibility, and had brought about his dismissal." That is untrue?—Yes, that is untrue.

31. Very well, I merely asked that question for this purpose: It disposes of the credibility of Mr. McEwan on that point?—On that point, of course.

32. Is there now, or has there been, anything in the nature of pressure put upon men to join the benefit society?—In what way do you mean? The rules provide that it is compulsory for those men to join who are not members of other societies.

33. Well, you say it is indispensable—that it is a condition of their employment in the service?—It is hardly a condition of their employment, because they are taken into the service before they become members, and are not admitted to the society until they have been at least a month in the service.

34. That is so in some cases?—That has been so since I have been secretary. It was not so before, I believe.

35. But, without any hair-splitting, it is a fact that they must join the society?—Taken as a general rule, it is so, if not members of other societies, in accordance with Rule 5. I do not think it has ever been denied.

36. If we get men here, and some of them, to all appearances, very strong witnesses, who deny the existence of any pressure whatever, what do you say?—I may say this: I am not aware of any man having been dismissed for refusing to join.

37. But they get there all the same?—Not that I am aware of.

37A. Here is this letter of yours to the purser of the "Ovalau," "If Wilson can satisfy you that he was a member of the Foresters before he joined the company's service he need not join our society, but, if he cannot do this, enrol him forthwith"?—Yes.

38. You know what that means?—It is plain enough what it means.

39. He has got to join?—I presume so. I do not think it has ever been denied that the membership is compulsory when the men are not members of other societies.

40. We get men here who, to put it lightly, vascillate upon that point?—All the men do not hear what occurs on the boats; they can merely give their own experiences.

41. I would like to have it from you that it is a condition of the service that he must join the benefit society if he does not belong to another society?—Yes; that is, up to the time that this conciliation agreement was settled in March last. Since then, in writing to the pursers in regard to the enrolment of the men, I have always been careful to state "if you desire to join," as my letters will show. I might read one or two of them perhaps.

42. If you do not mind, Mr. Grater, I would rather get to another point. Is this a fact? Mr. McLean made a statement that "it did not concern the Union Company, for the company had come to an agreement with the Seamen's Union by which, after the 30th September, no influence was to be used in any way on either side—it was to be completely voluntary whether men stayed in the society or not, and when that agreement was signed, which would probably be in a day or two, instructions would be given even now to bring its provisions into effect." In fact, Mr. McLean told us it was the intention of the Union Company to retire from all control of the benefit society: is that a fact?—I cannot speak as to the intentions of the Union Company, but if Mr. McLean said so I presume he is correct.

43. You have no information on that point?—If Mr. McLean said so, I would be quite satisfied it was so.

44. Mr. McEwan, who professes to know so much—indeed, to know everything under the sun—told us that Mr. George McLean, in making this statement, did not know what he was talking about, and that the statement was erroneous?—Of course, I should not like to hold myself responsible for all Mr. McEwan's statements.

45. *Hon. Major Steward.*] I should like to ask you one or two questions. I think I understood you to say that men were not allowed to join the benefit society until they had been a month in the service of the company?—Yes, taken as a general rule; that is, since I have been secretary, or shortly after.

46. Then, after they have been a month in the service of the company, what happens? Is it intimated to them by the purser or chief officer that they are required to join, under Rule 5, always provided that they cannot show they are financial members of another friendly society?—Precisely.

47. What is the first thing they have to do if they consent to it?—They are passed by the doctor.

48. And if the doctor would not pass them, what would then happen? Would they be retained in the service of the company, and refused admission to the society?—Yes, so far as I know. I

have nothing to do with the employment of men. There is one man at present I can speak for. The percentage is very small. I do not suppose 1 per cent. is declined by the doctor. This man was declined by the doctor three or four months ago. He is not a member of the society, and is still in the company's service.

49. Now, then, suppose an employé objects to join the society, and declines to present himself to the doctor, what then happens? Rule 5 says he must be a member of a benefit society. Assuming that the man has been a month in the service, and is told to present himself to the doctor, and refuses, what happens?—The purser reports the matter to me, and I send the report on to the company. So far as I am concerned, there the matter ends.

50. Has such a circumstance ever arisen?—There is a man on one of the boats—I forget which—who declined to join, and he is still in the service.

51. He has not been dismissed?—No.

52. Is that the only case?—The only recent one, so far as I can bring to memory. The refusals are very, very few. There have been others in the past, but I am not aware of a man having been dismissed in consequence of declining. I was speaking of my having written to pursers since March last to only enrol members who desire to join; here is one letter written to the "Taupo" on the 4th April last: "To the Chief Officer, s.s. 'Taupo.'—Dear Sir,—Kindly enrol forthwith any non-members desiring to join who are under forty years of age, and recommended by their chiefs.—Yours faithfully, C. GRATER, Secretary." That is the purport of all letters written since March regarding the enrolment of members.

53. Referring to the letters set out in the previous extracts, here is one to the chief officer of the "Pukaki": "Unless the four men in the engine-room claiming to be Oddfellows can satisfy you that they are financial members of some lodge they must join.—22nd April, 1896." That is in accordance with Rule 5; but I want to ask you the meaning of this word "must": you know that a law without a penalty is no law at all?—I suppose so.

54. Well, suppose this man did decline to join, what would happen?—So far as I am aware, the company has never gone to extreme measures in cases where men did not join.

55. Can you account for the almost universal consent to a compulsory requisition of this kind? Is it a fact that the men have the impression, whether rightly or wrongly, that "must" does mean enforcement, and that the logical consequence would be, if they declined to join the society as required by Rule 5, that they would sooner or later forfeit their employment? Is there such an impression in the minds of the men?—It might be so. I cannot, of course, give evidence as to impressions.

56. Granting that you have heard nothing of that kind, would it not be a reasonable inference from Rule 5?—Exactly.

57. Then, that accounts for the almost universal consent?—It may be so.

58. *Mr. Fisher.*] To complete the question relating to Mr. McLean's statement that the company intend to retire from all position of control in regard to the benefit society, and to leave matters as purely voluntary with the men themselves, you are secretary of the benefit society: have you sent out by letter or circular any intimation to the members of the benefit society of the intention of the company to withdraw from all control in connection with the society?—No; I have not done so, because I have no official intimation from the company to that effect.

59. *Hon. Major Steward.*] When is the society's next annual meeting?—In November next.

60. I think it is provided in the rules that the rules cannot be altered except at a general meeting?—Yes; but the rules also provide for special general meetings.

61. You are aware that one of the rules (Rule 23) provides that the committee shall consist of six elected by the men and six appointed by the company, with the managing director *ex officio* a member?—Yes.

62. The company, then, cannot withdraw from its share of the management without an alteration of that rule?—I do not think so. I do not see how it could.

63. Then, if no special meeting has been called for the purpose of considering such an alteration, it cannot be possible to alter the rules without the consent of the men?—I do not see why it cannot be; the company may intend to propose it.

64. How is it possible, until that rule is altered, for the company to do anything of the kind? That is what I want to know. These rules have been adopted by the men as well as by the company. They have the right to vote, and, if the majority of the votes at the general meeting are against it, alterations of the rules cannot be carried?—No.

65. Then, what would be the company's way of enforcing its own view in the matter?—I cannot speak for the company.

66. *Mr. Fisher.*] This statement is promulgated to the public of New Zealand by means of a leading article in the *Otago Daily Times*: "The company has intimated its intention of doing at the end of September that which it has all along expressed its intention of doing—retire from all participation in the management as soon as the society could go alone, and make it then a purely voluntary association, like any other friendly society." You say you are secretary of the society, and that you have no knowledge of any intention of the kind?—I do not say I have no knowledge of any intention; I have no official knowledge; but I believe the company has that intention.

67. You have no official intimation?—No.

68. And it follows, therefore, that the members, who receive all official intimation through you, have also had no official intimation?—No; I believe Mr. Mills, at the last annual meeting, or the one before, stated so in the address to the members—that eventually he hoped to have matters so arranged that the company could retire from the society, and leave it in the hands of the men.

69. I put this to you—I have no feeling in the matter: This statement is given forth in an influential newspaper, and the public reading this are entitled to believe it is correct, and you, as an official representative of the society, have no official intimation whatever of this intention?—Except

what has been stated by Mr. Mills at the annual meeting—either the last or the previous one—that it was the intention of the company eventually to retire from the management.

70. You have no resolution from the company itself, or from any of its prominent officers, to this effect?—No.

71. You have nothing official to go upon?—No written communication.

72. *Hon. Major Steward.*] I would draw your attention to Rule 22, at present in force, which reads as follows: “Members in general meeting may, with the consent of the company, alter these rules, or the mode in which the benefits of the society may be applied, but shall have no power to apply such benefits to persons other than members; always provided that no motion to alter the rules shall be received at any meeting unless the committee shall have received, at least one month before the date of meeting, notice in writing from the member proposing such motion of his intention so to do.” Now, therefore, Rule 23, in accordance with Rule 22, cannot be altered without a month’s notice beforehand of the intention so to do; and an alteration cannot be carried into effect unless a motion were carried at the meeting so called?—No, practically not.

73. Then, of its own motion the Union Company cannot, without the consent of the society, by a majority expressed, carry out the intention stated by Mr. McLean?—That is so.

74. *Mr. Fisher.*] It would be useless to ask you how a statement of this kind gets into print and embodied in a leading article?—Of course, it is useless to ask me. I cannot answer for the newspapers.

75. *The Chairman.*] Can you tell us if you know how many men have been rejected from membership from being physically unfit or predisposed to disease?—I have no record, but the percentage is very, very small, and would not exceed 1 per cent. of the men passing through.

76. Do you think that the medical officers of the society examine the men with the carefulness that would be given to, say, persons intending to take up policies in a life insurance office?—I do not think that in the case of benefit societies they examine with the same care that they do in the case of life insurance. I fancy they make a perfunctory examination.

77. Do you think it would be possible for you to supply us with the proportion of men rejected from the society for such reasons? Have you any record from which you could get the information?—I hardly think so, but I am confident I am right in saying it does not exceed 1 per cent.

78. You were saying that since the Conciliation Board made certain arrangements matters were on a different footing from what they were before?—In this respect: that pursers have been instructed to enrol only men who desire to join.

79. These pursers of the company are never told to give employment to the men?—Oh, no; the pursers have nothing whatever to do with the employing of men. They act as my agents on the boats for enrolling members, and my instructions to them have been to enrol only men who desired to join.

80. Then, it seems to me that since the Conciliation Board, in March, gave this judgment your opinion is that it has rendered unnecessary the position which the Hon. Mr. McLean says is to be taken up in September?—No; that is in connection with the present members. The agreement is that it should be optional with new men joining as from date and present members continuing as from the 30th September next.

81. It means that if men, being now members, should after the 30th September wish to relinquish their membership they would not have any pressure put upon them by the society to continue as members?—That is the answer.

82. Your opinion, then, is that the Conciliation Act has helped to prevent friction between the men and their employers?—In this respect I do.

83. And, consequently, in preventing friction it may help very considerably to prevent any future strike?—Oh, yes, I think it should.

84. Now, I merely ask for your opinion: do you think there is any connection between the company losing its hold on the society, as it promises to do, and the fact that strikes are not so likely to be in the future as in the past?—I hardly think so, especially as the Union Company had previously expressed its intention of leaving the society to the men eventually.

85. They are going to leave the society to the men; but we were told yesterday by Mr. McEwan that the society was one which would not be registered—at all events, in its present form—because the Registrar of Friendly Societies considered it was on an unsound basis. He said that the surrender value, for instance, was a thing which the Registrar would not accept. Do you think that the Union Company recognises that the society is on an unsound basis at present?—In what way?

86. A member of the committee says that the Registrar of Friendly Societies regards it as unsound, and would not register it because it is on a false actuarial basis—that is to say, he thinks the society is not able to pay the surrender value and continue its benefits?—In the first place, I understand that the Registrar, or, rather, the Revising Barrister, of Friendly Societies has no say whatever in regulating the contributions and benefits of friendly societies—none whatever.

87. It is an actuarial question?—Exactly. The Registrar, or Revising Barrister, has no power to interfere with the contributions fixed by any society, or the benefits promised to be paid.

88. *Mr. Fisher.*] Have the accounts of the society and the general affairs of the society been investigated by an actuary?—They are in process of investigation at present. The report is not yet to hand, owing to the illness of the actuary for some time past.

89. Who is that actuary?—Mr. Leslie, who is regarded as one of the best and most competent actuaries, so far as friendly society business is concerned, in the colony.

90. Do you not think this investigation has been a long time under way? To my knowledge, Mr. Leslie has not been ill for twelve months?—He has not been ill for twelve months, or anything like it. In the first place, it takes a long time to supply Mr. Leslie with the information necessary.

91. Well, listen to this: At the meeting held on the 5th December, 1896, Mr. Mills said: “What course this will take will depend largely upon the actuarial report on the state of the

society. A thoroughly competent actuary in Wellington is now going into the accounts." How long would it take to prepare such a report?—Well, Mr. Leslie was then receiving the different items of information from the society, but it was not for about three months after that date that all the information was supplied.

92. Have you supplied all the information?—I have supplied it all now, and but for Mr. Leslie's illness since then his report would have been to hand by this time. I think he was laid up for about a month.

93. *The Chairman.*] We were informed by Mr. McEwan that the Registrar of Friendly Societies would not register the society on account of its weakness—viz., that he did not consider the contributions of the men sufficient to pay the benefits they were supposed to receive. Now, Mr. McEwan was in error in stating that the Registrar would have refused?—I think so. I think I am right in saying that the Registrar of Friendly Societies has no power to interfere in the financial matters of any society, or to regulate their scale of contributions; he has power to object or to advise as to any of the rules they make.

94. Now, Mr. Grater, you have a good deal to do with friendly societies, and I have no doubt you have read the reports of the Registrar of Friendly Societies from time to time: have you ever noticed that he has continually brought under the notice of the Government the point that a great many friendly societies are on a false actuarial basis?—Oh, yes; I know that quite well. It is the rule with friendly societies rather than the exception.

95. They find that the Registrar of Friendly Societies does not consider they are on a sound actuarial basis?—The majority of them.

96. If that is the case in regard to registered friendly societies, which give smaller benefits than the Union Company's benefit society, the latter giving surrender value and so on, does it not lead one to suspect that the Union Company's benefit society would be—I speak as a layman—found in a worse position than an ordinary benefit society, since the contributions of the men are smaller and the benefits are larger?—If the contributions are sufficient the question of payment of surrender value would not affect the position one way or the other.

97. That was not the question. We have been informed they are lower in this society, and that that is one of the benefits—that the contributions are lower and the benefits greater than in registered benefit societies; in fact, Mr. McEwan said this was the attraction to the men—that rather than compelling the men to join the society it was rushed, and they had to limit the membership?—That was so before I joined the society.

98. Is it your opinion that the society would be better if it was registered?—In what way? What do you mean by better?

99. Would it be more satisfactory to the members if it was registered—that is to say, if the rules were legalised?—There are many things to be taken into consideration as to the society being registered. I presume it would then lose the benefit of the Union Company's help.

100. Why?—Unless, of course—which I think doubtful—the Revising Barrister sanctioned the company having some say in the management; and if the company contributes and receives no benefits and the members contribute and receive benefits surely it is only fair that the company should have some say in it.

101. *Hon. Major Steward.*] Suppose the rules receive the sanction of the law by special legislation, would you not be in a better position by being able to enforce your rules in Court?—Oh, decidedly.

102. In regard to losing the company's contribution, will you turn to Rule 47 in reference to that. This society was formed in 1891?—Yes.

103. By that rule the company is bound to contribute for the period of five years, which have now expired?—Yes.

104. Now, it is entirely at the option of the company whether it continues to pay that or not, so that the registration would not affect that question?—No.

105. *Mr. Fisher.*] You belong to the Oddfellows?—Yes.

106. Would you prefer that your lodge, instead of being a registered society, should be an unregistered society?—Oh, certainly not.

107. *The Chairman.*] Will you tell us, Mr. Grater, since I spoke about legalising the rules by registration, and the status you consider these rules have at the present time, what is their value as they now stand?—I cannot give a legal opinion on the matter.

108. You know, as an Oddfellow, that your rules have some value, but you cannot speak as to the value of these rules?—I cannot.

109. *Mr. Fisher.*] There is one point I have not referred to. I would have referred to it during the evidence of Mr. Bracegirdle, but as his evidence was not altogether satisfactory to me I did not mention the point. People speak of the benefits to the men conferred by the existence of this benefit society, and refer to the generosity of the Union Company in connection with it, but it appears to me not to be known that the Union Company has not paid, under the Shipping and Seamen's Act, anything to the men: it has not conformed to its legal obligations under this Act and its amendments: it professes to do good to the men out of this society, and out of the men's own money, saving its own pocket by means of this society?—I do not think your remarks call for an answer from me. They are evidently addressed to the reporters.

110. *Hon. Major Steward.*] Are you aware how this money is paid or collected? That is to say, assuming a man has been enrolled in your society, he is paid his wage on board monthly. Now, what happens? Is he paid the amount he has earned less the amount he owes to the benefit society?—Not that I am aware of.

111. Or is he paid in full, and left to pay his contribution when called upon?—That is the instruction of the company to the pursers—that they are on no account to deduct money from the wages, but to pay in full.

112. *The Chairman.*] You would be surprised to hear that one witness has given evidence that at the present moment a purser pays him his money short of the society's contribution?—Yes, I should, because the company was very peremptory in their instructions in regard to that.

113. *Hon. Major Steward.*] We have it in evidence that some pursers follow the course which you say is not the course which the Union Company desires of paying in full the men's wages. We have been told in the case of this witness that the purser of his ship acted one time in one way and another time in another way. I understand that the pursers are desired by the company to pay in full, and leave it to the men to pay when called upon?—Yes.

114. Has there ever been any written instruction to that effect?—Yes, a circular was sent out by the company.

115. So if any purser takes the course of taking the contributions from the pay he would be doing so in defiance of instructions?—Yes, in opposition to instructions. There is no doubt about that.

116. Will you listen while I read a short letter which has been directed to Mr. O'Connor, the secretary of the H.A.C.B. Society? "Bathgate Street, South Dunedin, September, 1896.—Mr. O'Connor,—Yours duly to hand. Sorry I have not been able to call and see you, but am suffering from influenza. As regards the lodge, I cannot say until Mr. — comes home, which will be on Saturday week. The Union Steamship Company compelled him to join their society, and he does not know whether he will be able to keep up the two lodges. He said he would think it over and decide when he came home. If convenient to you, he will call and arrange matters on the Saturday night when he gets home.—Yours, &c., N. —" ?—Well, my letter-books will prove that since May, 1896, I have always specifically instructed pursers that they are not to enrol members of other societies.

117. Then, this woman makes a false statement in saying that the purser forced her husband to join?—Unless the purser disobeyed instructions.

118. Do they often do that?—No; I find them very careful in this respect.

119. *Mr. Fisher.*] How are the funds invested in the bank?—They are invested in the names of Mr. Mills and Mr. McLean, as trustees for the society, on fixed deposit, in the Bank of New Zealand.

120. *The Chairman.*] In their proper names?—As trustees. I lodge the amounts myself, and that is how I fill in the bank-slips.

121. I mean, their proper names are put in?—As trustees.

122. And the money cannot be withdrawn except on their motion?—Except with their signatures, unless they resign and other trustees are appointed, and the bank is notified to that effect.

123. *Hon. Major Steward.*] They cannot withdraw the money on the mere signatures of Mr. Mills and Mr. McLean. They would have to sign as trustees of the benefit society?—I presume so.

124. *Mr. Fisher.*] My point is that the money cannot be withdrawn by any one except them?—Decidedly no, unless they resign and other trustees are appointed. I might say that I noticed in the evidence of one witness that he said he believed the current account was in the names of Mr. Mills and Mr. McLean, and the fixed deposit in some one else's. He is wrong. The current account is operated upon by myself as secretary and Mr. Ness as treasurer.

125. Then, you say—if I am incorrect you will correct me—that the fund, in the event of any difficulty arising between the men who are employed by the Union Company and the committee of the benefit society—the £4,300 which is at present on fixed deposit—could not be touched except with the concurrence and sanction of Mr. Mills and Mr. McLean?—I may state that at the first meeting of the society the question was asked, In the event of a strike would the men be paid their surrender value? I may say that at that time the rules provided that only men who left the employment of the company with the company's consent would be paid the surrender value. The question was asked whether this would be insisted on in the case of a strike, and Mr. Mills replied that it would be paid. With regard to that rule, it was never operated on from the start. It does not exist now, and it has never been in operation. Every man is paid the surrender value, no matter how he leaves the service.

126. In the event of some crucial difficulty arising between the company on the one hand and the men on the other, what would become of that £4,300?—I presume it would remain the property of the society, irrespective of the company.

127. The trustees—and I quite agree that they are honourable men—would have the controlling hand?—As you say, they are honourable men.

128. *The Chairman.*] Is there anything we failed to elicit which you would like to state?—In connection with the question of other societies, there are a couple of letters I would like to read. One, dated 7th May, 1895, is as follows: "The Loyal Shamrock, Rose, and Thistle Lodge, No. 4,914, I.O.O.F., M.U., Oddfellows' Hall, Tay Street, Invercargill, 7th May, 1895.—Charles Grater, Esq., Secretary, U.S.S. Co.'s Mutual Benefit Society.—Dear Sir,—I am instructed to return a copy of your rules with thanks, and to say that the lodge is quite satisfied with the position of your society. I may also state that not a single member has signed a petition sent us by the Federated Seamen's Union.—Yours, &c., D. Ross, for Secretary."

129. *Hon. Major Steward.*] What was that petition?—It was a petition praying for the abolition of private benefit societies, particularly our society. And there is this letter: "Invercargill, 1st May, 1895.—Mr. C. Grater.—Dear Sir,—You will excuse my dropping you a few lines, but I may inform you that, having been appointed by my lodge to report on your rules in your benefit society, and also on a circular from the Federated Seamen's Union of New Zealand, I may state that, before seeing the same, I was under the impression that with men in your service it was compulsory for them to join your benefit society, but according to rules it seems not so when you started, but in the preface it seems they must. That, I think, is

a flaw in your rules. At the same time, it will in time work its own cure. About three years ago, when travelling to Nelson as a delegate to a conference on behalf of the Oddfellows here, some of the crews made complaints about your society to me. However, I myself think it is a good thing for your employés, inasmuch as sailors as a rule are very careless about themselves, and it is not only making a wise provision for themselves and those dependent upon them, but a saving to the taxpayers in the country. I have been connected with the lodge here for twenty-nine years, and have passed through all the chairs, so I think I ought to know what a benefit society is. However, we have advised the lodge to take no action in the matter, which was carried last night. This note I send private to you and president.—Yours, &c., T. G. STONE.”

130. *Mr. Fisher.*] Have you the minute-book with you?—No, I was not asked to bring it; but I have the letter-books.

131. *Hon. Major Steward.*] That completes all you wish to state?—There are some things I have been asked to produce. I have here an extract in reference to surrender value paid, and it shows that surrender values amounting to £709 have been paid to 324 members. The surrender values, I might say, are paid on tables [Exhibit 6] calculated by Mr. Leslie, of Wellington.

132. On the contributions to the sick and funeral funds?—Yes.

133. *Mr. Fisher.*] How often does this committee meet?—Usually once a fortnight, unless the boat on which the men's representatives are employed is sailing irregular.

134. The committee are all on one boat?—Yes.

135. Is that arranged for?—Yes. It is arranged for as soon as they are elected, so as to enable us to hold fortnightly meetings of the committee. They are always on a boat that usually comes here once a fortnight or once a week.

136. As a rule, do they all attend?—The crews' representatives always attend, but the company's representatives are not so regular.

137. *Hon. Major Steward.*] Some of the company's representatives are shore-men?—They are all shore-men. Four of them are members of the society.

138. *The Chairman.*] Will you take the last copy of the rules. I just want to be quite clear on some of the rules. There is Rule No. 6, for instance: is there any difference between the words used here, “shall not be required” and “shall not join”?—Not any intentional difference. I may say, as you have seen from my evidence, there is no difference in practice.

139. There is in the administration, I think, a good deal?—Of course, there is a difference. The rules, if they get into the hands of a man with tact and common-sense, may be administered in a way that the same rules in the hands of his successor, who is not a man of common-sense and tact, may be used with a very different purpose. By No. 19 every man shall have one vote, but votes by proxy are allowed on all questions but the elections of men's representatives. That is an alteration made at the last meeting by the men themselves. They did not like the idea of voting by proxy in the election of members of the committee, and they tabled a resolution, which was carried.

140. Does not that give to other members who are voting for questions besides the elections of the men's committee representatives an overwhelming force in regard to bringing proxies in? Do you not think it gives a one-sidedness in the voting-power? There may be large questions such as winding up the society, and then down comes the Union Company with hundreds of proxies?—But they must come from the members; the rules provide for that.

141. But Rules 23, 24, and 25 give the Union Company an absolute majority on the committee, do they not?—Yes.

142. Can they not work those proxies, then, by means of this majority on big questions?—I do not see it. The proxies are not sent in in blank. They would be informal if they were.

143. *Hon. Major Steward.*] They are specific proxies on particular questions?—They appoint members as their proxies. I may say that in the past in the matter of proxies 90 per cent. have always been held by the men's representatives, not by the company's representatives.

144. *The Chairman.*] You know the Shipping Act pretty well?—No, I cannot say that I do.

145. This society makes seamen pay for their own medicine, and the Shipping Act already takes care of that. Now, this intention of the Union Company to withdraw from all active management will necessitate an alteration in Rule 77?—Yes. Now, here is a statement as to the investment of funds. I may say that the balance-sheets for the first two or three years were audited by Messrs. William Brown and Co., and for the last three meetings by Mr. James Brown. These men are both members of the Institute of Accountants of New Zealand. The auditor is appointed by the committee. As regards surplus, in friendly society finance we do not talk of a surplus unless the funds show a surplus when you take into account the present value of members' future contributions as against their probable risks.

146. You are speaking now of friendly societies?—The benefit society.

147. “Benefit” society is a word that seems to cover such a wide ground. A registered friendly society does things in accordance with rules, but, so far as I can understand, there is no amount of eccentricity that cannot be allowed in a private benefit society?—So far as I can see, this society has been worked on the lines of a registered friendly society. That has been my aim since I have been secretary.

148. Is there anything more you would like to say?—One thing occurs to me in connection with the evidence given by a seaman named Davis. According to the papers, he stated that his contribution to the Foresters was 9s. 6d. a quarter. For that contribution he cannot be entitled to a doctor or medicine for himself and wife and family.

149. He swore to it?—Yes, I noticed that. But there must be a mistake somewhere. The minimum contribution in any society is 1s. a week. I pay 1s. 2d. a week. It varies according to the age at joining.

150. *Mr. Fisher.*] It might be a mistake, because he was a very decent fellow?—Yes, I suppose it was a mistake—evidently so. If at any time there is anything else that the Commissioners would like to know before leaving I shall be very pleased to attend again, and if I wish to give evidence I suppose I shall have the opportunity to do so?

151. *The Chairman.*] Certainly. We shall be very pleased to hear you. We are very pleased with the way you have given evidence.

JAMES NESS was examined on oath.

152. *The Chairman.*] What is your profession?—I am the Union Company's representative at Port Chalmers.

153. What is your position in regard to the society?—I am the treasurer of the society.

154. Do you wish to make any statement to the Commission?—Yes. I have taken a few notes of the evidence I have seen in the papers. I see that Coleman, in his evidence, stated that Mr. Kirby and myself had used some amount of compulsion or coercion in inducing seamen to join the society. Well, I want to deny that. I think I was one who started the society. I was sent for by Mr. Mills, who asked me if I would take some part in it. I consented, and took the part of acting-secretary until they got a secretary appointed, and, with Mr. Mills and Captain Cameron and Mr. Whitson and several others, I drew up the rough rules. These rules were afterwards submitted to an actuary at Wellington and approved of, with several suggestions made by him, and they were eventually drawn up—of course, not exactly in accordance with the present rules—they have been altered lately—but according to our original rules. Mr. Kirby and myself went on the various boats, both at Port Chalmers and Dunedin, to try and get the men to join, and, as a rule, they were all very willing. There was no compulsion used. Any man who was at that time in another society had the privilege of remaining in it. We told them distinctly we did not want them in. We would rather they would stay out than join the society. I think I went on board every boat that came into the place at that time, and waited upon them, and spoke to them, generally in the smoking-room, or some such convenient room, and explained the society to them in detail, as well as we could, and took the names of those willing to join. Some stayed out, but eventually joined, but all friendly society men were asked not to join.

155. In regard to men who were not members of friendly societies, how was the position explained to them?—The position was explained that the directors considered it desirable that such a society should be formed, both for the good of the men and to try to bring them into better spirit with their employers.

156. But no compulsion was used?—No; no actual compulsion.

157. Well, will you read Rule No. 5 of the society? How do you interpret that? How do you think that agrees with your statement that no compulsion was used?—Well, when I say no compulsion I do not mean to say that the men were threatened that if they did not join they would be discharged from the company's employ. Of course, this rule does imply what you might call a certain amount of compulsion.

158. *Hon. Major Steward.*] Did you give the men to understand that preference in employment would be given to those who joined over those who did not join?—Yes; that was laid down to them in this way: In the case of the society men who would be standing by waiting for a job, those men or members of a friendly society would naturally have the preference over a non-society man. It could not be expected that these men would stand out. The men themselves pressed that question in all cases.

159. If there was not a threat there was an inducement?—Yes.

160. *Mr. Fisher.*] And logically it follows that if a man chose to exercise his own individual opinion not to join the society there was no work for him?—Hardly so, I think, because at Port Chalmers we employ a lot of men. When the ship is paid off, for instance, directly the men are off the articles they step into the foreman's department, where they are all taken on to do day-work until the engines are overhauled and the ship is ready to go to sea again. Every man is put to work whether he is a non-society man or a member of our society, or of any other society.

161. You are speaking of the present moment?—This thing has always held good.

162. No question has ever been asked?—The foreman at Port Chalmers never troubled his head to ask whether these men belonged to societies or not.

163. I understand you to state distinctly that, all things being equal, and you only wanted a certain number of men, you would prefer men who were members of benefit societies?—Yes, of course. You must understand we had no excess men. We have a certain number of men employed throughout the fleet, and practically there are no excess men in the fleet.

164. I am not referring to the excess men of the fleet; I am referring to an excess of candidates for a vacancy. We will say that four men are wanted, and that you have eight applicants for the job, four of whom are friendly society men and four of whom are not, I understand you to say you would prefer those who are friendly society men?—Yes.

165. And therefore the other men do not get a chance?—Yes.

166. *The Chairman.*] The preface to the rules printed on the 1st June stated: "It shall not, however, be compulsory for them to join the society, though all who join the company's service in future shall be required to do so and pay an entrance-fee in accordance with the rule within one month of their joining the company's service." Do you not think that is compulsory? Surely it means that if they do not do what they are told to do they must take the consequences?—It is compulsory on new men; it was not compulsory for men employed in the fleet at that time.

167. You cannot say it was all voluntary when the rules speak like that?—In regard to the old men?

168. No; I mean in regard to the new men?—Yes, they are expected to join the society if not members of another friendly society. In regard to my statement, I wish to show there was no

coercion at that time, and consequently there was a mistake in Coleman's evidence. Another witness (I forget who) stated that all the officers—president, treasurer, and secretary—were in the service of the Union Company. That is not so. The secretary is entirely the servant of the society. His position was advertised for, and he got the post. He has nothing whatever to do with the Union Company—nothing in the least.

169. *Mr. Fisher.*] That is one?—He is the only one. The president is Mr. Mills and the treasurer myself.

170. Who are the seven who compose the Union Company's representatives on the committee?—They are all employes of the company. There are six, exclusive of the president, who is *ex officio* a member, and who has never attended the committee meetings since the initiation of the society.

171. We had it distinctly that two or three were wharf-labourers, but for the matter of information it would be better if you would tell us who the whole six are?—There is the marine superintendent, once Captain Cameron but now Captain Strang. He is the vice-president, and when present occupies the chair. I am the treasurer. Then there are Mr. McInnes, who is one of our leading engineers at Port Chalmers; Mr. Mathieson, who is our wharfinger at Dunedin; and two wharf-lumpers at Dunedin (McDonald and Seymour). I just wish to mention, while on this, that it is very rarely—I think I may say never—that the whole six members are there on the committee. Very often I am away. It often happens that the marine superintendent is away. Mr. McInnes is at times not able to attend, and Mr. Mathieson is not always able to attend. I think it very often happens that only two or three members of the committee are present.

172. *The Chairman.*] That is at ordinary meetings, but in any great question they would all be there?—Up to the present time I am glad to say we have never had any great question, and everything has worked amicably.

173. You think that winding up the society is a big thing?—Yes; but, referring to Mr. Fisher's statement, I do not think there is any likelihood of a dispute. In reference to winding up the society, I think it would be wound up without any trouble whatever. The funds, of course, would be distributed amongst its members.

174. Do you think it quite fair that the funds should be distributed entirely amongst those members who at the time are in a financial position?—Yes; because previous members have had their surrender value, which is declared by the actuary to be a fair thing. The committee has nothing to do with the surrender value. I would like you to understand that thoroughly.

175. But as to the distribution of the funds in the event of the dissolution of the society, all opinion of that can be nothing more than speculative, because the accumulated funds are invested in the bank in the names of Mr. Mills and Mr. McLean as trustees. Of course, we and you know that should serious difficulty arise between the shipowners and their employes it would be difficult for the men to get the money, if they wished to dissolve the society, seeing it is in the names of Mr. Mills and Mr. McLean?—Well, that is a purely hypothetical position. I have never heard or seen any reason to believe that the Union Company would ever dream of taking these funds.

176. I am not suggesting they would take the funds: they might simply insist that they should remain in the bank?—I do not think so.

177. You know there is nothing to compel them to give up the funds?—As things are there are to be no more labour disputes, happily.

178. You think highly of the Conciliation Act?—Yes, I do—very highly. It is a pity it was not established all over the world.

179. Will you go on with your statement?—I noticed about these funds mentioned yesterday. I want it to be clearly understood that so far as I am aware there can be no difficulty at all in distribution if the men say there is to be a dissolution. I think Rule 77 deals with that. That has always been the intention of the company so far as I am aware. We cannot wind up the society without five-sixths of the whole members being there and voting. They can vote by proxy. As to the initiation of the society, I see it was mentioned by one witness that it actually proceeded from the men themselves. I think it was Mr. McEwan.

180. You do not agree with that?—Well, it originated with one P. McDonald, who was a sailor on the "Manapouri." That was about the beginning of 1891. Of course, I cannot say for certain as to the time. It was probably some time in January, 1891. He suggested to Mr. Kirby, who is brought into closer relation with the men than probably any other official, that it would be a good thing to start some sort of a society, and the question was asked him as to the sort of a society. He said a benefit society, and the matter was taken up at the moment and carried to Captain Cameron, and presumably from him to Mr. Mills. That was really the foundation of the society. It got talked about, and eventually some rules were framed, and the society is the result.

181. And you think, Mr. Ness, that the Union Company fell in with this entirely on account of their good feeling towards the men, and with a wish to help them?—I think so. I should imagine the Union Company had no thought of it until this was brought before them by the idea of this man McDonald.

182. *Hon. Major Steward.*] Then, a previous witness was quite correct in saying that the movement had originated with the men?—Yes.

183. *The Chairman.*] Is McDonald still living?—Yes; I think he is working with the Northern Company. Among the earlier members of the committee appointed by the Union Company were Messrs. Whitson, William Cook, and Kirby. It was thought at that time that the men rather resented these officials being there—that they could not have freedom of speech, or that members would not like to speak freely—one can understand the feeling of the men—so at the meeting in November, 1893, these four were removed from the committee, and their places were taken by the four whose names I have just given you. Captain Cameron and myself were the only two of the old members who remained. With reference to that unfortunate letter which we have heard so much about, *re* Dorling and the "Grafton"—

184. We went into that very fully with the secretary?—He would inform you that this man Dorling had always returned himself as a member of no society. In the master's report to the marine superintendent the same thing appears—that Dorling was always returned as a non-member; so that under the circumstances there was some slight ground of excuse for the letter, although the secretary had no authority, and never had any, to write such a letter. The first thing I knew of it was when I read it in the paper.

185. You never heard any explanation as to why the man concealed the fact?—No. So far as I know, there was no reason. There were many men at the time—when I say many I forget what the percentage was—who were already in other societies, and they did not join our society. I mention this to prove that no difference has ever been made with this man. There is one man now—Otto—who is a lamp-trimmer in the "Tarawera." He was at that time a sailor on board the "Tarawera," and he did not join because he was in some other society. He is still in the ship, and has been ever since. I think he was your second witness. A lamp-trimmer on the "Waihora" is in the same position. Numbers of men were members of other societies, and they have remained in the service without the slightest difference being made; in fact, it was always a point with me to urge men not to join our society unless they actually wanted to belong to two societies. At this late stage it is hard to remember all the names of the men, but I know that the matter came before me very often. They would come and ask me if I thought they should join, and I strongly urged them not to. In reference to that, I may mention two men who came from Sydney, I think they had been working in one of the ships over there—probably the "Oonah." They asked here to get into one of the boats of the Union Company, and informed Mr. Kirby they were unfinancial members of the Foresters, or some other society. They had been asked if they were members of another society, and their reply was as I have stated. They asked to be allowed to join the Union Company's society, but they were told "No; they must make themselves financial in their own society"; and to avoid any clashing of interest the men did that. They are now on board one of the coasting-boats. They were not made members of our society.

186. Well, what is the next point?—I see that one or two witnesses laid somewhat similar stress on the fact that the men's delegates did not represent the men properly. Well, I do not see how they can say such a thing as that, for the representatives are elected by the majority of votes, and the men themselves have perfect freedom of speech and every liberty in committee. I thought they very fairly represented the men of the fleet.

187. *Hon. Major Steward.*] I think you misapprehend the witness. I think I know the witness you refer to. The impression the witness gave me was this: that he did not mean that the men elected did not properly represent the men, but that in proportion to the amount of contributions as between the men and the company the men were entitled to a larger extent of representation?—I saw that part too.

188. *The Chairman.*] And they were also questioned on the point whether they considered it was possible for the men who were employes of the Union Company to go far, supposing their views were in opposition to any wish the company might have expressed. You see, freedom of debate there might mean speaking against their own bread and butter?—Yes.

189. Well, of course, there is no doubt that the men are not coerced in any way; but would there not naturally be that sort of feeling—that they are not exactly as free as representatives of ordinary friendly societies in debating business?—It always struck me that the men seemed rather pleased than otherwise that there should be some sort of helping hand held out to them by the company to carry on the business of the society, because a society of that sort is a tremendous affair, and requires a lot of management from business-men. The men themselves are here only once a fortnight or month, as the case might be, according to the arrival of their ship, and they really want assistance in carrying on the business. During the whole time I have been connected with the society—since it was started—there has always been the best of good feeling. In fact, the company's nominees were a sort of dead-letter, for I have often gone to a meeting and sat all the time without opening my mouth, except in the matter of formal business, as treasurer; so that they have actually carried on the business themselves.

190. Especially lately?—I noticed Mr. Randle mentioned eight months. I cannot make out how he got that eight months, because ever since the society has been established the men have had great freedom in managing the business. I want to make it quite clear that the Union Company's nominees have never kept the men from expressing themselves; in fact, the men have been very free in all cases. There was some reference made *in re* the deposit and current accounts. I think it was Mr. McEwan who thought the current account was in the names of the trustees; that is a mistake. The current account is in the name of the society in Port Chalmers, and all cheques are signed by the treasurer and secretary. Of course, you know the deposits are in the names of the trustees, but they have nothing whatever to do with the current account. I am not quite sure, but I fancy something was said about the fact of Mr. Grater having been "sacked" for writing that letter.

191. *Mr. Fisher.*] So it was stated by Mr. McEwan?—That is hardly correct. The fact is that for some time past there has been the feeling that Mr. Grater does not devote so much attention to the society as he should. He is an excellent man so far as his technical work goes, but he is not in the habit of visiting the ships, and so he is virtually as big a stranger to the members of the society as he was when he first joined as secretary. That, combined with the feeling about the letter, led up to his being asked to resign. There is no question of his getting "sacked" for that particular item. Of course, I know he was severely sat upon by the company, because he has no right to interfere with the company's business. He had no power whatever to order the discharge of any man in the service, and that is one thing about which I have always been careful in my position on the committee—to avoid any friction between the Union Company and the committee.

He was going beyond his duties altogether in ordering a man to be discharged. I see that at the 1st April we had ninety-four men in the deck and engine departments who are over forty years of age. Of these, sixty-two belong to the society, eleven to other societies, and twenty-one are not members of any society: that is out of a total in this department of 620. This goes to show that the men over forty are not cast out of the company's service as useless. Many of our best men are over forty years of age.

192. *The Chairman.*] Members have been admitted to the society over thirty-eight years of age?—There is no hard-and-fast rule in reference to that. It is an understood thing that men should not be over forty years. That is acting on the example of other societies. Of course, it would not be fair to the society as a whole that elderly men should be taken in. About the men who have been kept ashore from their boats to give evidence, I have to say that the society have no word that they would be expected to pay these men's wages. Their expenses ashore, presumably, will be paid by the company. The funds of the society would not be trencched upon for that.

193. That was the opinion of Mr. Bracegirdle. He is not a member of the committee, but he volunteered?—I saw the statement, but I think he is speaking without authority; in fact, the men have simply asked to come ashore, and the company raised no question, and they expect to get their pay in the usual way.

194. *Mr. Fisher.*] Bracegirdle says he stayed back from the ship to give evidence here, and further says, "I take it the society will pay my board and the company my wages"?—I do not see any distinction between the two. I do not know why he should have made that statement. I do not think for one minute the society will be asked to pay these men.

195. The annual report says the number of men in the society is 860?—Yes.

196. Can you tell me how many men are in the fleet?—I think, between a thousand and eleven hundred.

197. *The Chairman.*] That includes captains and officers?—No; only seamen, firemen, cooks, and stewards.

198. *Mr. Fisher.*] That would mean that there are about three hundred men in the fleet who do not belong to the society, and therefore presumably to other societies?—Yes; and a few belong to no society. I think when the society was first started I worked the matter out, and found we had a percentage of 8, speaking roughly, who belonged to no society. It is quite infinitesimal. This would go to prove the necessity of some such society being established, and I might say from the length of time the society has been established I do not think I have ever heard a bad word against it from any man, more especially, of course, from men who have had benefit. They have praised the committee very much.

199. *The Chairman.*] But would they be likely to go to you—a leading official of the company—to grumble?—I refer now to talking in a private manner with the men. Speaking generally, I am on very good terms with the men. I am not in a position that I have to exercise any authority over them. That is left to others. I always considered myself to be on good terms with the men, and I have had many conversations with them. I suppose I will have the privilege of coming up again if I see anything in the evidence I might wish to speak about.

The Chairman: Certainly.

ANGUS McINNES was examined on oath.

200. *The Chairman.*] What is your occupation?—An engineer.

201. In what ship?—In no ship. I am engineer foreman at Port Chalmers, under Mr. Cook.

202. Are you a member of the committee of this benefit society?—Yes.

203. How long have you been in the service of the Union Company?—About thirty years; in fact, before the company started. I have been in the Union Company's service since its formation.

204. How long have you been in the benefit society?—About four years.

205. Will you tell us anything you would like to say?—I may say I think it is pretty fair evidence that has been given, so far as I can understand. I have been appointed by the company. Of course, I cannot always be at their meetings.

206. *Mr. Fisher.*] You think the evidence, so far as it has been given, very fair all through?—Yes; and I may say, so far as I am concerned, I employ a good deal of labour, particularly among the firemen, and when a boat is laid up we never inquire if the men belong to the benefit society or not. When a boat is undergoing repairs I give preference to the men employed on board. The men employed belong to Port Chalmers, and I think only one or two belong to the society.

207. *The Chairman.*] They are not so particular about shore hands as about ship hands?—No; in fact, we do not ask them whether they belong to any society or to the Union Company's society. I take the best men for the work, irrespective of country, denomination, or anything else.

208. *Mr. Fisher.*] At your committee meetings is there every freedom of discussion amongst members of the committee?—I find at all the meetings I attend very little trouble with anything. The men seem to get on very well together.

209. *Hon. Major Steward.*] Have you formed any opinion as to the expediency or otherwise of bringing this society under the operation of the Friendly Societies Act?—I would prefer it to remain as it is.

210. *The Chairman.*] Why?—For one thing, if you belong to a friendly society you get no surrender value on leaving the society.

211. *Hon. Major Steward.*] Suppose the rules as you have them now were legalised, it would not affect you injuriously?—So far as I am concerned, I think they should remain as they are.

212. *The Chairman.*] Is it not a fact that your surrender values are being paid on a false basis—that is, if the contributions are not sufficient to meet the values it cannot be very safe, and the

society will not be able to pay surrender values or anything else if it is on a wrong basis?—I prefer that it should remain as it is now, and let the Union Company still have the control. That is only as far as I am concerned.

213. *Mr. Fisher.*] At your age you do not care very much about change?—No.

214. *The Chairman.*] Unless the change is for the better?—I do not think it could be carried on any better than it is. In fact, I should be very sorry if the Union Company gave it up.

215. *Mr. Fisher.*] But, still, you are aware that there are complaints?—I have heard rumours of them, but nothing personally.

216. The complaints have gone so far as to reach the stage of petitions to Parliament?—Yes? I was not aware of that. I have heard rumours of it.

217. The petition to Parliament refers not to the Union Company but to another company, but the complaint is urged against a similar thing—the existence of private benefit societies—so you see the complaint is not applicable to the Union Company alone: it applies to the existence of a system of private benefit societies, because it appears that these societies bring with them the principle of compulsion, against which the men revolt?—Not with the Union Steamship Company, that I am aware of. I am an employer of labour, and I do not inquire whether the men belong to the society or not.

218. *The Chairman.*] You may not, but do you not think the benefit society does? Here is the preface to the rules as printed in 1891: “All present employés of the company as defined in the rules may within three months become members of the society, without payment of an entrance-fee, on passing the necessary medical examination. It shall not, however, be compulsory for them to join the society, though all who join the company’s service in future shall be required to do so, and pay an entrance-fee in accordance with the rules, within one month of their joining the Union Company’s service.” That looks like compulsion?—I think that is all done away with.

219. I will read the new Rule No. 5: “Every employé in the deck, engine-room, stokehold, and stewards’ and cooks’ departments of the company’s vessels and shore employés of the company who shall be certified by a medical officer of the society as being in sound health, and not suffering from any contagious disease, shall, except as hereinafter otherwise provided, become an ordinary member of the society.” That is now in existence, the exception being that they can belong to another friendly society, but that unless they belong to another friendly society it says they shall become a member of the Union Company’s society. That looks like compulsion?—I think that is done away with now.

220. But it is in the rule at present in force?—So far as I know, it is not compulsory, whether they belong to any other society or not.

FRIDAY, 21ST MAY, 1897.

WILLIAM BELCHER was examined on oath.

1. *The Chairman.*] What is your occupation?—I am a seaman, and I am the general secretary of the Federated Seamen’s Union at the head office, which controls the other branches in New Zealand.

2. How long have you held that position?—For three years and one month.

3. You have seen the evidence of the witnesses at this inquiry, as printed in the newspapers?—Yes.

4. Does the evidence which has been given fairly represent the position?—No; I do not think it does. It must be understood, Mr. Chairman, that I am not a member of the Union Steamship Company’s Mutual Benefit Society, and anything that I might have to say in connection with the matter must be necessarily to a large extent hearsay evidence, but the position that I hold naturally brings me into contact with a number of the men, who express their opinions to me with reference to their feelings towards this society much more freely than they are likely to do either to you or any one else.

Mr. Fisher: That is what we want to get at.

Witness: I think it is obvious that any man who is employed by the Union Steamship Company, or any other employer, and who comes here to give evidence before you, must be embarrassed to a certain extent, seeing that his bread and butter and living is the gift of the Union Company to him.

5. *Hon. Major Steward.*] Well, then, as you are familiar with the evidence given, and, I have no doubt, wish to represent the true position to the Commissioners, would you be able now, before we address any questions to you, to make a general statement bringing out points which you think ought to be known to the Commissioners, and framing it in your own words?—Yes.

6. *Mr. Fisher.*] I would like you, for the information of the Commissioners generally, to give us a general survey, if you can, of what we may call the position?—That will necessitate me starting at another point from that which I intended, but I will start at that point. You are aware, and every one is aware, that the Union Company’s benefit society is in existence. Now, I take it it is necessary to know or to have some idea or to assume why that benefit society was brought into existence. I merely give my own opinion in connection with this matter, but I think it is borne out by the actions of the Union Company since the inception of the benefit society; and I merely give it as my own opinion that this society was first instituted with the object of giving the Union Company a hold over their men, and also with the object of trying to retard the progress of the Seamen’s Union. In passing, I might say that I do not wish it to be understood that I come here with the object of advocating the Seamen’s Union or the business of the Seamen’s Union. I do not wish that to be understood at all. I am merely giving my opinion why the society was instituted, and I must necessarily refer to the Seamen’s Union in doing that. You are all aware that

the maritime strike occurred in 1890. The labour organizations that were concerned in that dispute got most severely reversed, and employers generally all over the country, not only in New Zealand but also in Australia, made up their minds that, if it was possible, they would keep the organizations in the positions they had them in at that time. As I said before, with the object of getting the men more completely under their control than they had had them previously, the Union Steamship Company incepted their mutual benefit society; and there is not the slightest doubt that membership of the society was made compulsory on every man who joined their service. This is not mere assertion on my part. I do not know if you have been supplied with an original copy of their rules, dated June, 1891 [Exhibit 1], but if you will glance at them you will see that provision has been made that every man who joins their service must be a member of their benefit society. There are certain restrictions in the rules to the effect that the Union Company will not accept men as members of the benefit society who are members of any union which the company disapproves, and it naturally follows these men will be debarred from employment. They, of course, did not approve of the Seamen's Union, and the strenuous opposition which has been shown since that time until quite recently—when the feeling towards the members of the union has been slightly modified—shows conclusively that that was one of the organizations to the membership of which they must have taken exception when these rules were drafted.

7. *Hon. Major Steward.*] There is a provision at the end of Rule 5 which differs from the provision of Rule 5 in the 1896 rules. Perhaps you would read the latter words: "Provided he or she is not a member of any union which the company will not recognise." At that time they were not allowed to join if they were members of a union which the Union Company disapproved of?—Yes. I think you will see from a perusal of these rules that it was no doubt the intention of the Union Company to get as large a control over their men as they possibly could, for you will see the provision runs consistently right throughout the book that nothing can be done in connection with the society without the consent of the Union Company. Any alterations in the rules, or anything of that sort, which might be contemplated could not be done or effected without the consent of the Union Company. And I also wish to draw your attention to this fact: that it has been stated by a number of witnesses who have already given evidence before you that the Union Company took little or no interest in the control or management of the society at the present time. Well, now, you have to consider this fact: In the first place, the men had nothing to do with the drafting of these rules; they were manufactured by the Union Company before the men knew anything about it. The rules were sprung upon the men. They were given to them, and they were told they would have to accept them and membership under these conditions or they would not get employment. Now, the whole argument that the society is controlled by the nominees of the men is absolutely without any foundation. Had it been the case that the men had been consulted in the first place, and they had approved of these rules or drafted them, then there might be grounds for making that assertion; but when a set of rules is placed before the men, and they have got to administer the society according to the manner in which the Union Company drew up the rules, that does away entirely with the assertion that the business is carried on by the men. It is true, I believe, that recently the Union Company's officials have ceased to take an active part at the meetings of the society and in the control of the management, which is being left to the committee. But the fact remains that the men cannot go outside the rules, and they have to administer the affairs of the society according to the gospel of the Union Company. There is not the slightest doubt about that. I see it has been stated that this society was not altogether the original idea of the Union Company themselves, and that it was suggested by somebody else—by a Mr. Macdonald. If you will turn to the preface of this set of rules [Exhibit 1] you will find the following statement: "It is believed that the inauguration of such a society will be welcomed by the general body of employés, and that it will lead to most beneficial results. Similar societies to that now proposed to be formed have proved highly successful both in England and Australia. One of the most notable examples is the provident and pension society of the London and North-western Railway, which has a membership of 23,500; while nearer home we have the example of the mutual benefit society of the Melbourne Omnibus and Tramway Company, which, particularly during the late strike, proved a great boon both to employers and employés." Now, if I am not adrift in my facts, Mr. Chairman, the Melbourne Tramway Employés' Mutual Benefit Society was instituted after a trouble somewhat similar to the maritime labour dispute of 1890, and, so far as the London and North-western Railway Company's provident society is concerned, I was reading in the English papers a short time ago that a large amount of trouble was brewing between that company and their employés, and one of the chief points that the men had to complain about was the fact of this company being permitted to institute this benefit society. There were some figures in that paper, which I have unfortunately lost, showing the amount of money that has been contributed towards this pension fund. It is an enormous amount, and I may tell you that some considerable time ago, when the Employers' Liability Bill was introduced into the English House of Commons, the enormous influence which the shareholders of the company exercised in the House of Commons was the means of the contracting-out clause being inserted in the English Employers' Liability Act.

The Chairman: I must ask you to keep a little closer to the subject.

Witness: I want to make a point of this, and I will be as brief as I possibly can. I merely wish, in drawing your attention to this, to show what probabilities there are in allowing these things to be incepted and in allowing them to grow, and to show that legislation which is found to be necessary to check these things is blocked through permitting them to grow to the dimensions that have been allowed in the case of the London and North-western Railway Company. That is the point I wish to emphasize. Well, passing from that to the Union Company's benefit society: the opinions that are held by the bulk of the men are that the employers should have no right to impose these conditions upon their workmen. That is the opinion they have expressed to me. They do not wish to trouble about petty details in connection with the Union Company's benefit

society, or any other society; they entirely object to the principle. Their contention is that they engage to do a month's work for a certain amount of pay, and they say that they should be totally unhampered by any conditions of any sort whatever in reference to joining this or any other benefit society. I see it has been stated that it is not altogether compulsory for men to join this benefit society. There is no necessity to argue the point about that. I will give you Mr. James Mills's own words in connection with this. I have here newspaper reports of the proceedings of the dispute between the Seamen's Union and the Union Company recently before the Conciliation Board in Dunedin, where Mr. Mills most emphatically states he considers the Union Company have got a perfect right to make it a condition of employment. These are the words he used: "We consider that we [the Union Company] have a perfect right to make it a condition of our employment that members of the company's crews should be members of a benefit society." Reading that in conjunction with their rules, which state most specifically that those who are not members of other benefit societies must join the company's society, the inference is that they must join the company's society, provided they are eligible through not being a member of a union. Then, again, Mr. Chairman, I will quote still another statement made by Mr. Mills, which occurs in a leading article in the *Otago Daily Times* of the 11th February, 1897, where they pour out a little of their spare vituperation on the head of your humble servant on account of his connection with the Seamen's Union. It is as follows: "Mr. Mills frankly admits that one of its [benefit society] objects was to keep the men in touch with the company, and endeavour to create a mutual interest, so that if strained relations arose at any other time they might probably consider the company's interests as much as their own." That, I think, most conclusively shows what the object of the Union Company was in instituting the benefit society. They have always claimed that it has been done for philanthropic purposes; but it seems a most peculiar thing that men who evince so much interest in the welfare of their employes should with one hand reduce their wages, and then force a benefit society on to them to which they have to contribute—all with the object of studying their welfare. For my own part, I cannot see where the welfare of the employes is studied at all. With reference to the compulsory conditions on joining the society, I have three declarations here. They were never attested before a Justice of the Peace, but were made before myself and another witness, and I would respectfully ask that the names of these individuals should not be made public. One statement was made before Mr. Millar, M.H.R., when he was secretary of the union, and the other two before myself. I will read them if you gentlemen would like to hear them.

Mr. Fisher: So long as the Commission is satisfied as to the genuineness of the documents.

Witness: Yes; and I think perhaps their names can be given to the public. The first is as follows: "Dunedin, 8th June, 1893.—I, Thomas Samuels, fireman, of Westport, joined the 'Kawātiri,' February, 1893, and left her 8th June, 1893. Was never asked to join the society until June, 1893, when the mate, Mr. Brophy, was collecting the money. Hagan asked me for mine. I replied that I had plenty to do to pay into one society, and would not pay. Brophy then said he would damned soon make room for some one who would pay, and upon arrival in Dunedin I was dismissed. My discharge shows no faults at all. Am a member of the Loyal Westport Lodge, M.U.I.O.O.F., and have been since 1887. Was dismissed by chief engineer under instructions from Kirby. Anderson, fireman, was present.—(Signed) THOMAS SAMUELS. Witness—J. A. MILLAR." In connection with this man, I may tell you he was away from Dunedin for some years, and he eventually got a situation in one of the Union Company's boats, and that man told me distinctly the last time he was in Dunedin that as soon as the vessel got alongside the wharf he was confronted by Mr. Kirby, and asked what he meant by making such statements, and allowing them to be made public. That shows you how keenly they watch any one who attempts to give any evidence against their society. This is another statement that was made before myself: "Dunedin, 26th March, 1896.—I, William Graham, of Port Chalmers, late fireman on s.s. 'Rotokino,' owned by the U.S.S. Co., do hereby certify that I was discharged from the s.s. 'Rotokino' on the 16th February, 1896, no reason being assigned for my dismissal. On making application to the company's labour engager for further employment I was informed by him that I would receive no further employment from the company because I was too old to join the Union Steamship Company's Mutual Benefit Society, and there were numbers of men who were members who would get work before me. I am a financial member of the All Nations Lodge, U.A.O.D., in Port Chalmers, also a financial member of the Protestant Alliance. I am fifty years of age, and am still quite competent to perform my duties as a fireman, and no complaints have ever been raised by engineers in this direction. I make this statement knowing it to be true in every particular. (Signed) WILLIAM GRAHAM. Witnesses—W. Belcher and R. Clark.—26th March, 1896." I may tell you that at the present time this man is in one of the small boats on the coast earning his living as a fireman. Here is another statement: "Dunedin, 19th January, 1897.—I, W. J. Coleman, do hereby state that at the inception of the Union Company's benefit society, and when called into the social hall of the s.s. 'Tarawera' to be notified of the fact that all employes had to join same, I was distinctly given to understand by Mr. Ness that all those who did not join the benefit society would be debarred from getting employment. I have been a member of the Independent Order of Oddfellows about twelve or fourteen years, and have paid my contributions to both societies since forced to join the Union Company's society. I am also insured with the Australian Mutual Provident Society.—(Signed) W. J. COLEMAN, Begg Street, Musselburgh. Witnessed by W. Belcher, this 19th day of January, 1897. Witnessed by A. Y. Bracegirdle." I may tell you that this statement was not got in a surreptitious manner. The man was in my office speaking to me about another matter, and was complaining about being compelled to join the Union Company's benefit society, and he told me he was in another society. I asked him if he would be prepared to sign a written statement to that effect. He said he would, and I wrote out the statement and read it over to him, and he signed it.

8. *The Chairman.*] Who was the witness?—A. Y. Bracegirdle. He was here the other day.

Well, whether there was any written or unwritten law to that effect, it has been understood by the men that membership of the benefit society carried with it priority of employment. And there are a good few men employed at the present time by the company who are members of other benefit societies who have concealed that fact from the Union Company, because they thought that the members of the Union Company's benefit society would get employment in preference to themselves. I say most emphatically that that is the opinion that prevails amongst the men. They are always referring to this society in what you might call "unbecoming" terms. They look upon it with contempt; and I do not want the reporters to publish this, but I am told that in the Union Company's service the name by which it is commonly known is the "Deaf-and-dumb Society."

9. You might have heard of the celebrated letter which was written concerning Dorling, and his dismissal from the "Grafton." Mr. Grater, the secretary, told us yesterday in the course of his examination that he had no idea that Dorling was a member of the Druids or any other society. Dorling was always reported, both on the purser's returns to witness and also on the official returns of the chief officers, as belonging to no other society. Now, what is your idea why Dorling should have concealed the fact that he belonged to another society? Do you consider the reason was that he suppressed the fact of belonging to another society in the hope that he would not be debarred from joining the Union Company's society?—Yes; so that his employment would not be endangered.

10. Can you conceive it as a reasonable explanation?—Yes; it is a reasonable explanation. And, as I stated before, there are men, whose names I will not mention, who belong to other benefit societies, and who have concealed that fact because they thought that by belonging to the Union Company's society they would have a better chance of employment. But, so far as Mr. Grater's explanation is concerned, it appears to me to be a very lame one indeed, because I can hardly conceive that a man holding the position he does in connection with the benefit society, not being an employé of the Union Company in any shape or form, and not fortified by some written or unwritten instructions in connection with the matter, could possibly, even supposing the letter was written hurriedly, have taken it upon himself to say the man should be dismissed.

11. *Mr. Fisher.*] Do you, then, consider one effect of the existence of this private benefit society is to transform the men into hypocrites?—It has done so, in my opinion. Keeping to the point in reference to compulsion, I was only told yesterday of an incident that occurred in connection with the "Omapere," and this is another case where the Union Company's officials have gone unduly out of their way, if they have not received instructions, in order to see that the membership of the society was enforced. Now, I cannot vouch for this; I got it second-hand from somebody else; but it is to this effect: that the purser of the "Omapere," at the inception of this society, asked the crew of that vessel to join the benefit society, and they refused to do so; and he absolutely refused, so I am given to understand, to pay the men their wages until they were prepared to hand over their contributions to the society to him. That statement was given to me by a person of some standing in the community, whose word I have no reason to doubt whatever. I accept it as it was given to me. If it is wrong I am quite prepared to withdraw it. There is not the slightest doubt but that there must be some misunderstanding among these Union Company's servants that the payments to this benefit society must be enforced, for I have been informed that in half a dozen vessels the pursers deduct the contributions to the benefit society from the wages before handing them over. That has occurred in the "Flora" and "Brunner," and I am also given to understand that it has occurred in the "Mararoa" and "Manapouri." There is little or no difference, however, between the purser stopping the money from a man's wages before he hands them over and standing outside the door when the man has got his money and hitting him on the head—figuratively speaking—with a bludgeon and making him pay it then. Of course, by bludgeon I mean the pressure applied by the Union Company. But, coming again to the question of compulsion, here is another case which, although not altogether settled yet, I think I am perfectly justified in bringing before you, to show that pressure is even being brought to bear now by Union Company's officials to compel men to join. I received a letter from our Wellington secretary a short time ago informing me that men were still being forced to join. I may here state that we have been arranging an agreement with the Union Company, reference to which you will no doubt have noticed, providing that the joining of the benefit society is to be optional when the men join the service. Well, that agreement was signed on behalf of the Seamen's Union yesterday, and, I believe, on behalf of the Union Company to-day. When this communication was received from our secretary at Wellington I was instructed to draw the Union Company's attention to the fact that their men were still being compelled to join the benefit society, and I remonstrated with the company, seeing that negotiations were pending for the stopping of this compulsion. The Union Company wrote and forwarded me a copy of telegrams that had passed between them and their agent, in which they practically denied that anything of the sort had been done. They were very eager to find out if this was the case, and the secretary of the company waited upon me the other day and asked for particulars. I got the particulars from our Wellington secretary by wire, and this is what he says: "W. Belcher, Secretary, Seamen's Union, Dunedin.—Arbitration case sitting all day. Adjourned till to-morrow. Pat McCarthy and James Quinn, firemen, 'Mawhera,' told they must join or leave ship by purser. Particulars mailed.—W. JONES, Wellington." Now, I only received this telegram on the 17th of this month, and I think this most clearly shows that, if there are no written instructions, there are some secret instructions issued to these officials of the company right throughout the fleet to say that the men are compelled to join the benefit society.

12. Is that all at present of a private nature that you wish to deal with?—Yes. Here is a document that is commonly known as a "round-robin." It was sent round the boats during the time that Mr. Millar was the secretary of the Seamen's Union. There are no dates on it, unfortunately, but I could easily find out from our records when the thing was issued. It

must have been some time previous to my taking office in 1894. There was a circular sent with this round-robin requesting those of the men who were dissatisfied with the benefit society, and wished to see it abolished, to sign. This was headed as follows: "Names of members who are opposed to paying any more moneys into the Union Company's Mutual Benefit Society after a date to be fixed upon hereafter should a sufficient majority be in favour thereof; due notice of result of voting will be made known to members." I suppose some twenty-five or thirty boats are represented in this round-robin, and you will see they are pretty numerously signed. And I would like to draw your attention to one name amongst these—that of H. A. Wackeldine, who was the first witness to give evidence before your Commission. He was not a member of the society; and you will see by the evidence he gave before you that he is not a member of the society now, but was opposed to it at the time of its inception.

12A. *The Chairman.*] Then, why did he sign that?—Out of sympathy, I suppose. I just merely bring this before you, gentlemen, to show conclusively by the number of signatures I have here that the men are not so satisfied with the benefit society as some people have tried to make you believe. In connection with this matter I may tell you that the Seamen's Union concluded to officially approach the whole of the benefit society lodges in New Zealand with the object of enlisting their sympathy with a petition to the Legislative Council, praying that legislation should be passed either abolishing or restricting the operations of private benefit societies generally, special attention, of course, being directed to the Union Company's. I will supply you with a copy of the circular [Exhibit 7] that was sent out by the Seamen's Union, and with a copy of the petition [Exhibit 8] sent to the Legislative Council. I received a large number of them back again from some of the societies—not all of them—and they were pretty numerously signed. There were between two thousand five hundred and three thousand signatures, I believe, attached to this petition, and we received several letters—which I did not bring with me, but they are amongst our records—from secretaries of friendly societies expressing sympathy with our views, and sending along the signatures of their members. Here is another matter I wish to bring before your notice to further prove that there was compulsion in connection with the benefit society. It is a circular that was issued to the crews of the Union Company's steamers at the time they made the last reduction in wages, and this is one of the clauses in it: "The directors are of opinion that the circumstances of this colony are not so unfavourable as to necessitate at once so sweeping a reduction as has been made in Australia, where wages of seamen, firemen, and trimmers have been reduced by £2 per month; and they also recognise that membership of the mutual benefit society, and its accompanying obligations, should be taken into consideration in connection with the question of wages." The inference there, I believe, is that is a responsibility that the men have got to take upon themselves willy-nilly. There is a matter in connection with their finances to which I wish to draw your attention. It may mean a great deal or it may not. This is one of the Union Company's society's balance-sheets [Exhibit 4], and it is a statement of accounts for the year ending the 30th September, 1892. You will see by it that their money was deposited in certain ways. At this date there was deposited with the Union Steamship Company £850, and there was £1,300 to their credit in the Bank of New Zealand. You will see by the copy of the original rules that provision was made there that the funds of the society could, if they so wished, be deposited with the Union Steamship Company, and I must say, in justice to the Union Company, that they have never followed that out only in this instance, and the money deposited with the company has since been transferred to the bank. But here is another balance-sheet [Exhibit 4] for the year ending 30th September, 1895, which shows that the society kept two accounts. They had a fixed deposit in the Bank of New Zealand of £940, and in the Colonial Bank they had £1,920. What I wish to draw your attention to is this fact: that the £1,920 at that time was almost the exact amount of the Union Company's subsidy to the benefit society.

13. *Mr. Fisher.*] What is the inference?—Well, I may tell you that all the financial operations of the society are carried on in the Bank of New Zealand; but the Union Company's contribution stood there by itself in the Colonial Bank, and was never operated upon at all. All their cheques for disbursements for sick-pay, and so on, I believe, were drawn on the Bank of New Zealand. I have commented upon this matter before, and I drew attention to this through the Press; and the inference I have drawn from it myself is that the Union Company's money, standing there by itself, was never operated upon at all; and, if at any time they so wished, their alleged subsidy to the society could have been withdrawn without anybody being the wiser of it. Now I do not know what state the thing is in since the amalgamation of the banks has taken place. It seems a most peculiar thing to me that the Union Company, having their business with the Colonial Bank, should have deposited that subsidy with the Colonial Bank, while the men's moneys were deposited in the Bank of New Zealand. There may or may not be anything in it at all.

Mr. Fisher: I do not think there is anything in that now, because the present balance-sheet shows that there is £4,300 on fixed deposit in the Bank of New Zealand.

14. *Hon. Major Steward.*] In regard to those round-robins which you have produced, I think you told us they represent about twenty boats?—I will make sure by counting them. There are twenty-four boats represented.

15. How many boats are there in the service?—I could not say from memory.

16. Well, then, approximately?—I think, between forty and fifty, at the present time.

17. At the time these round-robins were signed, how many were there?—I would not like to say.

18. At any rate, that represents about half the boats?—More than that.

19. Are we to infer, from the fact that only twenty-four boats of the fleet are represented, that the men on the other half of the boats did not sympathize with the views of this half?—No, you are not to infer that at all. I might explain the reason, probably, why more boats were not represented. Some of the fleet may not have been in commission then, or Mr. Millar, our secretary at that time, might have experienced a large amount of difficulty in getting some reliable man on the other boats to take charge of the "robin" and get it signed.

20. Then, you are not able to say that definitely; you suggest it as a possible reason?—Yes.

21. Now, from your general knowledge of the men, do you believe that the opinions represented on these boats are a fair sample of the feeling throughout the fleet?—Yes.

22. Can you roughly give us the average number of signatures on these round-robins? Do they average a dozen all round?—Yes; I think you may roughly estimate them at twelve.

23. Well, suppose, roughly, the average is twelve, we should have the signatures of something like three hundred employés?—Yes; but I wish to make a further explanation. This thing was circulated shortly after the strike, and there was a number of new men drafted into the company's fleet at that time, and I think I am pretty safe in saying that it was only men who could be trusted, and who were members of the Seamen's Union, who were asked to attach their signatures to these. Of course, it was obvious that this thing had to be kept as quiet as possible.

24. Assuming that the average is twelve, and there are twenty-four boats represented, that means exactly 288 signatures, representing about one-half the boats in the fleet. Now, if, as you say, that represents the average opinion throughout the fleet, it would follow that if a similar document had been signed on all the boats we should have twice 288, or, in other words, the signatures of 576 employés upon that basis alone. Now, do you know how many men there are in the fleet altogether—I mean, roughly?—I think, about twelve hundred.

25. Well, according to that evidence, roughly, one-half of the fleet overtly declared their opinion in that direction: that follows, does it not?—I follow you, but I can hardly agree with you.

26. Why?—For the reason stated. I think that these represent the bulk of the boats running at that time. I think it is wrong to infer that this only represents one-half.

27. I want to arrive at the proportion of the opinion to the fleet generally. Of course, some witnesses have said that they are desirous of having the benefit society maintained under all its existing rules. They say they are satisfied with the *status quo*. Here are a number of men who are not satisfied with the *status quo*. What is the proportion of the opinion in the fleet so far as you think?—Well, I do not wish to exaggerate anything at all, but if you will modify your total down to about four hundred I think it will be near it. At that time—you must remember this is four or five years ago—I think four hundred would be a very fair proportion of the opinion.

28. In other words, you think fully one-third of the men in the fleet were dissatisfied with the arrangement as at present existing?—Yes.

29. If you look at the rules of 1891 you will see that Rule 5 renders it compulsory for every person in the service to be a member of the benefit society, with one exception—namely, persons suffering from contagious diseases. Beyond that, is there any exception to the effect that they will not take a member of any union not recognised by the company?—Yes.

30. Now, will you take the rules of 1897, said to be in force at present. What does Rule 5 say? That "every employé in the deck, engine-room, stokehold, and stewards' and cooks' departments of the company's vessels, and shore employés of the company, who shall be certified by a medical officer of the society as being in sound health, and not suffering from any contagious disease, shall, except as herein otherwise provided, become an ordinary member of the society." "Except as herein otherwise provided": does not Rule 6 contain the exception?—Yes, as follows: "Any employé in the company's service who is in good standing on the books of a registered benefit society shall not be required to join this society."

31. Well, that exception did not occur in the rules of 1891?—No.

32. Those persons, therefore, who were members of other societies were at that time, nevertheless, required to join the Union Company's society?—According to the rules.

33. But according to the rules now in force persons who are members of other benefit societies other than the Union Company's society are exempted?—According to the rules.

34. Now, this copy of the present rules appears to be dated the 1st February, 1897?—Yes.

35. Well, now, I think this date is subsequent to the date of the letter you handed in signed by Coleman?—Yes; it is subsequent.

36. That is, it is claimed to be in force on the 1st February of this year that any person who is a member of any benefit society is exempt from joining the Union Company's society?—It is stated so specifically in Rule 6.

37. Yet on the 19th January I find Coleman's statement as set out previously. Should not this man have been at once exempt, when that rule was brought into operation, from being required to continue his payments into the benefit society?—If the rules have any force at all he should have been.

38. Notwithstanding that he makes this complaint, and it is not said that he has been exempted?—No; although it is fair to say the rules had not been revised then. To judge from the date of this statement and the date these rules were brought into force, at the date of the statement they must have been fully considered and adopted, and, I should imagine, ready for the printer.

39. Because there is only a matter of a fortnight between the two dates?—Yes.

40. *The Chairman.*] During your secretaryship do you know of any question as to membership of the Seamen's Union being put to members on joining?—I cannot remember any instance where a man has been asked the question as to whether he was a member of the Seamen's Union or not. In regard to the attitude of the Union Company towards our union since 1890, and up to the present conciliation proceedings, our union has been studiously ignored. The Union Company would not admit there was such a thing in existence as the Seamen's Union, and they used every influence they possibly could to try and suppress it. I know this: that men have been told by their officers to modify their advocacy of the Seamen's Union or they would probably suffer if they did not do so. That is what men have told me; but I do not know of it of my own knowledge.

41. What do you consider is the reason that the Union Company is now ready to withdraw its influence or active co-operation in the benefit society?—I can only give you my opinion.

42. What is your opinion why the company is going to leave the management entirely to the men, and it is to be no longer compulsory?—Well, I believe the Union Company instituted the benefit society, as I said previously, with the object of wiping the Seamen's Union out of existence. They, at that time, probably thought that in the five years—the period during which the subsidy was promised to the society—the Seamen's Union would go out of existence, and that they could then discontinue their subsidy to the benefit society; and I have not the slightest doubt that reason influenced them to a large extent. Now that they realise it has not effected the object they had in view, and that there is a probability of the organization they have tried to crush coming up smiling again, that will influence them to a certain extent in withdrawing their subsidy. I merely state it as an opinion. I take it that they had a certain object in view, and that object has not been effected.

43. *Mr. Fisher.*] Are you a seaman or engineer?—An able seaman.

44. How many men do you think—and, of course, you ought to know—are there in the fleet belonging to the Seamen's Union?—I have answered that question before the Conciliation Board, and I am quite willing to give the numbers. We have in the Dunedin branch at the present time a membership of about five hundred.

45. Is Bracegirdle a member of the Seamen's Union?—I must decline to answer that question. I would willingly give any information that lies in my power, but I am not at liberty to disclose the names of members.

46. *Hon. Major Steward.*] In connection with the formation of the rules, you state in your evidence that the rules were originally drawn up by the Union Company?—Yes, to the best of my knowledge and belief.

47. And the men were called upon to join under rules already drawn up?—Yes.

48. That, of course, only relates to the original rules, because subsequently alterations have been made at public meetings of the society?—With the sanction of the Union Company.

49. Upon what information or knowledge do you state that the rules were so drawn up? I may say, before you answer the question, my reason is this: I understood from another witness, and I want to see if his evidence is reliable, that he was the initiator of the society, and probably he had to draw up the rules, or had something to do with it?—I cannot, of course, say, of my own knowledge, if that was the case.

50. Have you been so informed upon any credible authority?—Yes, I have been so informed; and I am influenced by the original copy of the rules in coming to that conclusion. I do not know if the Union Company take any of their subordinates into their confidence in connection with these matters: it has not been their custom. I think the rules show conclusively that the men could not have had a hand in drawing them up or they would not have allowed some of the drastic provisions, antagonistic to unionism, to be inserted. There is another thing I wish to draw the Commissioners' attention to in connection with this particular benefit society—that it allows shipping companies to evade their liabilities under the Shipping Act.

Mr. Fisher: I have referred to that myself several times, but if I go too far in expressing my views on that particular question I may be accused of partisanship.

Witness: If I might be permitted, I will draw your attention to certain clauses in the Shipping Act where certain responsibilities devolve on the shipowner in certain cases. In the first place, every vessel is supposed to carry a medicine-chest, whether she be coastal, intercolonial, or foreign. Section 103 of "The Shipping and Seamen's Act, 1877," reads as follows:—

The following rules shall be observed with respect to expenses attendant on illness and death, that is to say:—

- (1.) If the master or any seaman or apprentice receives any hurt or injury in the service of the ship to which he belongs, the expense of providing the necessary surgical and medical advice, with attendance and medicines, and of his subsistence until he is cured, or dies, or is brought back to some port in the colony, if shipped in the colony, or, if shipped in some British possession, to some port in such possession, and of his conveyance to such port, and the expenses (if any) of his burial, shall be defrayed by the owner of such ship, without any deduction on that account from the wages of such master, seaman, or apprentice.
- (2.) If the master or any seaman or apprentice is on account of any illness temporarily removed from his ship for the purpose of preventing infection, or otherwise for the convenience of the ship, and subsequently returns to his duty, the expense of such removal, and of providing the necessary advice, with attendance and medicines, and of his subsistence whilst away from the ship, shall be defrayed in like manner.
- (3.) The expense of all medicines and surgical or medical advice and attendance given to any master, seaman, or apprentice whilst on board his ship shall be defrayed in like manner.
- (4.) In all other cases any reasonable expenses duly incurred by the owner for any seaman in respect of illness, and also any reasonable expense duly incurred by the owner in respect of the burial of any seaman or apprentice who dies whilst on service, shall, if duly proved, be deducted from the wages of such seaman or apprentice.

That is drawn upon the owner; and the owner escapes in this case by getting the men to pay for themselves. Then, "The Shipping and Seamen's Act, 1890," says:—

Notwithstanding anything contained in "The Shipping and Seamen's Act, 1877," whenever a seaman employed on a home-trade ship is left on shore at any port or place in New Zealand, in any manner authorised by law, by reason of his inability to proceed on the voyage from illness, he shall be deemed to be discharged from his ship, but shall nevertheless be entitled to receive and be paid his wages according to the terms of any agreement made by him with the owner, master, or agent of such ship, and then in force, subject to the following conditions:—

- (1.) If such agreement covers a longer period of service than three months from the date of such seaman being so left on shore, then such wages shall only be paid for such period of three months and no longer:
- (2.) If the period of service would, according to the agreement, terminate at a shorter interval than three months from the date aforesaid, then such wages shall be paid only up to the date when such period of service would expire and no longer:

But if any such seaman shall in either of such cases recover from his illness within the period for which wages are hereby declared payable, then such wages shall cease to be paid from the expiration of one week after the date of recovery.

3. The "illness" which shall entitle a seaman to the benefits of this Act shall be such as wholly to incapacitate him from the performance of his duty, and shall be, or appear to be, of such a nature as to require, or be likely to require, medical treatment for a period of not less than one month, and shall, so far as can be ascertained, have been contracted on board or in the service of the ship from which such seaman is so left on shore, or of its owners: Provided always that this and the preceding section shall be read subject to the provisions of section one hundred and five of "The Shipping and Seamen's Act, 1877."

4. Every such seaman shall, on being so left on shore, be entitled to any certificate or other evidence of his discharge which is required by law to be given to a seaman on his discharge.

5. Every seaman so left on shore shall be left at a port or place at which there is a Collector or other officer of Customs; and the master of the ship shall forthwith, on the seaman being left ashore, furnish to the Collector or other officer as aforesaid a true account of the wages due to such seaman, and shall then pay to and deposit with such Collector or other officer, in money, the amount of the wages then due, if any, and also a sum equal to the wages computed to the end of the engagement of such seaman, or for three months, as the case may require, and also a reasonable sum, to be determined by such Collector or other officer as aforesaid, estimated to cover the expenses of the maintenance and medical and other attendance of such seaman in a public hospital until his recovery or the end of his engagement, and shall also leave with such Collector or officer the certificate mentioned in section four.

6. Payment of wages to a Collector or other officer of Customs shall be deemed a payment to the seaman, and the Collector or other officer as aforesaid shall pay or apply the money deposited as provided by section five in and towards the maintenance of and attendance upon such seaman either in a hospital or elsewhere, and otherwise in paying for the medical attendance and comfort of such seaman until he shall recover or the money shall be duly expended.

If the Collector or other officer shall, upon the recovery of the seaman and after payment of the charges aforesaid, still have a balance of the moneys aforesaid in his possession, then such Collector or officer shall apply the same as follows:—

(1.) If the seaman shall recover before the end of his engagement or the three months, whichever shall soonest expire, the wages for the balance of the time, less one week, shall, together with any unexpended amount left for hospital expenses, be returned to the master or his representatives; and

(2.) The wages declared by section two to be payable shall be paid to the seaman or his representative less any sum which may necessarily have been expended for the use or benefit of such seaman under this Act.

That means, in the event of a man meeting with an injury, or being taken with a sickness of such a nature as will be likely to incapacitate him from work for a certain time, the shipowner is liable for that man's medical expenses and maintenance while he is on shore. Now, so far as this matter is concerned, whether the Union Company have paid anything or not to those who have been injured in their employ I do not know; but I do know this, for a positive fact: that so far as the legal aspect of the question is concerned—that is, depositing with the Collector of Customs a sum to be disbursed on behalf of the sick man—the Union Company have never done so.

51. *Hon. Major Steward.*] Are they not obliged to do so in accordance with the law? The existence of the benefit society would in no way override the Act?—I should not think so.

52. *Mr. Fisher.*] It has been made to override the Act in practice?—Yes; I can tell you, because the matter came within the scope of my duties as secretary to the Seamen's Union. It was brought before our committee that the Union Company were evading their liabilities under the Shipping Act through the operations of this benefit society, and I was instructed to ask Mr. Millar, M.H.R., from his place in the House, to call for a return showing the number of men who had been injured, and the amounts that had been deposited with the Collector of Customs in compliance with the Act for the keep and medical expenses of the men during the time of their sickness. Mr. Millar called for that return, but I could not get a copy. I eventually wrote to the Hon. the Minister for Public Works, and asked him for a copy of the return that had been called for, and this is the reply I received: "Office of Minister for Public Works, Wellington, 19th January, 1897.—Dear Sir,—I received yours of 7th instant, asking for a copy of the return called for by Mr. Millar, M.H.R., last session, showing the amounts deposited with the Collectors of Customs by shipowners for medical attendance and maintenance of seamen who were injured while on board ship. This return was laid on the table of the House, but, being a nil return, it was not printed.—Yours, &c., W. HALL-JONES.—W. Belcher, Esq., Secretary, Seamen's Union, Dunedin." That is also one of the objections we take to this society being in existence. It may be said, and it has been said, Why do these men not insist upon the provisions of the Shipping Act being carried out? Now, these men cannot insist very well without they expose themselves to a certain amount of risk in regard to their employment, and while these private benefit societies, or, rather, this one, is allowed to exist, and the men know they are going to get something out of it, a large number of them, who know what the consequences will be if they attempt to sue or bring under the notice of the shipping company the liability under the Shipping Act, are prepared, it seems to me, to accept the benefit society's benefits, which they pay themselves, rather than expose themselves to the displeasure of their employers by insisting on the Shipping Act being carried out. That is the position, I think.

53. *The Chairman.*] Do you not think that, instead of going the wrong way about the matter, they should have applied to the head of the Labour Department?—I do not think it lies with the Labour Department. The shipping laws are in the hands of the Collectors of Customs.

54. *Hon. Major Steward.*] Would not the same difficulty arise in enforcing the law through the Labour Department—namely, the difficulty of specifying a case, seeing that a seaman would not want to come into collision with his employers?—It does not matter whether a man went directly and made a complaint or brought any laxity of administration under the notice of those who might remedy the evils, he would get the blame of it. I see it has also been said that the Union Company's society is, if anything, superior to other benefit societies that are in existence, for the reason that it has a medical man in every port. For my part, I cannot see that that argument has any force at all, for this reason: that in an ordinary case of sickness the men generally manage to get to their home port before leaving their vessel—that is to say, if a man is located in Dunedin, and is taken sick in Auckland, he tries, if he possibly can, to get home before he goes on the sick-list, and were he a member of any benefit society the services of his lodge doctor would be avail-

able. Well, it is only in cases where severe injuries are received that it is necessary to take the man right out of the vessel at once, and under those circumstances the ship is supposed to defray any expenses in connection with the matter. So, in my opinion, the argument that this benefit society is superior to others on that account falls to the ground.

55. But what do you say as to the argument that has always been used, that the surrender values in the Union Company's benefit society are not given by other societies?—I again say there is no superiority about it, for this reason: that the Union Company's benefit society is a limited concern so far as the scope of its operations are concerned, and a man joining any registered friendly society can take up his membership in that society, no matter what part of the world he goes to. Placing the one advantage against the other—the so-called advantage as to the surrender value—I say the registered friendly society is equal, if not superior, because the Union Company is liable to meet with reverses and come to grief just the same as any other commercial institution, and what becomes of their benefit society under those circumstances. I say this is always a risk to be incurred by private benefit societies run by employers. There is a very remote chance of any *bond fide* friendly society coming to that state. Not only is that the case, but in all other friendly societies, it does not matter who the member is, he has got the option of attending the society's meetings and taking part in any discussion that might arise and might interest him. He has got the privilege, generally speaking, of doing the best he can for the society. That is totally wanting in so far as the Union Company's benefit society is concerned, for the reasons I have already pointed out—that the Union Company have a predominating voice still, notwithstanding the pressure that has been brought to bear upon them to compel them to modify their rules. Does it not follow that the influence that an employer, as a rule, always exercises over his employés in anything of this sort is going to be applicable in this case. That is what has to be looked at. To put it in plain English, men who are employés of the Union Steamship Company cannot go to the meetings of that society and express their opinions as they would and could if they were members of a friendly society.

RICHARD HENERY PETTERD was examined on oath.

56. *The Chairman.*] What is your business?—I am a pantryman on the s.s. "Te Anau."

57. Have you seen any of the evidence tendered before this Commission, as printed in the newspapers?—Yes; I have read it through.

58. Have you anything to tell us by which you could add to the evidence in a material way, or is there anything you wish to rebut?—I see it is reported in the newspapers, in Mr. McEwan's evidence, that the letter that was sent to the "Grafton" brought about the "sacking" of the secretary. Mr. McEwan led us to believe that he did not use such a word as "sacking," but said "resignation."

59. *Mr. Fisher.*] The point generally is this: In your opinion, is the evidence you have read through fairly good?—Yes; I think I should say so. Of course, I have picked out two or three things very wide of the mark.

60. Well, mention them please?—Yes; there is one in Davies's statement. He mentioned 9s. 6d. as the quarterly subscription to his lodge.

61. That has been explained?—That has attracted my notice, and also the statement that, the society being unregistered, we have no legal claim upon the company or society. According to my idea, and speaking for the rest of the stewards, whom I am supposed to represent on the committee, we feel quite justified in what we have done. We do not need to have it registered, because we have just as much faith in the directors as we would have in any of the registered lodges in the colony. I am not throwing any slight upon the registered lodges, but we have that faith in our directors. We do not feel under any yoke. I have not heard of any such cases, and no men have complained to me.

62. *The Chairman.*] You are proud of your service?—Yes, we are. So long as we keep ourselves within the bounds of the Union Company we do not feel ourselves that we are bound down. We consider we are as free as if we were civilians ashore. We do not look upon the society as a deaf-and-dumb society. Some men have so expressed themselves.

63. Is there any other point?—Nothing else. The thing that most struck me was Mr. Fisher's statement to McEwan, saying the receipts were not worth the paper they were printed on. I would just like to make myself clear on that point. We think we have just as good authority to pay in case of anything happening as they have under legislative control. We do not think there is any fraud about it; we are sure there is not.

64. *Mr. Fisher.*] You have no doubt about it?—I have not the least doubt about it, and I speak as much for the men as for myself. Of course, in our department we have such a lot of young fellows coming in and out through the season, because our season clashes with the Home boats. All these casual people have a certain amount to say about the society, but it is a thing they should not talk about, because they know nothing about it.

65. *The Chairman.*] You passed a medical examination before joining the society?—Yes.

66. Do you know of any one who did not pass an examination?—I was a member of the Oddfellows during my time in the Union Company's service.

67. Are you still a member?—No; I got ashore at Wellington, and had some hard luck, and ran out of compliance with the rules. Then I got a shore job at Wellington, and, feeling the necessity of joining a friendly society, I joined the Oddfellows. I then joined the Union Company, and, thinking their society better for a seafaring man, I threw up the Oddfellows and joined the Union Company's society.

Mr. Fisher: In saying that the rules and regulations, or whatever you like to call them, were valueless, I spoke merely from a legal point of view; and, of course, we know quite well that in the event of any contract at law these rules are valueless, because you are not registered under the Friendly Societies Act of New Zealand. That is why I said, speaking purely from a legal point of view, that they are valueless.

Witness : Yes.

Mr. Fisher : You see, you being content with your employment in the Union Company, and being content also with the regulations framed under this benefit society, are therefore at no time during your connection with the Union Company likely to test the validity of these regulations ; but suppose, on the other hand, you wished, in a Court of law, to contest these rules you would find you had no status whatever. What I said referred purely as to the legal status. Of course, in your case I can readily see that the question of legal status would never arise. But for the purposes of contrast you must take the case of a man who might not accept the dictum of the directors and the society, and you might wish to contest the matter. In such a case that man would find himself out in the cold. I put this to you merely by way of explanation. Of course, you have faith in the company and its directors, and no question of rules is likely to arise in your case.

Witness : But we can deal with the rules themselves ; we can alter them as we like.

70. *Mr. Fisher* : You see, there are accumulated funds to the extent of £4,300 belonging to the benefit society, and these are funds subscribed by the men themselves and invested in the bank in the names of George McLean and James Mills as trustees. Well, suppose any difficulty should arise between the men of the fleet and the directors of the Union Company, who has the " whip-hand " of these funds?—Well, you would like to point out to me that the trustees have ; but is there no system at law by which we could approach these funds ?

Mr. Fisher : None whatever.

Witness : Not as a mutual benefit society ?

Mr. Fisher : No, because you are not registered.

Witness : That is the only thing registration would do for us. It is a thing we never look forward to.

JOSE DA COSTA was examined on oath.

71. *The Chairman*.] What are you?—A sailmaker in the Union Company's sail-loft.

72. Have you seen the evidence that has been taken already in regard to this inquiry?—I have read a little of it.

73. Have you got anything to say in addition to the evidence that has been tendered, or do you wish to refute anything you have read?—I have read every part of the evidence, but have taken no particular notice of it. The only thing I saw that I thought was a mistake was Mr. Davies's evidence as to the contribution for the quarter being 9s. 6d.

74. That mistake has been cleared up. Have you anything you would like to tell us?—The only thing I have to say is that some three and a half years ago Mr. Ness sent one of his clerks to ask all of us who were working if we belonged to any benefit society. I, for one, said I did, and they asked me if I would like to join theirs. I said No, because I already belonged to one, and thought it quite sufficient.

75. What society do you belong to?—To the Foresters. That was all that passed between us, and there has been nothing more since that day.

76. Did they never come to you to see if you kept up your payments?—No.

77. You are employed by the Union Company still, notwithstanding this?—Yes ; we have always had our share of work.

78. How long ago was this?—I cannot remember. Of course, you must remember the society was started amongst the seamen, and was brought to the shoremen afterwards.

ROBERT ROBERTSON was examined on oath.

79. *The Chairman*.] What is your business?—I am a sailmaker ashore.

80. How long have you been in the Union Company's service?—For the past fifteen years.

81. Are you a member of the benefit society?—I am.

82. How long have you been in the society?—Between three and four years—over three years.

83. Have you seen the evidence as printed in the newspapers?—Yes ; I have read some of it.

84. Is there anything you wish to tell us, in addition, or is there anything you wish to rebut?—Nothing at all. I cannot speak about seafaring men at all. I do not come into contact with them. I have not seen anything I can speak about.

85. Is the evidence, so far as you have read it, a fair representation generally?—So far as I know, yes. I know there was no compulsion as regards me joining.

86. Are you a member of another society?—I am not.

MATTHEW CREE was examined on oath.

87. *The Chairman*.] What are you?—A seaman on board the " Te Anau."

88. How long have you been in the Union Company's service?—About six years and a half.

89. Are you a member of the committee of the benefit society?—Yes.

90. How long have you been in the society?—Since about a month after its formation in 1891.

91. Have you seen the evidence as printed in the newspapers?—Yes.

92. Is there anything you would like to add to that evidence, or any of it you wish to rebut?—Well, there is one item I would like to refute. I have been on the committee since February, 1893. I have seen in the statements of one or two witnesses—they did not exactly say point-blank that the men's representatives were afraid to speak their minds, but as much as hinted in that direction. Well, ever since I have been on that committee, when anything came forward for the benefit of the men, I was not afraid to speak my mind.

93. Are you one of the men's representatives?—I am. I also see it mentioned that the Union Company's nominees on the committee would dominate the men's because they have seven votes to six. I would like to point out that since I have been on the committee the case of the

“Wairarapa” has been the only one where the nominees of the Union Company and the men’s representatives clashed.

94. Will you kindly tell us something about it?—After the “Wairarapa” was wrecked the widows and orphans of the men who were lost got the funeral benefit, but the survivors had nothing but what they stood in. It was moved at a meeting of the committee that a little be voted from the benevolent fund to assist them in getting an outfit. The fund for that purpose is for assisting any one outside the regular sick and funeral fund. I made a motion, and one of the company’s nominees made another motion, and so the two sections on the committee clashed.

95. *Hon. Major Steward.*] What was the nature of his amendment?—I moved a motion that £10 be voted from the benevolent fund to each man, to give him a new outfit, and one of the company’s nominees—Captain Cameron—thought £7 would be sufficient, and moved an amendment to that effect.

96. Which was carried?—The motion for £10 was carried against their amendment; and that was only carried by two of the company’s nominees voting on our side.

97. So that on that occasion, although there was a collision between the representatives, some of the Union Company’s nominees were independent enough to join with you?—Yes.

98. That has been the only difference of opinion?—Yes. I suppose they thought the men deserved it, and they had sufficient independence to vote against their employer in that direction.

99. *The Chairman.*] Will you explain how they were voting against their employer—the Union Company—in voting this money?—It was their employer’s representative that moved the amendment, and, of course, these men were nominated by the company. That is where it is. Of course, lots of people, by the evidence, which I am trying to contradict, want to make out that the men’s representatives are afraid to speak their minds, and that in the case of any great affair coming forward the nominees of the company would vote in the way the Union Company directed.

100. *Mr. Fisher.*] The “Wairarapa” incident referred merely to a matter of administrative detail. The question I put to previous witnesses was this: that the company, in the event of any crucial question arising—any large and difficult question—has the dominant power on the committee. First of all, they have seven to six on the committee. Suppose, then, there was to arise, I will say, for want of a better expression, a hand-to-hand combat between the company and the men of the fleet—any question affecting the financial strength and existence of the company and the general welfare of the men for all time to come—who would have the governing power? Suppose a strike—and this is the most extreme instance I can give you—were to arise, who would govern on that committee?—Well, in the case of a strike, which is not very likely to occur, and suppose there should be a suspension of the society, and it should come to a distribution of the funds, I do not think for one moment that the Union Company would have the benefit of the matter, because there are four of their nominees on the committee who are paying, on the average, about 5s. per month into the society. If they say, “Well, we had better leave the funds in the Union Company’s hands,” they are giving away their own money. Suppose it came to the Chairman moving that the funds of the society be left in the company’s hands, and one of the men’s representatives moved to the contrary—that the funds be distributed amongst the members, is it likely that the company’s nominees would allow the company to dictate to them, seeing they would be paying away their own money. They are paying just as much into the benefit society as I am. They are all working-men; at least, two of them are.

101. Yes; but in the event of a difficulty arising, you see, the men’s funds are invested in the bank on fixed deposit in the names of the Hon. George McLean and Mr. James Mills as trustees?—Yes; in the name of the society, and Mr. Mills and Mr. McLean as trustees to the said society; but not in their own names.

102. Well, surely you know, in the event of friction arising between the two parties to the contract, who has the whip-hand—who has the controlling hand over these funds?—In the event of a dissolution of the society the committee can wind up that society. It must come before a vote of about one-third of the whole members.

103. *The Chairman.*] On what authority?—One of the rules.

104. What is the value of these rules if you went into Court?—One of the cleverest lawyers in Dunedin drew them up.

Mr. Fisher: You might burn them up.

Witness: If I had a little longer time I might be able to contradict you, as we have just sent to the man who revised the rules to see if there is any legality in them. We have not got his answer yet.

105. *The Chairman.*] We want to know if they are enforceable at law?—I do not know. A lawyer drew them up, and, for the sake of his reputation, he is not going to draw up laws that have no force.

106. Is there any other point?—Well, there is only one question I would like to mention, and that is in reference to the registration of the society. I myself am in favour of registration; and not only myself, but, in fact, dozens of men have come to me, as a committeeman, and complained about what you say, and they advocate the registration of the society. I am perfectly satisfied with the rules, and, candidly speaking, I am satisfied with Mr. McLean and Mr. Mills.

107. *Mr. Fisher.*] That is a mere question of honour and *bona fides* between you two?—Yes. There is another little question I would like to mention—that is, in reference to members belonging to another society joining the Union Company’s society. I know two personally, and I know of two or three more who had joined the company’s society before the last reduction in wages who sent in notice that they were going to suspend their payments. They suspended their payments to the company’s society, and no exception was taken to this, so long as they were members of another society. There is one of them who has been working at Port Chalmers for the last two years to my knowledge.

108. Is that since they gave notice about suspending payments?—It is since the last reduction—I think, about the latter end of 1893. This man is doing odd work in the harbour; and the other man only left the “Brunner” a little while ago to go on the dredge, which is a better job, as he would be home every night. Both of these men were on the “Rotorua” the same time as I was.

109. *The Chairman.*] Is there anything more?—No; that is all I have to say.

110. *Hon. Major Steward.*] You are in favour of registration. I suppose you are aware that some of the men are against registration?—Yes; I see so by the evidence.

111. Do you know what their reason is for objecting?—Yes; I know what the objections of two previous witnesses are: they say the society is in a better financial standing unregistered than registered.

112. Is that not because some of them have got it into their heads that the Union Company's contribution would be withdrawn if the society were registered?—That is the opinion; but I cannot see it.

113. Supposing registration did not involve that, there would be no disadvantage?—None. From what I see, the company take a great interest in this society; and if the society was going to “go to the wall” I think the company would assist it, even if it was registered. I do not think there is anything in the law to withhold them.

114. *Mr. Fisher.*] One keen point, as was well expressed this morning, is this: that while the Union Company is expressing great liberality towards the seamen in the benefit society they are evading all payments for which they are answerable under the Shipping and Seamen's Act, and so, therefore, they could afford to be liberal with your money?—Well, in my opinion, the start and formation of this society was to enable the Union Company to—I will not say evade the law, but, in other words, to save their pockets: I know of dozens of cases myself. I have come ashore myself from the boat. I was ashore eleven days in the hospital, and I got no pay; I had to go to the society, and, of course, a man also goes to the society doctor. I am not referring to any trifling cases of sickness; I am talking of such a thing as a serious accident, brought about by the company's neglect. I know of one case in the “Talune,” where the gantling carried away, and the derrick fell and broke the man's leg. He was left in Sydney, but came over two months afterwards. I advised him to go to the marine superintendent for his wages. He went, and was told, “You are drawing from the society; that will keep you while ashore.” That man's wages ought to have been paid for two months, owing to the company's negligence.

115. *Hon. Major Steward.*] The Union Company is bound, under one of these rules, to give £500 at the commencement of the society and 20 per cent. on the subscriptions for five years. Now, adding these two sums—the £500 and the 20 per cent. for five years—together, are you of opinion that the Union Company would save by paying these sums as against paying the men their wages and meeting all liabilities in cases of accidents as required by the Shipping Act?—In my opinion, they would save.

116. From your point of view, it is cheaper for the Union Company to pay the subsidy to the society than to meet its liabilities under the Act?—In my opinion, it is. I have known of lots and lots of accidents since I have been on the committee. I have gone to the hospital to see the men, just as a member of another society would visit sick members of the lodge, and that is how I have come to deal with the cases.

117. Then, if your view is correct, the Union Company is not entitled to claim the credit of great benevolence?—The company's case of benevolence is like mine.

118. *The Chairman.*] Let me strengthen that question. We were told that the general impression abroad was that this society was started to give the Union Company a better grip over their men after the maritime strike. If there is any truth in that, do you not think that the two things together—namely, a better grip of the men and evading both the Shipping and Seamen's Act and the Employers' Liability Act—would pay the Union Company exceedingly well, and make benevolence, as benevolence often is, a paying thing to the donor?—Of course, I know the witness who said that perfectly well; at the same time, I am of the same opinion, because there is not the slightest doubt that a working-man in these days cannot keep up many societies. Of course, the Union Company started their society thinking it would take all the ready money a man has got to spend, and leave him none with which to join the Seamen's Union. I have seen a lot of the workings of the society right through, and I have seen a lot of benefits from it, but still it was our own money that we paid away. When I commenced my evidence what rankled against me so was the statement that the men's representatives were afraid to speak their minds. Far from it; it is our money we are paying away, not the company's.

WILLIAM ALBERT SEYMOUR was examined on oath.

119. *The Chairman.*] What are you?—I am a wharf employé of the Union Steamship Company.

120. How long have you been in their service?—About eight or nine years.

121. Do you belong to the benefit society?—Yes.

122. How long?—Since November, 1893.

123. Are you a member of the committee of the society?—Yes.

124. Elected by the men?—No; I was nominated by the company.

125. Have you seen the evidence as it has been printed in the newspapers?—I have taken notice of a little of it; I got tired of reading it all.

126. Have you seen anything in that evidence you would like to add to, or is there anything you would like to refute or correct?—In reference to forcing men to join the society, I do not think we were ever forced, particularly the men on the wharf. We were asked if we would like to join, and three or four of us joined, and some of us did not.

127. We have heard that compulsion, if there was any compulsion, was not extended to the shore men?—I have heard of a good many men. There are a few dissatisfied, but there always are.

128. *Hon. Major Steward.*] In your experience, the rule has not been enforced in regard to shore employés?—No.

129. You know that Rule 5 says they must be members of the Union Company's benefit society, or of some other?—Yes.

130. *Mr. Fisher.*] Do you think it better that the society should be registered or not registered?—Well, I think if it was registered we would not have so many privileges as we have now.

131. Therefore you are against registration?—Yes. If it was registered under the rules we have now I would not mind, but if the rules were altered I would rather not register.

132. *Hon. Major Steward.*] If you retained all the rules you think it would be an advantage to register?—Yes; because now we are allowed to vote a benefit to any one we like. The committee have voted me a benefit because I had a lot of trouble.

133. *The Chairman.*] One of these rules is a compulsory rule, which the Registrar of Friendly Societies would never accept, and therefore it is not possible to register the society with such a rule in force. Do you think the company would continue its contribution if that compulsory rule was done away with?—I do not see any reason for it.

134. *Hon. Major Steward.*] Since this agreement with the Conciliation Board we have been notified that there is to be no further compulsion?—That was understood at the annual meeting.

135. *Mr. Fisher.*] In your case you are like Mr. Petterd; you have every confidence in the good faith of the Union Company?—Yes; I have good cause to be.

STEPHEN BARBER was examined on oath.

136. *The Chairman.*] What are you?—I am a wharf-labourer.

137. In the employ of the Union Steamship Company?—Yes.

138. How long have you been in the service?—Seven years.

139. Do you belong to the benefit society?—I am a full working member of the society.

140. Are you on the committee?—Yes.

141. How long have you been in the society?—Since 1893.

142. Are you one of the Union Company's nominees or one of the men's representatives?—I am one of the company's nominees.

143. You have read the evidence as reported in the newspapers I suppose?—Yes.

144. Is there anything in regard to that evidence about which you would like to give us any further information, or anything you would like to deny?—Well, so far as I have seen the evidence there is not much in it. I can speak so far as I am concerned, and I represent the shore employés of the company. So far as I know, I have not seen any intimidation used in regard to the men joining the society—for instance, I was peculiarly situated at the time the society was inaugurated. I was a member of the crew of the "Te Anau," and at that time, for reasons of my own, I decided against joining the society. I was never in any way pressed to join, and still remained on board, and I eventually left and came ashore. I was two years ashore before shore employés became eligible. At that time there was not, to my knowledge, any compulsion used to make men join the society. Those who were willing went up and passed the doctor and joined. I may state the case of a man whom I knew. He went up and passed the doctor with me, and was eligible for membership. After passing the doctor the man, who had a large family, was most anxious to join the society, but owing to some little misunderstanding he did not become a financial member, but still remained on in the company's service for four years. I do not think a word was ever said to him about joining.

145. *Mr. Fisher.*] As a member of the committee, you know the rules?—Yes.

146. Quote any one with which you are familiar on any point?—I can quote them pretty nearly all. There is one rule which says that any member of the society misconducting himself, or through any fault of his own, shall be dismissed the society.

147. What number is that?—Rule 65.

148. *Hon. Major Steward.*] You will find that Rule 5 says, "Every employé in the deck, engine-room, stokehold, and stewards' and cooks' departments of the company's vessels, and shore employés of the company, who shall be certified by a medical officer of the society as being in sound health, and not suffering from any contagious disease, shall, except as herein otherwise provided, become an ordinary member of the society," the exception being in Rule 6, "that any employé in the company's service who is in good standing on the books of a registered benefit society shall not be required to join this society." Notwithstanding that rule making it compulsory, you say it has been entirely in abeyance as regards shore employés?—Yes.

149. Why did you not enforce your own rules?—I was not a member at the time.

150. No man has been dismissed for not joining?—None. I think only about thirty or forty of the shore employés are in it.

151. Notwithstanding the fact that the rules say they all shall be?—Yes.

152. *Mr. Fisher.*] Like the other men, you speak of your own knowledge?—Yes, from my own knowledge, and knowledge of this one case I represent.

153. You say you have no knowledge of any pressure being brought to bear; you have seen the Dorling letter?—Yes. Of course, part of the committee are on the boats, and know more about these cases. They come more into contact with the men on the vessels.

154. You do know, surely, from your knowledge as a member of the committee, that it is compulsory for men to join the society?—No; I have never found it so yet. Of course, at the origination of the society there was something to that effect, but I never saw it brought into effect one way or the other.

155. Well, here are two letters, one to the purser, "Ovalau," as follows: "If Wilson can satisfy you that he was a member of the Foresters before he joined the company's service he need not join our society; but, if he cannot do this, enrol him forthwith." Is that compulsion?—I suppose that letter would come from the secretary, but it is the usual thing. I cannot say, even if that man had not joined the society, that the company would have proceeded to extremes to make him join.

156. Again, referring to the question of compulsion, or whatever you call it, here is a letter to the chief officer, "Pukaki": "Unless the four men in the engine-room claiming to be Oddfellows can satisfy you that they are financial members of some lodge they must join"—You see, the terms are different: one is "enrol forthwith" and the other is "must join." So it is only a different method of expression by the secretary. I know there are many men on the boats who are not in the society. I have taken a great interest in the society, and no doubt when the society was first started there were several flaws, smaller or greater, which are being gradually eradicated, and the working of the society is falling more into the hands of the men. And the committee have from time to time thrown out these rules, and instituted fresh ones which meet the views of the men better. So far as I can see, everything tends towards even greater improvement in the society since I have been connected with it. I am not speaking as a nominee of the company; I would sooner be treated as an ordinary member. Beyond being nominated by the company I know very little of the employés of the company.

157. *The Chairman.*] We have been told by witnesses that a number of men would be glad to see the society registered, if possible, under the Friendly Societies Act?—In mixing amongst the men I have heard that, but there are others who do not see it. Of course, there is divided opinion, and I do not think you would get at the bottom of that matter unless a direct vote was taken on the point.

158. *Mr. Fisher.*] What is your own personal opinion?—I would sooner see the society as it is. I am against registration. This society has been started by the company, and it is pending now whether they will withdraw their help to the society. Supposing the society is registered, I have no doubt the company would withdraw from the management altogether. It would be thrown into the hands of the men, and most likely they would find it a difficult thing to manage. Another point is that it is a far-stretching society, reaching from here to Sydney, Melbourne, and other ports, and the presence of the officers of the company at these ports is of great assistance to the society. Members' claims for sickness and other things are lodged there, and then forwarded to the society. If the society was registered and thrown on our hands it would have to be re-formed and a new scale of benefits and payments adopted.

159. *Hon. Major Steward.*] You have received no intimation recently that the company intend, in any event, to withdraw from the management?—Well, so far as the resignation of the secretary—

160. Not the secretary. You say your objection to registration is the fear that the company will necessarily thereupon withdraw from their share in the management of the society: have you received any intimation within the last few days from the company themselves that they intend to withdraw?—I have not.

161. We have a statement from Mr. McLean that that was the declared intention?—I saw Mr. McLean's speech in the papers, but at the last annual meeting I believe Mr. Mills said something to the effect that the society would come more into the men's power.

162. *The Chairman.*] Do you think it highly probable that the fact of registration would make the Union Company withdraw their subsidy?—I cannot say. Of course, I should be very sorry to see the company withdraw altogether. I would like the committee to remain as it is. You form a committee of working-men—sailors and shore employés—and in my experience of life and of working-men I have always found we are apt to be either too hasty in our judgment or the opposite, not hasty enough. I consider the judgment of the men would be better tempered by the help of such men as Mr. Ness and the secretary, Mr. Grater.

163. *Mr. Fisher.*] Will you please give us the names of the seamen's committee?—Yes; Mr. McEwan, Mr. Cree, Mr. Randle, Mr. Wilson, Mr. Petterd, and Mr. Milne.

164. Well, now, perhaps this is a question which you may not be able to answer, and therefore I will not press you too closely upon it: Can you explain why £4,300 is placed on fixed deposit in the names of Mr. George McLean and Mr. James Mills instead of these six?—It is very simple: Mr. Mills and Mr. George McLean may hold it, we understand, as trustees for the society; it is placed in their names: when the society was originated they were trusted to hold these funds.

165. There are seven of the committee on one side—you being one of the seven—and there are six on the other: why is this money placed on deposit in the names of the seven and not in the names of the six?—I suppose it was done when the society was formed. The committee of management have never brought any action against it, and the thing has continued in the same way.

166. *Hon. Major Steward.*] They were the original trustees?—Yes.

167. *Mr. Fisher.*] Does it not occur to you, then, that they have the whip-hand over these funds?—We do not question that. When the society was inaugurated a solicitor was employed to draw up these rules. I think, if it came to a dissolution of the society, members would have the distribution of that fund from Mr. Mills and Mr. McLean.

168. That is your belief?—Yes.

169. *Hon. Major Steward.*] Rule 45 says, "The trustees of the society shall be the chairman and managing director of the company. All property of the society shall be vested in the trustees on account of the society." It would remain with them until you altered the rules?—Yes. I am one of the committee. Part of my money is invested in that fund, and it is not likely, if it came to a critical question on that point, that I would vote against my own right to pay out the money.

170. *Mr. Fisher.*] My point is this : Suppose five of the seven on the company's side should join forces with the men's representatives, that would make eleven ; but the other two of the thirteen could snap their fingers at the eleven?—Well, Mr. Fisher will know better than I do on that point. We do not think it as a body. I do not think two would snap their fingers at eight hundred members. I think, by applying to the common Court, we could get an injunction to restrain these trustees from obtaining these funds.

Mr. Fisher : That would suit them.

Witness : But could not the matter be decided by arbitration?

The Chairman : You see, registered societies take a lot of trouble to get their rules registered, and so on, the sole reason being, so far as we can see, to give them a legal position.

Witness : I fully understand that, and I thoroughly understand the point you are driving at. I consider what could be done and what could not be done with these funds an open question.

The Chairman : Of course, I am only putting an extreme case. I can appreciate your belief in the honour of the men you are dealing with. I am only putting to you the hard law.

Witness : I understand that what we would recognise the law would not.

171. *Hon. Major Steward.*] Suppose these two men were drowned together on board ship, and they had wicked heirs, how could you get that money?—I do not know.

JOSEPH McCANN was examined on oath.

172. *The Chairman.*] What is your business?—Fireman on board ships.

173. Are you a fireman now?—No ; I was hurt.

174. What is your occupation?—I am a casual worker for the Union Company.

175. How long have you been in their service?—About six years.

176. How long in the benefit society?—Three years.

177. I see you have a bad hand?—It happened two years ago, on the "Manapouri." It happened in turning the gear that is erected for turning the main engines. I was putting the engines round, and I laid my hand on the wheel, and it was dragged right through the cogs.

178. Were you ill?—I was in the Sydney Hospital a month and two days, owing to the loss of blood, and then I was sent to Paramatta. After that I stopped something like three weeks with my brother.

179. Who paid for it all?—The company paid for it, so far as I know.

180. Were you in the society at the time?—Yes.

181. Did you draw your wages when you came back again? Did you apply for them?—I got paid for the month this happened ; that was May, and I was paid up till April. I was paid on the 1st May.

182. Did you get any wages for the time after that?—The society allowed me £1 a week.

183. You did not draw wages?—No. They gave me £1 a week. I was six months ill before I was fit to work, and then I got casual work. After I came out of the hospital I went to the doctor of the society in Sydney, and he told me it would be better not to go to New Zealand, as it was too cold, and that I should stop there until I got strong.

184. How long were you ill after the accident?—Six months.

185. What did you draw in wages from the company during that six months?—I drew nothing whatever. All I got was about £1 a week from the society.

186. You are sure about that?—Perfectly sure. The company gave me nothing.

187. How have you lived since that time?—I admit that the company has been very good ; whenever there was work I always got it.

188. *Hon. Major Steward.*] What was the terms of your engagement?—I was signed for not exceeding six months. I did not take much interest in it at the time.

189. You signed on the ship's articles?—Yes.

190. How long were you on at the time of the accident?—I could not exactly say.

191. Can you give me an idea?—I have not the least idea. They sign their articles for six months.

WILLIAM JOHN WILSON was examined on oath.

192. *The Chairman.*] What is your business?—I am a permanent employé of the Union Company on the wharf at Port Chalmers.

193. How long have you been in the Union Company's service?—About thirteen years.

194. Do you belong to the benefit society?—I do not.

195. Were you ever asked to join?—Yes.

196. And refused?—Yes.

197. What was your reason in refusing?—I was in one already, and thought that enough to keep up.

198. Have you seen the evidence as reported?—Yes.

199. Is there anything you would like to add to it, or anything in it you would wish to refute?—No ; it is not a thing I have taken any interest in. The only thing I can say, as a shore employé, is that it has been a good thing for us, because we were everlastingly being pestered with subscription-lists to help injured and disabled firemen and seamen, and to bury them.

200. Then, the society has been a benefit in that way?—Yes ; because before it was started every month, when you went for your wages, there was somebody waiting at the door for a donation.

201. *Hon. Major Steward.*] From your experience with the shore hands, do you know whether Rule 5, which requires that men in the employ of the Union Company, whether on sea or shore, are to be members of the benefit society if they are not already members of another society, has been enforced?—I do not know the rules ; I have never seen them.

202. You never heard of any one being dismissed from the company's service for not joining the society?—Not on our staff. I might state there are some who would like to join, but they are over fifty years of age.

203. *The Chairman.*] Is there anything else you would like to say?—No.

TUESDAY, 25TH MAY, 1897.

JOHN MURCOTT was examined on oath.

1. *The Chairman.*] What are you?—I am a fireman on the "Tasmania."

2. That is not a Union Company's vessel?—No; the Huddart Parker Company.

3. You have something to tell us about your applying for work to the Union Company: what was the date?—So far as I can recollect, it was about two years and a half ago. I had been in the Union Company's service ten years previously—that was, ten years from 1875. I worked up till 1880 in the Union Company's service. After that I went to Melbourne, and I worked ashore for twelve years. I came back to Dunedin, and I applied for a job in the Union Company's service, and they referred me to Mr. Kirby. Mr. Kirby asked me what I was, and I said a fireman. He said, "Have you been in the Union Company before?" and I said, "Years ago." He asked me what age I was, and I said thirty-eight years; and he said, "You are too old; I cannot give you a job; you are too old; we do not take firemen in over thirty-six, and sailors over forty." I said, "How is that?" He said, "It is owing to this mutual benefit society we have got; we do not allow members over thirty-six in the stokehole." I said, "It is no use applying for a job?" and he replied, "No, I cannot put your name down." "Well," I said, "Mr. Kirby, I do not want your job; I am only applying for a job. But," I said, "you want another good strike like you had in 1890, and you would not ask if a man was a hundred and forty so long as he could lift a shovel. That is what you want." I then walked away. He barred me from getting a job at thirty-eight, and I saw some evidence in the newspapers coming down stating that men were eligible up to fifty. Mr. Kirby told me distinctly he did not take any one in the stokehole over thirty-six, and in the deck department over forty.

4. *Hon. Major Steward.*] And that was because of the benefit society?—Yes; and I then went and interviewed Mr. Cook, the superintending engineer, and he said, "I cannot do anything in the matter; you will have to apply to Mr. Kirby." I said I had been there, and been told I was too old. The first trip I made in the "Tasmania" I went back to Sydney, and I met Kirby there on the wharf, and I said, "I was not too old for the 'Tasmania,' and I have been in her for eight months."

5. *The Chairman.*] It is considered a hard job?—Yes; the "Tasmania" is a workhouse, and I am one of the firemen on her. Of course, Kirby barred me on account of this society. I call it a "rag-and-bone society"—a "dog-tax society." I have no witnesses to prove I saw Kirby, but that is a fact.

CHARLES GRATER was reheard.

6. *The Chairman.*] Do you wish to give further evidence?—I am here this morning to ask to be allowed to tender as evidence the legal opinion which the committee has obtained as to the legal status of the benefit society. We do so owing to the statements made to some witnesses that practically the society has no legal standing, and the rules no legal force. The case was set forth by Mr. Holmes, and the committee has obtained an opinion from Mr. Sim. They are as follows:—

Re PRIVATE BENEFIT SOCIETIES COMMISSION.—CASE FOR THE OPINION OF COUNCIL.

SUBJOINED are extracts, numbered 1 and 2, from the report of the proceedings before this Commission:—

Extract No. 1.

Mr. Fisher.] What would become of this accumulated fund of £4,300 in the event of a strike occurring?—I take it to be an impossibility for a strike to take place at the present time, or in the future.

How do you explain that?—Because the Conciliation and Arbitration Courts would decide all disputes.

But in the event of a difference or a difficulty—the world is not yet perfect, you know—what is the ultimate destination of that fund? To whom will it ultimately belong?—That I could not say. I consider that if the society smashed up the men would get their equal share of the funds.

The Chairman.] Who is to give such an order?—The committee. If they have not done so they ought to have done so in the interests of the men.

Mr. Fisher.] You have already answered that question—that in the event of any large or crucial question arising the committee are almost powerless?—The representatives of the men are virtually powerless, not the committee as a body.

The Chairman.] Suppose the committee passed a resolution that the funds should not be distributed amongst the members of the society, but should pass to some other person, what position are the members of the society in then?—I think they could claim an equal share of the funds.

Mr. Fisher.] How could they? They are not known to the law: they are not registered?—There are the receipts in the book to show they paid the money in.

They are valueless?—They are sufficient in law, I think.

The Chairman: I fear not.

Mr. Fisher: That is why I marvelled at your answer that you preferred the society unregistered to registered. You will find that is not worth the paper it is written on or printed on in law.

Extract No. 2.

Mr. Fisher.] This being a non-registered society, and the seven members having the dominant power, they would have the disposition of the funds, would they not?—[Question not answered.]

If the society were registered, these regulations—the rules of the company's benefit society—would have the force of law under the Friendly Societies Act, but at present they have no force in law. That being so, what do you think would become of that £4,300?—I understand two-thirds of the members can dissolve the society.

Herewith is also sent a copy of the rules of the Union Steamship Company of New Zealand (Limited) Mutual Benefit Society.

Counsel is requested to advise,—

1. Whether the rules of the said society can be properly described as "not worth the paper they are written on," or as "having no force in law."

2. Whether the rules of the said society are legally binding.
3. By what power the observance of the said rules can be enforced.
4. Whether the receipts given by the society can be described as "valueless."
5. Whether such receipts are legally binding.
6. Whether the seven members of Committee representing the company can control the disposition of the accumulated funds or any other funds of the society.
7. Whether the committee as a whole can control the disposition of such funds.
8. By whom, and in what way, can the disposition of the society's accumulated and other funds be controlled.
9. Can the accumulated and other funds of the society be controlled so as to defeat the claims of members of the society?
10. By what power can the disposition of the accumulated and other funds of the society be controlled?
11. Are the trustees of the society subject to any, and, if so, to what, control?

OPINION.

1. Whether the rules of the said society can be properly described as "not worth the paper they are written on," or as "having no force in law."

In my opinion, it is simply absurd for any one to describe the rules of the society in this or in any similar way.

2. Whether the rules of the said society are legally binding.
The rules of the society are legally binding on all the members and officers thereof. The society is a perfectly legal association, and it is quite a mistake to suppose that the members have no rights which can be recognised at law because the society has not been registered under the Friendly Societies Act.
3. By what power the observance of the said rules can be enforced.
The Supreme Court would interfere by injunction to prevent the funds of the society being applied in any manner not authorised by the rules.
4. Whether the receipts given by the society can be described as "valueless."
It is wholly inaccurate to speak of the receipts as being "valueless."
5. Whether such receipts are legally binding.
Such receipts are legally binding, and are quite as effectual as receipts given by any society registered under the Friendly Societies Act.
6. Whether the seven members of committee representing the company can control the disposition of the accumulated funds or any other funds of the society.
They cannot do so. The committee has no power to dispose of the funds of the society except in the manner authorised by the rules of the society, and these can only be altered by the members of the society. It follows necessarily that the seven members referred to cannot do what the committee as a whole has no power to do.
7. Whether the committee as a whole can control the disposition of such funds.
As I have already said, the committee has no power to do this.
8. By whom, and in what way, can the disposition of the society's accumulated and other funds be controlled.
The society's accumulated and other funds must be applied in accordance with the rules of the society. These rules, as I have said, can only be altered by the members of the society in general meeting with the consent of the company; so that the control of the funds of the society rests with the members thereof.
9. Can the accumulated and other funds of the society be controlled so as to defeat the claims of members of the society?
They cannot be so controlled. The control of the funds rests, as I have said, with the members of the society, because the rules which regulate the disposition of these funds can only be altered by the members assembled in general meeting.
10. By what power can the disposition of the accumulated and other funds of the society be controlled?
The Supreme Court would interfere by injunction to prevent any attempt to dispose of the funds of the society in any manner not sanctioned by the rules for the time being of the society; and in this way it exercises an effectual control over the funds.
11. Are the trustees of the society subject to any, and, if so, to what, control?
The trustees are subject to the control of the Supreme Court to this extent: that if they attempted to use the funds of the society in any way not sanctioned by the rules the Court would restrain them by injunction from doing so.

A. Holmes, Esq.

W. A. SIM,

Dunedin, 21st May, 1897.

7. *Mr. Fisher.*] In your opinion, and to your satisfaction, Mr. Sim's legal opinion clears up that matter?—Certainly.

SAMUEL FORSYTH was examined on oath.

8. *The Chairman.*] What are you?—I am a fireman, lately on the "Tarawera." I am not on the vessel now.

9. Do you wish to make any statement to us?—No.

10. Who asked you to appear before the Commission?—Mr. Petterd. He came and asked me if I would give evidence, and I said "Yes; I would go and tell them what the society had done for me."

11. *Mr. Fisher.*] Do you know anything about the subject of this inquiry which the Commission is investigating?—All I can say is that the society has been very good to me. I have been ill for two years and a half, and they have paid me all the time I have been poorly.

12. *Hon. Major Steward.*] You are a member of the society?—Yes.

13. When did you join?—When it first started.

14. You are still a member?—Yes; and I pay 4s. 3d. a month.

15. Have you been ill for the last two years and a half?—Yes.

16. Have you been on sick-pay all that time?—Yes.

17. What do you draw?—I am getting 10s. a week now. I drew £1 a week for the first twelve months.

18. What is the matter with you?—I am suffering from diabetes.

19. Is that sick-payment to continue as long as you are ill?—It all goes by the committee; they vote me 10s. for a certain time, and when that has expired they vote it again.

20. You are not entitled to this payment under the rules?—I am aware of that.

21. *Mr. Fisher.*] Are you still paying in your contributions to the society?—Yes.

22. You pay in to them out of the money they pay out to you?—Yes.

23. *Hon. Major Steward.*] Are you a married man?—No.

24. Because I see the rules say the sick-allowance shall be £1 a week for the first six months and 10s. a week for the second six months. You have been paid £1 a week for the first twelve months, and 10s. a week for the last eighteen months?—Yes.

25. *Mr. Fisher.*] You are quite positive about that?—Yes; for the first six months I drew £1 a week, and for the second six months 10s. a week from the sick fund and 10s. a week from the benevolent fund—that is, so far as I can remember.

26. Did the £1 a week during the first six months come from the funds of the Union Company?—It came from the funds of the society, so far as I know.

27. Now, you say during the next six months you got 10s. a week from two sources—10s. from the society and 10s. extra from the Union Company?—No; I get 10s. extra from the benevolent fund.

28. Then, the 10s. a week you get now is drawn from the benevolent fund?—Yes.

29. You know nothing about these rules?—No; I do not. So far as I am concerned, I am quite satisfied with the society. It has been a great benefit to me. Had I not been getting this money from the society I would probably have been getting nothing.

ALEXANDER ROMEO POLLOCK was examined on oath.

30. *The Chairman.*] What is your trade?—I am a labourer on the wharf.

31. Are you an employé of the Union Company?—I am a casual employé.

32. How long have you been working on and off for them?—Well, I have just been on the wharf twelve months.

33. You have seen the evidence as it has been reported in the newspapers?—I did not pay any attention to it, because I do not belong to the society. I was a member of the society. I joined it after the strike.

34. Why did you let your membership lapse?—Because I got married, and I left the Union Company down in the islands, and I could not afford to pay when I came back to Dunedin.

SIDNEY JONES was examined on oath.

35. *The Chairman.*] What are you?—A steward, late on the "Ohau."

36. How long have you been in the Union Company's service?—Since 1889.

37. Do you belong to the benefit society?—Yes.

38. How long have you been in it?—Since 1891.

39. Have you seen the evidence as reported in the newspapers?—I have read some of it.

40. Is there anything in the evidence you have read which you would like to supplement, or anything you wish to refute?—Well, I believe in the society myself. I did not belong to any benefit society, and it was suggested to me after the maritime strike that we should establish a benefit society. I thought then I would be one of the first to join it, and I have been a member of it ever since. Of course, it was only last year that I met with an accident. I have been laid up since the 8th June last year.

41. Have you been drawing from the benefit society?—I drew £1 a week for the first six months, and I have been drawing 10s. a week since.

42. Under the rules this 10s. will stop in June?—Yes.

43. Will you get a benevolent allowance afterwards?—I cannot say.

44. *Mr. Fisher.*] You believe in the society?—Yes. I am not a member of any other society, and I do not know what I should have done after I left the Hospital in Wellington, after my accident, if I had not been a member of this society.

45. Have you any view as to the registration of the society?—I think the society is very satisfactory to the men; I do not think it wants any registering.

The Hon. GEORGE McLEAN was examined on oath.

46. *The Chairman.*] Mr. McLean, you have doubtless seen the evidence which has appeared in the newspapers. Have you anything you would like to tell us, either to add to that evidence or to refute anything that has been said?—Well, I see by the papers that there is really only one person in opposition to the company, and that is Mr. Belcher. I have read his evidence as it appeared in the papers, and I see he is making a mistake about some clauses with which he dealt in the Shipping and Seamen's Act. He referred to section 103 of the Act of 1877, to section 4 of the Act of 1890, and to section 5 of the Act of 1894. I wish to say that the deposit mentioned in that section 5 is not meant to apply to local companies at all. When the matter was argued in Parliament I thought that that clause was a very proper one to insert. Its application is this: Supposing a foreign steamer comes here she might put a sick man ashore and go away, and nothing would be heard of her again. It is in a case of that kind that the deposit is required. Again, a sailing-ship might come in and land a sick man, and how are you to treat such a case? I say it is under this section. I think Mr. Belcher has misread the Act when he makes the statement attributed to him.

47. *Hon. Major Steward.*] You say the Act refers to foreign-going vessels only?—Yes.

48. *The Chairman.*] The Act that Mr. Belcher marked for us was the Amendment Act of 1890, which speaks of seamen employed on home-trade ships?—That is a case in which we used to deal with the men ourselves until Mr. Millar asked a question regarding it in the House. Since then we have always treated with the Customs. But I think it will be a sorry day for the men when the owners say they will be guided by the law entirely—when they will say, "There is the law; take the money, and that is all you will get." It will be a bad day for the men when they are put in that position, and they might be if antagonism should come between the men and their employers. We have different classes of men. Sometimes a man is found to be a malingerer, always trying to

get out of his work, and a man of that kind you cannot put in the same street with an honest fellow who has probably come by an accident or illness through no fault of his own. I would always strain the rules to protect an active, well-doing man, but I would not do so if I saw an imposition. No; I would keep the imposter at arm's length. It is, of course, a man's duty to discriminate between these two classes, and to deal differently with the men. If the company chose they could take a man to his home and discharge him. They are not compelled to keep him there. They could, if they wished, take a man to his home, put him ashore, and they would be done with him. As far as I know, we have never asked the benefit society to attend to men whom it is the company's duty to attend to. They are two different things altogether. You might see sometimes that we have an action in the Court disputing a claim with a man, but that is only on a particular occasion. We seldom go to Court with these cases, and I suppose it costs us £600 or £700 a year to deal with such cases—men to whom the company need not legally pay anything, as it was not the company's fault they met with accidents. The society bears its own burdens. It is completely clear, and is managed apart altogether from our company. The men appoint half the number on the committee, and of the other members of the committee two are wharf-labourers—the wharf manager and an engineer foreman. Mr. Ness is the treasurer, and Captain Strang is acting vice-president. So far as I have heard, the men have had pretty well the whole working of the society themselves. There has never been any dispute between the society and the company. The men deal with it themselves, and the rules have gradually been altered to throw the power into the hands of the members. I see it has been stated that Mr. Mills and myself, being trustees, could keep the money in the bank.

49. No one said that. What was spoken about was the legal position of the funds in the bank?—Well, it was stated that we need not pay the money to the society. That is a mistaken idea, because we are only the trustees for the society, and we could be compelled at any time to hand over the money to the members. The committee have no power over the money, and neither have Mr. Mills and myself. If the men wished to dissolve the society they could vote as to what should be done with the money, and the decision of a majority would settle the matter.

50. *Hon. Major Steward.*] But the company must consent?—I do not know that they need consent. At all events, if the question was decided by a majority of the members there could be little trouble over it.

51. Rule 77 says: "It shall be lawful for the members, at some meeting to be specially called for that purpose, to dissolve the society, and to direct in what manner the funds and other property of the society shall be appropriated or divided: Provided that the society shall not be dissolved without the votes of consent to such dissolution and appropriation or division be obtained of five-sixths of the then existing members, nor without the consent in writing of the company, and of all persons, if any, then receiving, or then entitled to receive, any sum or allowance from the funds, unless the claim of every such person be first duly satisfied, or adequate provision made for satisfying it; and for the purpose of ascertaining the votes of such five-sixths of the members as aforesaid every member shall be entitled to one vote." You see the consent of the company is required, as well as the vote of five-sixths of the men?—I do not suppose the company would interfere if the funds were being properly distributed. The company keeps a certain amount of control, seeing that they have supplied a good slice of the funds. No; I do not think the company would care to meddle if the thing was being carried out in order. As to the benefit society, I am satisfied that a man should belong to some society or the other. When this society was formed there were about sixty-six belonging to other societies in the company. Young men object to it, and the reason they object is this: They think that when paying into the society they are doing it for the married men's benefit. I believe, however, that the committee has had a return prepared, which shows that of the two classes of members, married and single, the single men have got most advantage from the society. They feel aggrieved, however, at having to pay in, thinking they are doing it simply for the married ones. I think, myself, that it will be a bad thing for the members when the society is done away with. The society was formed with the view of combining the company and its employes in a bond of union. Through it the men would take some interest in the company, and it would not be a case of drawing their wages and leaving the company without any more ado. It has always been thought, especially by Mr. Mills, who has taken an active interest in the matter, that something should be done to keep the men together—particularly to keep the good men together—so that they might promote the interests of the company.

52. To maintain a friendly feeling between the men and the employers?—Yes. The men never complain that we ill-use them; we never had a complaint of that sort. In his evidence, as reported in the papers, Mr. Belcher also said, "It seemed strange that the company should first reduce the wages of the men, and then force them to join a benefit society." The fact of the matter is that trade was very bad, and we were paying no dividend. So bad was the trade here and in Australia that there came a time when wages must be reduced, and in Australia they were taken down £2 a month, but the Union Company reduced by only £1 a month. It was said at that time that the wages were reduced with the object of compelling the men to become members of the society, so as to provide for themselves in some way, but I think, if the society was not in existence, you would have a class of useless men—men always fretting for something.

53. *The Chairman.*] Subscription-lists?—Yes; subscription-lists. I think that the men feel that having this society they get rid of such lists.

54. *Hon. Major Steward.*] One witness said so?—Yes, I believe one man did say so. Mr. Belcher also said that the men's subscriptions to the society were deducted from their wages; but if that is done it is completely against the rules. Of course, you will always find some over-zealous men. Even in politics it is so. It is sometimes not your enemies you are frightened about so much as your over-zealous friends, and so it is with this sort of thing. Mr. Belcher also says that the society was formed to save the company's purse. Well, the company never had any idea of

that kind, and I do not think you will get any of the men to support him in that statement. You will also find, as we found at the time of the union troubles, that whenever there is a bad worker whom we want to get rid of there will be a difficulty with the union. We found that men like this went to their union and made a complaint about being dismissed for being union men, but the fact was that the union was never in our thoughts. The man, however, put things in such a light to the union that they sometimes took up his cause—a very improper cause to take up. That was a matter for which we found fault with the union. I see, too, that Mr. Belcher has had to go back to 1893 to find grievances against the company. It is a bad case, I think, when one has to go back so far for grievances. Of course, I know the difficulty there is in dealing with union men. Their officers have continually to be getting something for them; if not, the men are dissatisfied. And when an officer moderates his views on feeling the responsibility of his position and is willing to do what is fair to the company, the men think he is not doing enough for them, and consequently they must get another fire-eater. That, at any rate, is very often the way. But I do not think that there is likely to be any difficulty, and I do not know what the Seamen's Union are to do. They have no benefit society. We have now entered into a two years' agreement, and I do not suppose that difficulties will arise in that time.

55. *The Chairman.*] As to the purpose of the society, you say it was formed entirely for the men's benefit? I think that Mr. Belcher and some other witnesses seemed to hint that it was for another purpose partly—partly for the men's benefit and partly also that the company should have a hold over the society. You deny that?—No doubt it was for the benefit of the Union Company, in this way: They tried to get the men to take an interest in the company, and not to walk away from it without any fault against it, as they did in 1890. It was to endeavour to stop that, and to endeavour to get the men into the society so as to have an interest in stopping with the company, and not run away from it at the bidding of any one as they did in that year, that the company interested itself in the movement.

56. That interest would consist in having a stake in the company by means of the money paid into the benefit society?—Yes. The men would always know that they had the benefit society to look to, and they would know that they were getting benefits from it. I have never had much to do with the society. The only time I took an interest in it was when the Seamen's Union got hold of a stupid letter from the secretary.

57. About Dorling?—Yes, about Dorling. The Premier spoke to me about it, and I came here and got a responsible officer in the Union Company's office to search the society's letter-book and bring out everything connected with this man. You may remember that I put that on record in a speech in the Council. No doubt the letter was a stupid one to write, because the secretary had no power to discharge any one in the company's service.

58. *Hon. Major Steward.*] That is another instance of over-zeal?—No doubt.

59. *The Chairman.*] You said you never had any trouble with men. We were told about a round-robin which hundreds of the men had signed, in which they seemed to disagree with the benefit society. They thought, at any rate, that they were labouring under a hardship?—I have heard of that, and I think I saw something of it. The officers wanted the union kept together, and asked the men to sign it. The men evidently thought they were to be compelled to join the society, and when men get the idea that compulsion is to be used they rebel. So far as that is concerned, however, I may say that every time we have found a man with that notion we have told him that if he was a member of any other society he need not join ours. In fact, we have refused to take some men as members. That is where they belong to other lodges, and in those cases all our men do is to see that they keep up their payments to their societies.

60. *Hon. Major Steward.*] They must be in an outside friendly society or in yours?—Yes.

61. *The Chairman.*] Several of the witnesses have told us that there has been no compulsion as to joining, yet the rules now in force seem to imply that; because Rule 5 says, "Every employé in the deck, engine-room, stokehold, and stewards' and cooks' departments of the company's vessels, and shore employés of the company, who shall be certified by a medical officer of the society as being in sound health, and not suffering from any contagious disease, shall, except as herein otherwise provided, become an ordinary member of the society." It seems by the rule that it was necessary for them to join, and in the agreement signed just last week between the Seamen's Union and the Union Company it says, "On and after the 30th day of September, 1897, it shall not be compulsory for any employé to subscribe to or become a member of the company's mutual benefit society." How do those statements agree?—Well, the union says there has been compulsion and we deny that, and now it is put into that agreement to make it clear of dispute.

62. *Hon. Major Steward.*] Why did you fix the 30th September?—That is the end of the benefit society's year. I think that is it. It means that they are to be allowed to voluntarily retire or join. Now they have to join, if not ours, another society, and I think it is a pity that that has been done away with. I now hear that men are turning round, and want to keep up the society. They certainly would not get the benefits from any society that they got from this one.

63. *The Chairman.*] Do you know whether there is any objection on the part of the company to pay its subsidy if the society became registered?—I do not know as to that. I should doubt if they would then subsidise.

64. You do not know whether the company has any objection to the society being registered?—Yes, they have. The company have this reason to object: that at present the men are independent, and free to exercise their own judgment in dealing with the society and the distribution of funds, and, in addition, they give surrender values. If the society was registered they could not give surrender values.

65. Why?—Because the other societies do not do that.

66. *Hon. Major Steward.*] Could not your rules be registered?—If the men do not want it, and do not want to pay into it, why should we pay into it?

67. *The Chairman.*] Did the Union Company issue a circular to officers and engineers requesting them to become members too?—I could not say that. Mr. Whitson could speak on that point. I am not aware of any.

68. Could you tell us what the intention is in regard to cooks and stewards who do not belong to the Seamen's Union? Do they still have to join your society?—It will be optional with everybody; but I think it was the cooks and stewards, or some of them, who were first instrumental in bringing this forward.

69. We were told it was P. McDonald who was the first to start it?—It was disputed between him and McEwan, a cook.

70. And Mr. McInnes, to whom Mr. Mills paid money for formulating the first part of the rules?—Well, I do not think that fact shows that McInnes was the first man to suggest the society.

71. Do you make your seamen, cooks, and stewards, and so on, in your boats plying between Tasmania and Australia, belong to your society too?—I am not sure of that. No doubt, several of them are in the society, but I do not know that they are compelled to join this or any other society over there.

72. Was your society ever associated with the registered friendly society's dispensary?—I think it was.

73. Why was it separated?—I could not say. It is a matter I did not follow at all. I heard, however, that our society got better terms for the men than the friendly societies were able to give. I think that was the reason, but I am not sure. I think, however, you will find that that is the case.

74. There was no compulsion on the part of the friendly societies? They did not make you withdraw?—I am sure about that. There was a dispute amongst several of the societies—one class wanted us in, and another did not. We did not want to cause any dissent among them, and I fancy that is why our society went elsewhere. I would like to say, with regard to the other societies, that I never heard of them objecting to our society because the men who were in it would not join with them. I rather think they helped our society until that famous letter was photographed and sent to every society in the colony. It was after that that the Government took up the Bill dealing with the matter. I think a good many societies were favourable to us.

75. What regulates the condition as to age, &c.—as to why it is impossible for a man over thirty-eight years of age to get work in your company?—I do not think that is the case. I think that one man at fifty is sometimes better than a man of thirty-eight. It all depends on the health and strength of a man.

76. There is no such rule?—I do not know of any.

77. *Hon. Major Steward.*] A perfectly healthy man swore here this morning that he was working for you, and that he left and went to Australia. When he came back he applied to Mr. Kirby for work as a fireman and was refused, as he was over thirty-eight years of age, and as there was a society that would not allow men to go on after that age?—I do not want to say anything against a man, but it is a fact that when once we get rid of some men we do not want to see them any more. You must take into consideration that it is the useless men who make the most noise when they are discharged.

78. In connection with this matter of the Shipping and Seamen's Act, you will have no objection, perhaps, to answer plainly on this point: Section 2 of the Act of 1890 provides for a case of illness and the discharge of a man from his ship, and subsection (2) provides that he is entitled to three months' wages. I think you expressed the opinion that it was desirable often to treat the men much more liberally than that, and that it would be a bad thing for the men if the company stood precisely on the limits of the law?—Yes.

79. Now, assuming that view to be correct, and that the men who are members of the benefit society are provided for in illness by the society, to whose fund the Union Company subscribes, is it or is it not a fact that it is cheaper to the company to subsidise the benefit society than it would be to withhold such subsidy, and to fulfil the requirements of the law with regard to allowances to men?—Well, the two things are quite separate. A man will meet with an accident through his own fault, and we would not be liable for anything in that case, but if the man has been a good servant we might do more for him than the law compels us.

80. If he is a member of the benefit society, would you provide for him or give the society an allowance?—I do not think we take into consideration whether he is a member of the society or not.

81. Then, I will give you a case in point: A man who was a fireman in your employ for some six years was injured on board the "Manapouri," at Sydney, and lost the best part of his hand. The hand was drawn into a winch, and he lost the fingers. It was a man named McCann. He was in the Sydney Hospital, and after he left your service he got nothing from the company at all, though he did get an allowance from the benefit society. Now, if that was a fair sample of these cases, it is natural to put the question as to whether it would be cheaper to the company to subscribe to the benefit society and escape payment in a case of that sort than to take the other course?—I was asking about that case. The man was at the starting-gear. He was working with it in a careless manner, and allowed his fingers to be drawn into the cogs. That was an accident for which no law makes us liable.

82. *The Chairman.*] That is so?—We sent him to the hospital, and paid his expenses for keep there, and then gave him a passage home. If we had allowed him to stay in Sydney to get well we would have paid his expenses. So far as that accident goes, however, it is one that we are not liable for in any way. To follow up what I have already said, you will find that a good deal is done from time to time for the men who are disabled. If there is any light employment open the officers are always told to give it to these men—men disabled in the company's service.

83. *Hon. Major Steward.*] That is very good. Now, the Chairman has referred to a paragraph in the agreement between the company and the Federated Seamen's Union, in which it is stated that there will be no compulsion for the members to belong to the society. It is a fair question, I suppose, whether the company intends to retain the option of selecting persons who do not happen to be members of the society. That power is with you still, and if exercised would amount to the same thing, would it not?—Yes; but the men who engage hands want the best men, whatever they are. You will find that if the men engaging the hands see a good man belonging to another society they will have no hesitation in picking him. They would take that man although he did not belong to the Union Company's society.

84. But, all things being equal, I suppose the probability is that preference would be given to a man who was a member of the society?—I do not know. As I say, it would no doubt be the best man who would get the work. I am pretty sure it is that way now.

85. After the agreement comes into operation, would the fact that a man is not a member of a benefit society still operate as a disqualification?—You will find that the good men are the frugal men, and that they do belong to a society.

86. *Mr. Fisher.*] For the purpose of information, what is the meaning of this: Clause 6 of the recent agreement says, "The company shall have the same right as at present to engage hands by agents;" what is the advantage of engaging hands by agents?—That is, having a man ready to ship them. I believe the clause refers to a case of that kind. It affects the coastal boats. You could not stop to take them, as was proposed, to the Customhouse, and ship them there. It is admitted that that is not practicable, and I think it is that case the clause covers, although I am not sure.

87. Will you give us your view in regard to this evidence: One witness who was not unfriendly to the company said he joined because "he was told it would be better for him to do so, he would have a better chance of employment"?—I dare say that some time ago that would probably be held out to a man as an inducement, but for some time it has not been held out.

88. The same witness says, "He was always of opinion that some men were not joining of their own free-will"?—I fancy that a number of the young men who never paid into any society joined this one thinking they would get a preference.

89. He also said that "the existence of the society, in his opinion, would give the company large power over the men. It would prevent the men organizing or getting up any body similar to the Seamen's Union as it was before the strike." Does that generally express the situation?—I see Mr. Belcher says he has five hundred members in the union here, and that is a proof that the society does not hinder the union. Apparently the society stands in no way as a bar to the carrying-on of the union.

90. This is not Mr. Belcher's evidence I am reading now?—No; but Mr. Belcher says he has five hundred members in the union, and that is an answer to your question.

91. Now, is this statement by Mr. Bracegirdle correct: "In the event of any large or crucial question arising the committee are almost powerless. . . . The representatives of the men are virtually powerless, not the committee as a body"?—How can they be powerless? They have their own representatives—the men elected by themselves; and then there are two wharf-labourers, who would join them; also, probably, the engineer foreman. That would leave the company with three representatives as against the others. It is ridiculous to make a statement of that kind, and I am satisfied the members of the committee, if asked, would say they had freedom in working the society.

92. The gist of the witness's evidence was that the seven who represented the company are a concrete seven, and that in the event of any feeling of extreme antagonism arising between the men on the one hand and the company on the other the company without doubt would exercise the dominant power. Is that so or not?—It would not be so, owing to the constitution of the committee now. If the company wanted the power no doubt they would put their own officials on the committee, but instead of that they put in two wharf-labourers and an engineer foreman. If any crucial contest came on I think these men would side with the men's representatives.

93. How do you explain the existence of the feeling which one witness's answer indicated? This man, though he spoke generally in favour of the company and the society, added, "If I had a free hand I would speak differently"?—I could not say as to that. I do not know any man who has not a free hand. Every man is at liberty to speak out his mind in any way he likes so far as the company is concerned.

94. I should like to explain to you, Mr. McLean, that I am only assisting you so far as I can to test the value of this evidence?—Yes, I see that, Mr. Fisher. Thank you.

95. You have explained, so far as your own personal ideas are concerned, what in your opinion led to the origination of the benefit society in connection with the Union Company—that was, to prevent your men being taken away from your company by other persons whose feelings might be antagonistic to the company—that is, so far as your company is concerned. How do you account for the existence of so many of these benefit societies all over the colony? Have you any opinion on that?—The societies are for the frugal people who wish to provide for their wives and families in a proper manner. Naturally, the men cling to these societies. The young men, however, who go to sea have not that care upon them, and, unless there is some inducement given to them to join the society, they will spend their money in other ways, and make no provision for times of sickness. I have always looked on the Seamen's Union in this way: The men pay in the money, and they get no benefit; their money is gone. They might pay it in with a view to using it as a fighting fund, but I do not think fighting will do anybody any good. I have had enough of it. I am not anxious to have another strike in my lifetime. It is not good, either for the men or the owners; and I would say this too: At one period, when times were bad, things became so depressed that I often discussed the position with the officers of the union. I said to them that they would have to take a reduction

n wages, and they professed themselves as willing to share in the trouble. If the matter had been put to the men I do not know how they would have received it, but luckily, before that time arrived, trade revived, and no reduction was made. As I say, however, I was disappointed when our hands all walked out through no fault of the company. They did simply as they were told from Australia. It was then I saw there was no help for people who went on paying in funds to a union and getting no benefit, whether to the Seamen's Union or any other.

96. It is your opinion, then, that these numerous private benefit societies which have been instituted by private companies and firms have been instituted for the benefit and welfare of the hands in their employ?—I am pretty sure that most of them have that view. Another aim is to make a good feeling between them and their employés and bind them to work loyally for them.

97. *Hon. Major Steward.*] A sort of common interest?—Yes. Men who are loyal, and are treated well in an establishment, will all swear by that establishment, and will put money together and help each other if need be; but in other establishments, where the men are not well treated, they will only do what they are compelled to do, and when their day's work is over they will get away as soon as they can.

98. *Mr. Fisher.*] And you think this benefit society of yours should not be registered?—I think that if it is registered it will probably come to an end, and if that happens it will be a bad thing for the men.

99. *Hon. Major Steward.*] Why is that? Why should legislation be fatal?—Because this is a society the handling of which the men are to have themselves; it is for one employment only. The men deal with it themselves, and they can exercise more freedom in handling it if they are not tied down by the rules that they would have to adopt if they were registered.

100. *Mr. Fisher.*] Is the Union Company itself registered under the Joint-stock Companies' Act in New Zealand?—Yes; it is working under that Act.

101. And the registered office is at the registered office of the company?—Yes; in Dunedin.

102. Can we get a list of the shareholders of the company?—Yes; it is filed in the registry office.

103. *The Chairman.*] In the debate on the Private Benefit Societies Bill, which took place in the House last year, Mr. Duthie said, "He thought that while some of these societies might be started out of purely philanthropic motives, yet such efforts all had the effect of getting a hold of the men who were thereby restrained from that free action which men had a right to insist upon. When a man asked for wages he had a right to be paid those wages, without deduction or drawback of any sort whatever, even under the pretence of philanthropic aid. The establishment of these societies by employers, he contended, was usually with the object, and always had the effect, of getting a lien upon the men." Do you agree with that?—I do not. Probably Mr. Duthie is not desirous of helping his men, or of having a benefit society for them. He is jealous of other people who are trying to help their men. Generally, you will find that the employers who do not care to do anything for their employés, but take everything they can out of them, will never try to tie their men to them in a bond of unity. I believe that by tying your men to you you will get more out of them. They will do their work cheerfully, and they are different men than when under a man who would domineer over them, and say, "I will have everything out of you."

104. We have spoken to witnesses about lodging the funds with the trustees. Supposing that you and Mr. Mills died, and your heirs, executors, and assigns were to succeed, how would it be possible to get the money? The society has no legal standing. It is not a joint-stock company, and not a registered society. Who would get the money?—The society would.

105. But the society is in the air.—No. The society is as legal as if it was registered, and the rules are just as binding as if they were registered. My heirs and executors could not take any of that money. I am acting only as trustee. The money is deposited for the benefit society, and the Supreme Court could get it any time the society desired it.

106. Your heirs and executors could stop it being paid away?—No; the Supreme Court could get it.

107. Well, where does the advantage of registration come in?—I do not see that there is any advantage at all in registration. The advantage of registration to other friendly societies is this: There are many conflicting interests, and it is safer for them to work under certain laws than otherwise. Ours is a society for one employment only, and it is in the hands of the men to do what they like. They are doing no injury to any one, and if the committee are not working the society properly the men would call a meeting and put an end to it. There is a good deal of form to go through to get rid of a society after it is registered, and a good deal of expense too.

108. *Mr. Fisher.*] What is the general instruction to the officers or the pursers whose duty it is to receive the contributions for the society?—To ask the men for it. As far as I know, there is no other instruction but to collect the money.

109. Is money deducted from the wages beforehand?—No; I think they are specially told not to do that.

110. *The Chairman.*] It would be unwise; and yet witnesses have told us that it is done?—Well, the fact is that you will always find some officers going outside their instructions. No one can conduct a business of any sort without something of that kind happening. But our officers have instructions not to act in that way, I think, and if they do otherwise it is against our wish.

111. Of course, it is a clear breach of the Truck Act if they do?—I do not know if that would be a breach of the Truck Act.

112. To deduct from wages?—Well, in this case I do not know if it would.

113. If the men have given instructions beforehand it is all right?—I do not carry that Act in my mind. I do not have much to do with it.

114. *Mr. Fisher.*] Are you aware that the question of the establishment of these private benefit societies by companies and firms, and the discontent arising from the compulsory deduction from wages, has recently been discussed in the House of Commons?—I have not followed that,

115. I only mention that to show that even this inquiry is not original in that sense?—I may say that I am glad, so far as our society is concerned, to see it inquired into in every possible way. I am quite satisfied it will result to our advantage. I see by the papers that you gentlemen are apparently very antagonistic to the society.

116. *Hon. Major Steward.*] Oh, no?—At any rate, if I mistake not the temper of the men I have spoken to—and I have conversed freely with them—the evidence to be laid before you will show that a great many of the men will be sorry if the society is done away with—the married men especially. They have a doctor at every port they go to, and they have medicine supplied to them. There is some talk at present about the doctors accepting the work for small payment, but I think they will still carry it on, and it will be to the men's advantage.

117. *Mr. Fisher.*] What is difficult to understand is this: A witness—I am speaking in the indefinite sense—gives us evidence to a certain point, and then asks that his name may not appear in the paper, and then he gives totally different evidence when he thinks his tongue is free?—I should say that a man of that kind is giving evidence that is not worth much. An honest outspoken fellow will give true evidence, and his employers will think all the more of him. Instead of visiting punishment upon him they will be rather glad to see that they have an independent fellow in their service, as long as he is a good workman.

118. *The Chairman.*] I might say that any dislike to private societies that might exist in my mind is entirely on account of the principle of the thing. An employer says: "If you work for me I will deduct 6d.," and if that is allowed another might deduct 1s., and another 2s., and so on, and where is the principle to stop?—Well, if you take any Government scheme in force in the way of pensions, or help from the State, you will see it is all compulsion. The men would not pay unless they were compelled.

119. But in the Government case there is the consensus of opinion of the whole country, and here it rests on the philanthropy or greed or whim of the employer, and in some cases the employer might be a harsh, grinding man?—I do not know. I think if he is a harsh, grinding man he would soon find himself with the worst of the workmen on his hands, and the good workmen would drift away to the places where they were well used. That would be the result of that sort of thing.

120. Is there anything else, Mr. McLean, that you would like to mention?—No. If I see anything further in the evidence I may ask to come before you again.

Hon. Major Steward: I would like to say that my object has been to ascertain the real facts of the case. I came here with no prejudged opinion at all.

Mr. McLean: If the Commission wish to examine any of the company's men the company will give every assistance. Instructions have been given that any man asked for by the Commission is to be relieved in order to appear.

WEDNESDAY, 26TH MAY, 1897.

JOHN KIRBY was examined on oath.

1. *The Chairman.*] What is your business?—I am shipping officer for the Union Steamship Company.

2. How long have you been in the Union Company's service?—About six years and a half.

3. Do you belong to the benefit society?—Yes.

4. How long have you been in the society?—I have been an ordinary member from the time it was inaugurated in 1891, and also a member of the provisional committee and working or ordinary member of the society from November, 1893.

5. You are not on the committee now?—No.

6. *Mr. Fisher.*] Your time is wholly employed in the service of the Union Company?—Yes; my whole time is employed in the service of the Union Company. Besides employing and discharging all labour, making out all agreements between masters and crews, I attend the Custom-house, and inspect all fire and boat appliances, and in the absence of the marine superintendent I am present at all fire- and boat-drills. My whole time is not taken up in the employing of men, but I am wholly and solely employed by the Union Company.

7. *The Chairman.*] You have seen the evidence as it has been printed?—Yes.

8. So far as I can see, the papers have printed an extremely correct account of all the evidence that has been taken. Can you give us any fuller information than has already been given, or do you wish to refute any statements that have been made?—I wish to commence by refuting many statements that have been made—Mr. Belcher's, for instance, in reference to Samuels's case, where he makes a declaration on the 8th June, 1893, at Dunedin. Samuels says that the reason he was dismissed from the "Kawatiri" was that he was not a member of the Union Company's benefit society, although he was a member of the Oddfellows at the time. I wish to refute that charge, and to put in evidence, from the reports of the chief engineer of the ship at the time, showing the cause of the man's discharge [Exhibit 9]. You will see that any evidence I bring forward I am willing to substantiate. In the column higher up in the report you will notice that the man is shown as only "fair," and that his conduct is also "fair," but on the 9th June he makes a declaration—I think, before Mr. Belcher—that the reason he was discharged was that he would not join the Union Company's benefit society, and was not a member.

9. And he says, "My discharge shows no faults at all"?—Yes; and that was done to give him a chance of employment elsewhere. The report I have produced is a private report to the employers. A man must be very bad before he gets a bad discharge from the Union Company's service.

10. *Hon. Major Steward.*] He was not so bad that you wished to make public a report that would operate as a bar to his future employment?—No; but it let the employer know he was not a satisfactory employé.

11. He was not discharged on the grounds he alleged, then?—No.

12. *The Chairman.*] Do you not think that the question might very fairly arise in the man's mind as to the cause of his discharge? It is true that is a private report to the company saying he is inclined to drink; but on his own discharge no cause is shown, and naturally he would search his mind for some reason, and is it not exceedingly probable that he would conclude he was discharged for not being a member of the benefit society? He does not see that private report?—No.

13. And his discharge says he has no fault?—Yes; but it is a well-known fact among the people on the ships that there is such a thing as a record of their services sent to the company by the head of the department they are serving in. As a matter of fact, every man discharged from the company's service, whether for misconduct or otherwise, knows the reason himself, and in this case Samuels knew he was discharged for being inclined to drink. On that point you will notice that in the "sobriety" column the engineer declines to report. He joined the "Orawaiti" at Westport on the 7th March, 1895—nearly two years later—and this is the engineer's report: "Thomas Samuels was also a member of 'Orawaiti's' crew 7th March, 1895, to 8th June, 1895, when he was discharged at Westport for drunkenness and abusive language." That is the same man two years later, and in a different ship.

14. *Mr. Fisher.*] How did you come to take him into the service again after dismissal from the "Kawatiri"?—It is a rule with the Union Company to give every man two or three chances. It depends on the nature of the offence. If a man is discharged from a ship for drunkenness we give him another show, and put him in a different ship, and if he is discharged from that ship for drunkenness we begin to think he is incorrigible, and we do not care to give him another chance. Every seaman and fireman is employed through me at Dunedin, and I keep a record of every man's ability and conduct throughout the service, and on these reports we deal with them. If we find a man inclined to give trouble on one ship we give him a chance on another ship, and naturally it is not to be expected that the employer can keep him after that. Now, as to Graham's case: He tells you he was discharged from the "Rotokino" for no reason whatever, and says the reason he did not get back into the service was that he was too old to join the company's benefit society, although he was a member of two recognised benefit societies. Well, I can prove from the chief engineer's reports [Exhibit 10] that from the day the man joined the ship to the day he left it at Port Chalmers he was always returned as a non-member of any society, and the chief engineer asked him if he was a member of any society, and he said he was not. I have also a report showing why he was discharged from the ship. It is as follows: "Union Steamship Company, Dunedin, 21st May, 1897.—DEAR SIR,—I beg to report for your information that the reason for discharging W. Graham from the 'Rotokino' was as follows: He was generally insubordinate and careless about his work. Captain Post also suggested that I should discharge him, as he had become a great nuisance both to himself and his officers by interfering in the working of the ship.—Yours faithfully, JAMES FERGUSON, late Chief Engineer, s.s. 'Rotokino.'—John Cook, Esq., Superintendent Engineer, Union Steamship Company, Dunedin." He joined the "Rotokino" at Dunedin on the 14th October, 1893, and was discharged at Port Chalmers on the 26th February, 1896, for the reasons I have read to you.

15. *Hon. Major Steward.*] No report to that effect was made to you until May, 1897?—Yes; I will show you that.

16. This memorandum of discharge was made out about the date of the discharge?—It was made out on the 31st March.

17. That refers to March, 1896?—Yes. He was discharged on the 26th February, 1896.

18. Very well. On the 31st March the engineer certifies that "his sobriety was fair and his ability very good," but on his conduct he declines to report. Then, nothing in the nature of the communication you received on the 21st May appears upon that report except the inferential "decline to report"?—Yes.

19. *The Chairman.*] Witnesses have given evidence to us that the reason for not acknowledging that they belonged to other friendly societies was that they considered that preference in work would be given to men belonging to the company's society. Would not that explain why the man did not acknowledge that he belonged to the All Nations Lodge of Druids and the Protestant Alliance?—No. I do not see how that could fit in very well in this particular case, seeing that Graham is a man nearer sixty than fifty, and must have known that he would not be accepted as a member of the company's society. That fact we do not deny—that a man would not be accepted over forty years of age.

20. And to your mind it was impossible that the engineer's report could be coloured by the idea that generally men who did not belong to the benefit society were distasteful to the company?—No. I have never known of a case in which an engineer got a "set" on a man under him because he was not a member of the company's society; in fact, the engineer only looks for the best men he can obtain to push the ship along; that is all he thinks about.

21. That is a theoretical chief engineer; but if he had a notion that it would be acceptable to his superiors, do you not think it would influence him in his report?—I do not. I think the chief engineers in the Union Company's service are above anything of the kind. These are all reports showing the sole reasons for discharge.

22. *Hon. Major Steward.*] This evidence entirely clears up the matter as regards the man Samuels; but, as regards Graham, there is just one question I would like to put. The only thing that strikes one as somewhat peculiar is that a sort of non-committal report is made by the engineer on the 31st March—a few days after the man is discharged—in regard to the man's conduct, and all he puts are the letters "d. r."—decline to report—whereas it appears from the detailed report which he gave you on the 21st May that the man's conduct had been sufficiently bad to induce him to write something very different to this non-committal "d. r." Now, you say that prior to the 21st May you had been aware, from the chief engineer, of the real cause of the man's

dismissal. How long before had it come to your knowledge from the engineer that this man's conduct had been bad?—Two or three days prior to the man being discharged from the ship. I am not quite sure whether it was at Port Chalmers or Dunedin.

23. Well, as a matter of fact, the engineer did make verbal reports to you to the effect of his written report?—Yes, two or three days prior to the man's discharge. As a matter of fact, the engineers, before discharging men, tell me the reason for discharging, and if, in my opinion, there is no right or reason for the engineer discharging a man, I report the matter to the superintending engineer, who is my superior. That is in cases where I feel that a man is not receiving justice. The verbal report given in Graham's case was somewhat to the same effect as the written report made in May—almost a *fac-simile*.

24. *Mr. Fisher.*] What is the distinction, if any, between the terms "inclined to drink" and "sobriety fair"?—I should say that a man had been under the influence of liquor on several occasions, and muddled at his work. I would take that to be the meaning of it.

25. In both cases?—Yes.

26. You say the men know there are reports sent in every month regarding their conduct. They know of the report, but they know nothing of its contents?—No.

27. Does not that imply something of the nature of a secret service?—I do not see that it does, in this way: Where an engineer reports unfavourably upon a man, and he comes to me for further employment, I tell him why he was discharged from his last ship, and I also caution him that if it occurs again we will have to take stringent measures with him.

28. *Hon. Major Steward.*] As a matter of fact, did you tell Graham?—I told him when he came to my office to ask for further employment. I told him that if he had conducted himself properly he could have remained in the ship all his life, or as long as the ship ran. He was only taken back into the service on account of his family. He has a very decent family, and the superintending engineer knows them well, and it was owing to that fact that the man was taken back into the service.

29. *Mr. Fisher.*] Then, do you or do you not think that it indicates a very large power and control over all these seamen employed in New Zealand that a shipping company should have the power to pick and choose among the men in the colony?—I think it is only right and fair that a shipowner should have the right to choose the men whom he thinks fit to go into his vessel.

30. The point in that question is this: Is it or is it not a fact that the Union Company has a monopoly of the steamship trade in New Zealand?—I think that is not a fair question to ask me. It is outside anything before the business of the Commission. I think it is a matter for the Union Company to answer, not for me.

31. *Hon. Major Steward.*] I suppose you have read Graham's evidence?—Yes.

32. You will see that in his declaration made before a witness he says this: "On making application to the company's labour engager for further employment I was told by him that I would receive no further employment from the Union Company because I was too old to join the company's mutual benefit society, and there were numbers of men who were members who would get work before me." That statement is entirely incorrect?—Partly, and I will explain. Graham came to my office in Port Chalmers and said, "Well, what are you going to do for me? Are you going to give me anything to do?" I said, "I do not think so, Graham. You have not behaved yourself. If you had behaved yourself you could have remained in the 'Rotokino' as long as you wished, or as long as the ship ran. But you have misconducted yourself, and I cannot do anything for you." As regards being too old for the society, I was always labouring under the idea that he was not a member of a society. I said, "There are other men ashore who are members of our society"—I meant other societies as well as our own society; in fact, I lean more towards members of other societies than our own, simply to show that we do not wish to clash with them. "Other men," I also said to him, "are waiting for employment who are members of the society, and naturally they have the prior right to employment." So far as that goes, he is quite correct, but I did not know at the time that he was a member of any society, as I have clearly proved by these reports.

33. He is correct in saying the words you have now mentioned, but he is not correct in stating that is the only reason assigned?—That is not the reason assigned.

34. *Mr. Fisher.*] What are we to think, Mr. Kirby, of the statement of witnesses whose evidence diametrically contradicts yours? They are all examined on oath?—The only conclusion I can come to is that they have not been telling the truth. It is not my statement alone you have to take, but the statements of men holding positions which I consider the positions of gentlemen, and they would not lower themselves to put in a report against a man anything that was not true.

35. I am referring to your statement that you preferred men belonging to the society?—No; I said, "lean towards them," to show that we did not clash with the other societies, and to corroborate that statement I can, if you wish, bring forward the first secretary appointed—Mr. Rice—who will, I think, substantiate that part of my statement.

36. If we have evidence that goes to show that a member of the Hibernian Catholic Benefit Society was compelled to join the benefit society although he said he belonged to the Hibernian Society, what do you say?—If he was told that by any official of the Union Company's service the official did what was wrong. You had evidence to the effect that there was a circular sent out pointing out that members of other societies would be exempt from membership. The rules of the society distinctly state that, and I assure you, so far as I am concerned, and so far as the secretary of the society is concerned, that that rule has been carried out to the letter.

37. I am only putting to you the difficulty we will be met with when we come to contradict this contradictory evidence?—Seeing that I was the man who, with Mr. Ness, went on board all the steamers for the purpose of starting this society, and as we distinctly told the men that there

was no occasion for any then member of any other society to become a member of our society, and that they would get the same chance of employment, and seeing too that I give the men employment, I am in a position to assure you, gentlemen, that I have never yet told a man that if he did not become a member of the Union Company's society he would not get employment, providing he was a non-member of any other society.

38. You see it will become our duty to weigh this evidence to the best of our ability. Now, we have this statement: that you have always acted on your best conception of what was in the interest of the men in the company. Then, we have put before us Rule 5, which has words to this effect: "Provided he or she is not a member of any union which the company will not recognise." It is true that those words are not in the present edition, but they were in a former edition—1891—and you will see how this addendum to the rule clashes with your statement this morning on oath?—I have never referred to a union. I have referred to any recognised benefit society. The union is not a benefit society. There are no benefits at all in connection with it. I have never known of any.

39. *The Chairman.*] You have never known of any union that has any benefits?—Not this particular union here. There may have been such a case as this: A man got sick, and the hat went round for help. I would just like to reply to Mr. Fisher's question. To prove what I say I will show you that when the society was first inaugurated there were only sixty-six members of other societies in the service, and now we have, in 1897, no less than eighty-six such men, or an increase of twenty. If we clashed with other societies, or gave our own men preference over other society men, there would be a decrease instead of an increase.

40. *Mr. Fisher.*] What is the object of the rule in the company's service which prevents a captain, if he chooses, or a chief engineer, if he chooses, from engaging any man or hand?—I do not know the reason why the company adopted the scheme if it was not for the purpose of having the right to employ whom they thought fit. Prior to the strike of 1890 the men were employed by the masters and engineers, and the men gave the company a lot of trouble. I am not going to refer to the strike business. If a man was discharged in this port for drunkenness or for abusive conduct to the officers under whom he worked there was nothing to prevent that man from going to Lyttelton and getting into one of the company's ships there, and so on. The discipline was not so good owing to that. Any one connected with the ships will tell you that the discipline is now much better than it was formerly, owing to the company themselves having a say in the employment of the men. That is one of the principal reasons why the Union Company instituted this new scheme which came into force shortly after 1890—that is, instead of masters and engineers employing their own people it is done partly by me and partly by the branch managers at the various ports throughout the colony.

41. *Hon. Major Steward.*] I want to clear up a point. Do you, as a matter of fact, engage all the employes of the company?—No. All the firemen at the Port of Dunedin, and all the seamen at the Port of Dunedin are engaged and discharged by me.

42. Then, there are some other officers occupying positions somewhat equivalent to your own at other ports?—No. It is done by the branch managers at the other ports.

43. Now, is this a possible explanation of the discrepancy in evidence, the discrepancy being that you positively assert, I believe, that you have never made the fact of a man not being a member of your benefit society, always supposing him to be a member of another society, a disqualification to his appointment in the service, whereas other persons have sworn before us that they have been put in that position? Now, is a possible explanation of that discrepancy to be found in the answer you have just given—that there are other persons who engage men in the Union Company's service?—No; I do not think so. My reason for thinking so is that the employment of men at other ports goes through the branch managers, and I think they are sufficiently conversant with the rules of the society to know that a man, although a member of another society, is to get the same chance as a member of our own society.

44. Can you answer positively, of your own knowledge, that they have also adhered to that?—I have never heard anything to the contrary.

45. Are any men ever engaged by the pursers?—No. The rule is that if the ship was at Wellington, and a fireman leaves her, to ask Captain Post, who is acting as wharfinger there, if he has a fireman on his books.

46. *Mr. Fisher.*] That is only in case of an exceptional vacancy in any of the ships?—Exceptional vacancies occurring on ships belonging to head-quarters. They have instructions that all changes must be made at Dunedin, but there are ships trading out of Wellington which do not come to Dunedin, and they do all their changing at Wellington, on the same principle as the changes are made at Dunedin.

47. Then, it follows that, except in the case of exceptional vacancies, men wishing to get employment in the Union Company must come to Dunedin?—No. A man goes to a branch manager at the port where the ship is. Suppose he is at Auckland, he would go to Mr. Henderson.

48. *Hon. Major Steward.*] You referred to the possibility of this impression having got into the minds of these witnesses by the action of some of the pursers: do you mean in connection with the men being called upon for their instalment to the benefit society when receiving their wages?—That is the only conclusion I can come to. When the secretary finds a man on the ship not a member of the society he reports him to me. I may tell you that all the men who belong to the deck and engine departments have to be recommended by the departments they are in, the reason being to insure that we shall get a good class of men into the service. We keep the men on probation for two months before accepting them as members. The purser would be instructed by the secretary to enrol a man, provided he was under forty years of age, and not a member of another society. The purser, in exceptional cases, may forget to ask a man if he belongs to another society.

49. That would be a possible explanation of this evidence?—It may be so. You can only go by the instructions sent out by the secretary to the pursers instructing them to enrol men provided they are not members of another society and over forty years of age.

50. The purser may have failed to tell a man the proviso?—Yes; but I do not know of one case where that has occurred.

51. There is a corresponding case in which pursers have broken instructions by deducting the subscription to the society from the wages, and not paying in full?—Yes; and in that connection I will hand you the following circular from the company to the pursers: “Union Steamship Company of New Zealand (Limited), Dunedin, 17th March, 1893.—Circular to Pursers.—I am told that it is not unusual for pursers, before collecting the monthly subscription to the mutual benefit society, to deduct the amount from wages before paying them over. This is quite irregular, and must on no account be done. The members must be paid their wages in full, and the subscriptions collected from them afterwards.—JAMES MILLS, Managing Director.”

52. That is dated the 17th March, 1893, but, notwithstanding that circular, here and there an officer has followed that course on board ship, and sometimes a purser has acted one way at one time and another way at another time, notwithstanding the wish of the company, as shown by this circular. Some pursers have failed to carry out that wish. Therefore it seems to me quite possible that, in the event of men being engaged in the manner you have mentioned, a purser may have failed to tell the men that they were not bound to join the company's society if they were members of another society. Would not that account for the discrepancy?—Yes; but it is a case of theory. There is no case proved.

53. We have it in evidence over and over again that men have been compelled to join the benefit society?—Who is the purser? If a man states a case, he wants something to corroborate it, because it is serious.

54. It clears up, to my mind, how the discrepancy occurs?—I cannot see how it has occurred, seeing that these men have definite instructions not to do it.

55. *The Chairman.*] We have had several definitions as to what “compulsory joining” might mean. Now, you are the fountain-head to which we should come for the explanation, because you have the engaging of many men. In the preface to the rules of 1891 it is said, on page 7, “It shall not, however, be compulsory for them to join the society, though all who join the company's service in future shall be required to do so, and pay an entrance-fee in accordance with the rules, within one month of their joining the company's service.” You notice that?—Yes.

56. Now, turn to page 10, and you will find there that Rule 5 says, “Every employé in the deck, engine-room, stokehold, and stewards' and cooks' departments of the company's vessels, and shore employés of the company, who shall be certified by a medical officer of the society as being in sound health, and not suffering from any contagious disease, shall, except as herein otherwise provided, become an ordinary member of the society.”—Yes.

57. Then I turn, later still, to the agreement of the Conciliation Board, and I find that in paragraph 5 it says, “On and after the 30th September, 1897, it shall not be compulsory for any employé herein mentioned to subscribe to or become a member of the said company's mutual benefit society.” Is not this a plain confession, both on the part of the Union Company and the society, that it has been compulsory for men to join the Union Company's society, or belong to another friendly society, or leave the service? Have you not carried out your duty in regard to making these men understand that rule which says most distinctly, “You shall join”?—I do not think that has ever been denied. Every new man not a recognised member of a benefit society knows he will have to join the company's society.

58. We have witnesses again and again who say that no compulsion was used. Why have you failed in your duty?—I have not. Every man who has joined the service has been told distinctly that if he is not a member of another society he is expected to join the company's society.

59. What is expected?—In other words, compulsion.

60. What would happen to him in case he did not?—Well, he would go on in the ship till she was laid up, and if there was another man on shore who was a member of the society his place would be given to him. We say that it is compulsory for every man not in another society to join when he was found eligible. That is why the head of the department he is in has to report on him. There are the rules, and I have carried out that rule in particular to the letter.

61. *Mr. Fisher.*] In accordance with the principle of employment in the Union Company's service you gradually get into the service the very best men—the flower of humanity?—Yes.

61A. Then, what would become of the others?—That would be a matter for the Government to look into; but I think the Government are showing us a very bad example.

62. Just let me add this, because you say that is a matter that should devolve upon the Government: We have been told here by witnesses on oath that this benefit society of the Union Company was established from humanitarian motives, and in the interests and for the welfare of the men. What do you say to that?—I say that that was one reason why the society was started. When the scheme was started there were several men over forty years of age and some of them over fifty who were enrolled. It did not matter what age the person was; they were enrolled if they were willing. A doubt arose afterwards, and I waited upon Captain Cameron, and asked him if there was to be any limit of age, and he told me he thought there should be. He said, “We will make the engine department, I think, thirty-six, and the deck department forty.” But all old employés were to be kept in the service as long as they wished to remain.

63. You would not take men above these ages?—No; and I will quote from four branches of the Government service to show that the Union Company has not been harsh. To take the Railway Department: I find that shunters, porters, and platelayers are not admitted after the age of nineteen; in the case of the Customs I find that men are not admitted over the age of twenty; in the Police none are accepted after the age of thirty-five; and in the Gaol service none are accepted

over the age of forty-two. These are facts, and, if the Government shows a bad example, private employers ought to choose whom they please.

64. My question related to two classes of men—exceptionally competent men and men not so competent: you, of course, take the exceptionally competent men?—Quite so.

65. And suppose that principle to run right through the employment of men in your service, what is to become of the men who are disqualified, not by reason of age or sickness, but because they are not the most competent?—They drift into different spheres of usefulness, but what becomes of them eventually I cannot say. The Union Company does not discharge a man because he is old; they hang on to those men as long as they possibly can—until they retire themselves.

66. Then, you see, the Union Company, having a monopoly of the shipping trade in New Zealand, and in the exercise of their principle of employment in the service, take in all the best men, and it follows that those men who cannot get employment in the colony, by reason of that monopoly, must drift to the other colonies?—There are other kinds of employment for men to follow besides going to sea. I take it that a good many men after a time at sea follow shore employment.

67. Supposing men wished to remain at their proper profession—the sea—would it not follow that they would have to drift away to the other colonies?—Yes; but they are not put out of the service because of old age. The Union Company says, “We have the right to employ, and we will employ, whom we please. We go to the best market.” You cannot find any fault in that.

68. *The Chairman.*] Mr. Murcott gave some evidence?—Yes, it is quite true what he states, so far as the age is concerned. He applied to me, and I asked him his age. He said he was thirty-eight, and I said, “Well, I am afraid I cannot employ you, as the company has laid down a rule that no one is to be taken into the engine-room over thirty-six years of age.” He said, “Is that owing to the benefit society?” and I replied, “I do not know, but it may have something to do with it.” The first part of his statement is correct. I admit that. Further, to show you that this is not a hard-and-fast rule, especially away from Dunedin, I may say that since Murcott applied for employment I find that by our books no less than 149 men have been appointed to the ships during the last three years, and that twenty-eight of these are still on the vessels.

69. Do these men belong to the benefit society?—Not one of them belong to the benefit society, so far as I remember.

70. Your branch officers or yourself have failed in your duty then?—It is not that. If a man does get into a ship we do not discharge him. He remains there as long as he gives satisfaction. No instructions have been issued to the branch managers on the point. It is only a verbal instruction from the marine superintendent to myself.

71. *Mr. Fisher.*] You admit that where a man does not belong to an outside friendly society it is compulsory for him to join the company's society?—It has been up till now.

72. And up to the 30th September will it continue?—No. All belonging to the benefit society may cease to contribute after the 30th September, but all new members need not belong to the society.

73. What, in your opinion, was the object of the origination of the benefit society?—I will tell you from the commencement. About January, 1891, I was on board the “Manapouri,” at Port Chalmers, after I had been about three months in the company's service. A man named McDonald, who was then acting-quartermaster on the ship, came to me and said it would be a good thing if the company started a society amongst the men, adding, “We have none now.” I presume he referred to the union. I said, “What kind of society do you mean?” and he said he meant a benefit society, something like the Cunard Company's. I said it might be worth thinking out, and that I would lay the matter before the marine superintendent. I brought the matter under the latter's notice, and he asked me what I thought about it. I said, “It is a big thing to go into, but it might be a good thing for the men and a good thing for the company.” Captain Cameron then said he would see about it, and a day or so later he sent for me, and said he had talked the question over with Mr. Mills, who was of opinion that rules might be drawn up—rules that might apply to a society of the kind. I then got the books of rules of two or three societies, such as the Foresters, the Druids, &c., and compiled from them what I thought would meet our case. I handed them to Captain Cameron, and I think the society was the outcome. The rules were just a few rough ones. That, at any rate, was the start of the benefit society.

74. Purely for the benefit of the men?—So far as I could learn from the marine superintendent, he said it would be a good thing for the men, and that it would bring the employers more into touch with the men.

75. Then, you would not care to say whether Mr. McLean was correct or incorrect in stating that it was instituted primarily for the benefit of the men, and also to keep a hand on the men, and in consequence to prevent what took place at the time of the maritime strike in 1890—to prevent them being drawn off from the fleet. Do you think that is correct?—I do not know what the Union Company's idea was; I am only giving you Captain Cameron's idea.

76. *Hon. Major Steward.*] The movement originated with an employé of the company?—Yes; it originated with McDonald; it was suggested by him.

77. McDonald's idea was from the point of view of the benefit of the men? Mr. McLean's statement, however, goes beyond that, and was to the effect that, in addition to the benefits conferred on the men, one of the objects was to keep a hold on the men—to prevent them being drawn off from the vessels in the event of a strike. Was not this the case?—Of course, I cannot say as to that.

78. There are a great number of benefit societies in the colony. Have you any opinion of your own as to what the intention was in establishing these private benefit societies?—None whatever.

79. *The Chairman.*] Do you know if Mr. McInnes had anything to do with it?—That was in connection with the cooks and stewards.

80. Mr. Mills paid him something for drawing up the rules?—I heard of that only the other

day, and I find that McInnes and another man—Fitzpatrick—drew up these rules. At any rate, I thought I would ask Mr. McInnes if he knew anything about it, and he said, “Yes; I had something to do with the drawing-up of these rules. The thing was only in its infancy. It had nothing to do with the deck and engine departments, and I believe shortly afterwards McDonald’s suggestion came to the front, and being a much larger scheme Mr. Mills accepted it in place of the one we had brought forward.” I said, “Who had to do with the drawing-up of these rules?” and he said, “Mr. Fitzpatrick.”

81. Then, McDonald’s scheme was not the first?—No.

82. You stated that you engage seamen and firemen. Now, cooks and stewards have also to be members of this society. Who engages them?—Mr. Williams, who is now absent in Sydney.

83. Are his powers in regard to stewards and cooks, and so on, very much the same as your power in regard to the sailors?—Yes; more so, in fact, because he is *providore* steward.

84. *Mr. Fisher.*] Are you a member of any outside benefit society?—No.

85. Do you think this benefit society should be registered?—Well, seeing the opinion of Mr. Sim, I hold that it is on as good a basis as the other societies.

86. We have our opinion about that?—Quite so. That is my opinion.

87. Can you say why it is regarded as a benefit that outside societies should be registered, and the benefits of these particular societies should be registered?—No. I do not see any particular reason why outside societies should be registered, provided they can trust their trustees and officers to the same extent that the members of the Union Company’s society can. I do not see any trust in it either, seeing that the Supreme Court has a hold over it, according to Mr. Sim.

88. In your opinion, do the seamen’s six representatives on the committee fairly represent the views of the men in the fleet?—Yes; seeing that they have been elected by the majority of the seamen they must; the position is elective, and every one is asked to vote.

89. We had a witness here early in the investigation whose views were generally, if not mainly, in favour of the Union Company’s views in regard to the subject of this investigation, and he said this: “In the event of any large or crucial question arising the committee are almost powerless. The representatives of the men are virtually powerless, but not the committee as a body.” What is your view as to that?—Speaking as a member of the committee, although the nominee of the company, I always voted in the way I thought was for the good of the society. I was on the committee up to 1893 as one of the company’s representatives. The reason I was taken off was that Mr. Mills and the directors thought there were rather many of the company’s officials on the committee, and that it did not look well. They thought it would keep down friction if they took the heads of the various departments off the committee, and, of course, naturally, the men would not speak their minds freely.

90. Then, you do not agree with this particular witness on this point?—No. I do not agree with Mr. Bracegirdle on that particular point. I assure you that when I was on the committee I always voted as I thought was for the good of the society.

91. *Hon. Major Steward.*] Was that the general attitude of members of the committee?—I think so. They wanted to make the movement a success, and they did everything to bring it to a successful issue.

92. Look at it from another point of view. The company’s subsidy comes to one-fifth. Do you think the men have anything like a fair representation when they contribute four-fifths of the fund, and have only six representatives, while the company, which contributes one-fifth, has also six representatives, besides the casting-vote of the chairman?—If you look upon it in that light, No; they are not fairly represented on the committee. When the society was inaugurated, as probably you have it in evidence already, most people looked upon it as a thing that was not necessary, and the Union Company, knowing it was necessary at the time to have a fairly strong committee, so as to manage the business of the society, thought the time was not then opportune to give the men so much representation as they are going to give them in the future. At the present time they have seven votes on the committee, but I understand it is the wish of the company to hand over the whole control of the society to the men in the near future. And at present, although the company have seven votes on the committee, all their representatives do not attend regularly. Mr. Mills never attends, and the other six, outside of the treasurer and Captain Strang, are really only dummies. They attend meetings at times, but when they do they simply vote as the case may be, but they never say a word. The working of the society is entirely left in the hands of the working members of the committee from the ships, and I understand it is only a matter of time when the whole and sole control of the society will be handed over to the men.

93. Does that handing-over of the whole and sole control mean that the Union Company is going to retire from assisting by subsidy?—I do not know.

94. Because, if they did, would you not have to revise your scale of benefits?—Yes. If the company’s contribution was taken from the society I am inclined to think they would have to increase the contributions or decrease the benefits. Of course, I do not know if the Union Company are going to withdraw their contribution. I wish now to go on to Colman’s case, who, as you will see, in his evidence and declaration before Mr. Belcher and Mr. Bracegirdle, states, “I was distinctly given to understand by Mr. Ness that all those who did not join the benefit society would be debarred from getting employment.” Well, I can prove to you that that statement is not correct. I was with Mr. Ness on board the “Tarawera,” and we called all the men together and read the rules to them. We told them that those who were members of other societies, so long as they were financial, would get employment as well as any one else, and to back up that statement I may say there is a man named Atto, who was in the Foresters, who is now in the ship. That man has never been compelled to join the society, and he is still in the ship. He is still a member of the Foresters.

95. *The Chairman.*] Is he a member of your society also?—No. On the 21st May, 1897, a

man named Thomas Scott came to me on the wharf, and said, "I have seen Colman's evidence in the papers, and it is not true. I was on the ship at the time, and heard what you and Mr. Ness said—that men who were members of other societies need not join." I asked him if he would put that statement in writing, and he said he would. It is as follows: "Dunedin, 21st May, 1897.—I, Thomas Scott, declare that I was a member of the 'Tarawera's' crew about May, 1891. We were called together by Messrs. Ness and Kirby in regard to forming the society. They stated that any man that belonged to any other society would not be asked to join, but would have the same chance of work as those who joined the company's society. There was no threat or compulsion in any shape or form. William Colman was a member of the ship's crew at the time.—THOMAS SCOTT, late greaser, s.s. 'Tarawera.'—To Mr. Kirby, Shipping Officer, Union Steamship Company, Dunedin." If you wish to call Scott to give evidence, he will appear.

96. Colman said in his evidence that when Mr. Ness and Mr. Kirby told him he had better join the society he thought, "Well, it will only be another 5s., and it will be another £1 per week if I am sick." He looked on it just as if he was putting the money in the bank. That has a very different complexion to what is in the letter?—Yes. He joined of his own free-will. He was distinctly told that he need not join if he belonged to another society.

Hon. Major Steward: He also says he told the company he did not wish to join, because he had been paying into the Oddfellows, but he was told that if he did not join the society he would not get a job. It was not a threat, but it was understood all the same.

97. *Mr. Fisher*.] Now, turn to Mr. Colman's evidence at another part. He says he was asked to join the Union Company's benefit society, but objected to join, but was overruled. This evidence is in direct conflict with that document. What is your answer to this statement he made on oath?—My answer is that that statement is not correct.

98. You will see the difficulty we have in revising this evidence, and the difficulty increases by reason of the fact that witnesses will come here and give evidence generally in favour of the Union Company and the benefit society up to a certain point, after which they intimate that they wish to say what they really think. Then they ask that the newspapers should not report what they have to say, and they give us a totally different version. For instance, one witness, after giving evidence generally in favour of the company and the benefit society, adds, "If I had a free hand I would speak differently." So you can appreciate the difficulty we shall have in dealing with this evidence?—Quite so. Of course, it shows that the statements of this man Scott, Mr. Ness, and myself in reference to Colman must be a little bit truthful. I say it is wholly truthful. Then, the man Atto was in the same ship, and he was a member of the Foresters; he was not compelled to join the society, and he is still in the ship, and still in the Foresters, and not a member of our society. If Colman's statement is correct, how does it fit in with Atto's case?

99. *Mr. Grater* tells us he is a member of the M.U.I.O.O.F., and that he prefers that that society should be registered, but he prefers that the Union Company's benefit society should not be registered. Can you reconcile those two statements?—The only way you can reconcile them is this: If the company's benefit society was registered the position of offices would be elective, and the Union Company would not then probably subscribe towards the funds of the society. Further, the Union Company would have nothing to say in the management and working of the society, where they have vested interests, as at the present time.

100. You need not answer this question unless you care to do so. Will you give us your opinion as to whether it is not cheaper—more economical—for the company to contribute 20 per cent. towards the benefit society funds than to meet their legal obligations under the Shipping and Seamen's Act?—Which they do. I know they have met their obligations under that Act, seeing that I discharge all men in the Customs myself. I always attend the Customhouse as a rule, and I assure you that both the 1877 and the 1890 Acts are always complied with.

101. I think we have had two witnesses to say that they became ill while in the Union Company's service, and received £1 a week from the benefit society, but no wages from the Union Company?—I should think the reason of that was that the witnesses were not in intercolonial ships. A home-trade ship is trading within the colony of New Zealand and on coastal articles. They are two different classes of ships.

102. Very well. My opinion, like your own, is a layman's opinion. Is it your opinion that if a man meets with an accident on an intercolonial ship he is entitled to wages?—No. He is entitled to wages if the injury has been done through the negligence of any of the ship's officers or any person whom he was working under at the time.

103. Can you give us any idea as to the amount paid by the company for injuries resulting from such accidents as you have alluded to?—I find from the Union Company's accountant that an average of £650 per annum is paid to men who have been injured on or about their ships. For instance, in 1894, £600 was paid; in 1895, £650; and in 1896, £700: an average of £650 per annum.

104. Would it be possible to obtain from you, or some other officer of the Union Company, a list of all the men injured, the nature of the injuries, the names of the men and the ships, and the amounts paid?—Yes; I take it you could get that from Mr. Whitson, secretary of the company.

105. *The Chairman*.] These amounts were paid by the Union Company and not by the society?—Yes, by the Union Company.

106. *Hon. Major Steward*.] So far as your experience goes, you wish us to understand that the company's contribution to the benefit society does not operate to prevent them from discharging their responsibilities under the Shipping and Seamen's Act?—No. The Customs authorities look after that, and before we pay a man off they see that the law is complied with.

107. And the fact that a man gets benefits from the benefit society is not allowed to operate against him by relieving the company of its obligations towards him?—You cannot do it. Every

man has to be paid off before a Customs official. We have had two cases down here to prove this. We have to put the society away altogether in these cases, because the law makes us provide for these men. There is a man named McIlroy in the hospital, out of the "Mararora," at the present time whom the company are providing for, and there were two cases out of the "Taupo"—Gibson and McLean. They were maintained by the company during the time they were out of employment.

108. The annual report for 1896 says there are 860 men in the fleet who are members of the society?—That would be about the number.

109. Do you know how many men there are in the fleet altogether?—The total number in the three departments, speaking approximately, is about 1,100. You can take each department at 350. They fluctuate from time to time as the ships lay up and are recommissioned again.

110. *Mr. Fisher.*] What is the number belonging to other societies?—When the society was inaugurated there were sixty-six, and in April of this year there were eighty-six, which shows an increase of twenty.

111. Does that mean that outside the 860 who are members of the benefit society there are only eighty-six belonging to other friendly societies?—Yes.

112. What is the balance?—The balance may be boys, scullery-men, men over age, and what you may term probationers.

113. *The Chairman.*] In the Act of 1890, speaking about seamen being left on shore, and wages being recoverable, it states, in section 5: "Every seaman so left on shore shall be left at a port or place at which there is a Collector or other officer of Customs; and the master of the ship shall forthwith, on the seaman being left ashore, furnish to the Collector or other officer as aforesaid a true account of the wages due to such seaman, and shall then pay to and deposit with such Collector or other officer, in money, the amount of the wages then due, if any, and also a sum equal to the wages computed to the end of the engagement of such seaman, or for three months, as the case may require, and also a reasonable sum, to be determined by such Collector or other officer as aforesaid, estimated to cover the expenses of the maintenance and medical and other attendance of such seaman in a public hospital until his recovery or the end of his engagement, and shall also leave with such Collector or officer the certificate mentioned in section 4." You state that the Customs would look after that?—It is their duty.

114. I want to refer to the sworn evidence of Mr. Belcher, and really I think we will have to get at the bottom of this cross-evidence. He says that he was instructed to ask Mr. Millar to call for a return showing the number of men injured and the amount of money deposited in compliance with the Act with the Collector of Customs for their keep and medical expenses, and that when the Customs were asked to give a return of the amount of money so deposited they gave a "nil" return. Can you explain that?—That is under the Act of 1894. There is only one case I can mention—the case of a man named Smith—that came under the Home Trade Act. He was injured on the "Brunner," between Wellington and Lyttelton, where he was discharged. On the articles I think he was shown "sick," and he was kept there about a week by the company. His expenses were paid, and he came south, and the company paid his wages while ashore. He was ashore altogether four weeks before he was fit to resume duty. That case did not go through the Customs, but we paid the expenses of the man.

115. Why?—Because it occurred in Lyttelton, and we paid his wages in Dunedin. That is the only case I can bring under your notice as evidence that money has been paid, and in that case it was not paid through the Customs.

116. Were the Customs officers doing their duty in allowing that?—If the man was shown on the articles when discharged as "sick" when the purser took the articles to the Customs for ratification it was their duty to see that the wages were paid into the Customs at that place. The man was discharged at Lyttelton, and he came to Dunedin to report himself to me.

117. *Hon. Major Steward.*] The Customs failed in their duty?—They may have done so in that case. I cannot say if the man was shown on the articles as discharged "sick."

118. *The Chairman.*] I asked that question because it may seem offensive to you as an officer of the Union Company to be asked a question about the Union Company evading its legal duties. The previous witness has sworn that the Act has not been carried out?—I can only give you the cases of McLean, Gibson, McIlroy, and Smith.

119. In all these cases you paid the money into the Customs?—Oh, no. Smith is the only case of a home-trade ship. The other three cases occurred in intercolonial ships.

120. *Mr. Fisher.*] Bracegirdle told us he had been three weeks ill at Sydney. I think he received £1 a week from the society, but no wages?—No, he would not be entitled to wages, as it was an ordinary injury, received probably through his own carelessness. I think he was in the "Taieri" at the time—a foreign-going ship, but owned and registered in the colony.

121. I am reading from evidence where Bracegirdle says he knew a man who had become sick in the employ of the company and been put ashore. It happened in his own case. He did not apply to be treated by the company under the terms of the Shipping and Seamen's Act. He went to the hospital in Sydney. Then, is there no provision in law under the Shipping and Seamen's Act and its amending Acts for the payment of wages to men who meet with accidents on board ship?—There is the provision of the Employers' Liability Act, which deals with accidents which occur through faulty gear or negligence on the part of the officers.

122. *The Chairman.*] Have you any other points?—Yes. I want to refer to the case of Cummock. In his evidence he said the reason he was not allowed to be a member of the society was that he was too old. The facts are these: He joined the "Waihora" on the 19th October, 1893, or nearly nine months after he left the "Rotomahana." He was a member of the society when he left the boat, but he then became unfinancial through being nine months on shore. During the period he was ashore he was up country, and when he applied to me for employment again I

put him on the "Waihora." The next I heard of him was that he had lost his passage at Melbourne. He was not on board when the steamer sailed—in fact, he had not been on board all day. He came back to Dunedin, and I spoke to him about his conduct. I said, "Cummock, you are getting an old man, and you will have to behave yourself better in the future." He said, "What about the society?" and I replied, "Oh, you ran out years ago. I cannot recommend you now." It was not then that he became unfinancial, as he said in his evidence, but nearly two years before. That is where the mistake rests in his evidence. He had fallen out of the society two years prior to the Melbourne affair. It was simply through kindness that the company took him back. In the case of Dorling, I suppose you have heard all that. I might show you these reports [Exhibit 5], which I received from the master of that ship from time to time. Dorling was always returned as a non-member of any society.

123. Is that shown on his own representation?—The pursers had instructions to ascertain from the men what society they belonged to, and to show it on the returns. Both the master's and the purser's reports are the same. The man concealed the fact that he was a member.

124. *Mr. Fisher.*] You are familiar with the terms of the new agreement with the Seamen's Union?—Yes; fairly. I glanced over it last evening for the first time.

125. Is it the intention of the company to withdraw altogether from the management of the benefit society?—I do not know if it is their intention to do so altogether, but from what I can learn they intend to give more power to the men. I do not know whether it is their intention to withdraw altogether, but I believe it is the intention of the company to give more say to the men in the management of the society's affairs.

126. I ask you that question because I want to call your attention to a statement contained in a leading article in the *Otago Daily Times* of the 13th May, 1897, which says, "The company has intimated its intention of doing at the end of September that which it has all along expressed its intention to do—retire from all participation in the management as soon as the society could go alone, and make it then a purely voluntary association like any other friendly society." Is that erroneous or not?—I do not think so. I have no reason to believe so. I think they will do so as soon as they find that the society is able to go alone.

127. At the end of September?—The paper says it believes the Union Company is going to do that.

128. It agrees as to the date of the agreement, but there is nothing in the agreement as to the intention of the company to retire from all participation in the management of the society?—I think Mr. Mills said something in regard to that when before the Conciliation Board.

129. There is a further question which might throw some light upon that: Are these rules to continue in force so far as you know?—I cannot say. I am not a member of the committee, and I do not know.

130. Cannot you give us your own impression or idea?—Part of the new rules would not fit in with the conciliation agreement—those, for instance, which make it still compulsory for men to become members of the society if they do not belong to another society. The agreement with the Seamen's Union says it will be optional on all persons joining now, and therefore that rule will, I presume, have to be struck out.

131. The rules as a whole, I take it, will remain in force with the exception of the compulsory clauses. If those rules remain in force, that statement must be erroneous, and it follows that the company will still take that share in the management which it takes under the rules. The two things are incompatible. It cannot be that these rules are to remain in force and that the company are to retire from all participation in the management of the society?—Quite so; it would be necessary to alter the wording of the rules before you can hand over the society to the men themselves.

132. It would be necessary, would it not, to give effect to this view, to expunge from these rules all appearance of control on the part of the company and its officers?—Quite so.

133. What authority has the newspaper for saying that?—I do not know what authority it has.

134. Possibly the authority may be inferential from the statement made by Mr. Mills at the annual meeting of the benefit society on the 5th December last, when he said: "A thoroughly competent actuary in Wellington is now going into the accounts, in order that he may advise the society and the committee how far it is in a thoroughly substantial position from a professional point of view. To look at the figures before us, we naturally conclude that the society is in a good position, and I think it is so; but we cannot say with certainty until the accounts are gone into by an experienced actuary. When his report comes up we shall then consider to what extent the company should render further assistance to the society." There was evidently an indication here that the company would probably have to revise the amount of its own contribution?—Quite so.

135. This statement in the Press and these rules cannot agree, can they, because so long as these rules have any force it follows that the Union Company will take a share in the management. I call attention to this point because the newspapers in their leading articles are saying a good deal about this Commission, and I want to prove by evidence given before the Commission that their statements are quite valueless. That statement is quite valueless?—Of course, I am not in a position to state.

THOMAS WILLIAM WHITSON was examined on oath.

136. *The Chairman.*] What is your rank in the Union Company's service?—I am secretary.

137. How long have you held that position?—About six or seven years.

138. Are you a member of the benefit society?—I am an honorary member.

139. Are you a member of the committee?—No; not now.

140. Have you seen the evidence as it has been reported in the newspapers?—Yes; I have looked through it from day to day.

141. Are there any points in the evidence which you would like to add to in any way or any you would like to refute?—Well, I, of course, just notice the general drift of the examinations. I have no particular details of any point that I wish to enumerate, but it strikes me on reading the evidence as if there were an anxiety to bring out evidence that there has been pressure brought to bear upon men to join the society. That seems to me to be the principle point to notice in the evidence.

142. Did you notice that the anxiety to bring out that point was induced by the evident reluctance of witnesses to bear out one another's testimony in regard to it—namely, that there was considerable discrepancy on points like compulsion?—No; it did not strike me from that point of view. It simply struck me that it was sought to be brought out because it has always been a sort of charge in the air against the society—that there was a certain amount of compulsion.

143. That has been fully brought out; it has been acknowledged by Mr. Kirby and Mr. McLean and others, whose evidence is unimpeachable?—Under special circumstances of course, not a general compulsion.

144. Compulsion which is stated in the rules?—Exactly; in accordance with the rules of the society.

145. Perhaps you can give us a few details on points on which evidence has not been taken?—Yes.

146. Did the Union Company issue a circular to officers and engineers requesting them to become members of the mutual benefit society?—No; not requesting them to become members. But there was a circular [Exhibit 11] issued, *à propos* of the benefit society, stating that it would be an encouragement and a help if the officers, both ashore and afloat, took an interest in it by becoming honorary members. There was never any question of membership of the society; in fact, officers are not eligible except as honorary members; and a number of members throughout the company's offices just became honorary members to give the society moral support. They derive no benefits.

147. But they have voting-power?—Oh, yes; an honorary member has a vote.

148. It was perhaps a desire for the additional voting-power that led to the issue of the circular?—No; I do not think so, because I cannot recall a case where it was ever exercised.

149. Do you know if the officers generally responded to the circular?—I do not think the officers afloat did. It was just a suggestion made to them; it was never a request. The thing was purely voluntary.

150. Can you tell us if the engineers responded?—I cannot at this distance of time. As a matter of fact, I do not know who are the honorary members. They would be on the roll of the society. It does not come in touch with our office in any way.

151. The Union Company, I think, obliges every officer to insure his life?—Yes.

152. *Mr. Fisher.*] Are the officers insured with a fund in the Union Company?—No; they are mostly insured in the Government Life Insurance. Others who were insured in other offices before the rules came into force continue so.

153. Is any deduction for insurance made from their wages?—The Union Company pay the premiums in advance every six months and collect the officers' proportion monthly. The company itself contributes a portion of the premiums.

154. *The Chairman.*] You have read the agreement come to between the Union Company and the Seamen's Union?—Yes.

155. Does it apply to all employes of the Union Company—I mean, to the cooks and stewards as well as seamen and others?—Only to those enumerated in the agreement—seamen, firemen, trimmers, and donkeymen. It does not apply to cooks and stewards.

156. The fifth paragraph of the agreement reads as follows: "On and after the 30th day of September, 1897, it shall not be compulsory for any employé herein mentioned to subscribe to or become a member of the said company's mutual benefit society . . . retaining employment." Does that apply also to cooks and stewards as well as those specifically named?—Yes; it applies to the whole service. There is no reservation. In fact, if you will look at the agreement you will find it is optional from now as regards men joining the service.

158. You have some vessels, I think, which do not sail in the New Zealand service, but in the Tasmanian and Australian trade: do you know if the compulsory clauses which compel seamen to join the benefit society are applicable to those boats as well as the New Zealand boats? Have they ever been compelled to join the benefit society as the New Zealand sailors have?—Just in the same way as the New Zealand sailors. I do not like the way you put "compelling" and "compulsory"—I mean membership is only compulsory upon men who are joining the service for the first time. You understand joining the benefit society is applicable to men who are new men in the service, and who are not members of other friendly societies. They have to join the benefit society.

159. *Mr. Fisher.*] You said you observed in reading the evidence that most of the questions were directed to the point that it was compulsory upon men to join the benefit society?—That there was pressure brought upon them. I gather in reading the evidence that it was sought to prove that pressure was brought to bear, independent of the fact that men were members of other societies.

160. Are you aware—I assume you are—that the rules themselves make it compulsory to join the society?—In the case of new members who are not members of other societies.

161. If you do object to the use of the word "compulsion," will you please read the fifth clause of the agreement between the Union Company and the Seamen's Union, just signed, which says, "On and after the 30th day of September, 1897, it shall not be compulsory for any employé . . . retaining employment"?—Exactly.

162. So the word "compulsion" comes from your own document?—Quite so. It is limited in

this sense: It is only new members joining the service, and who are not members of another society, who are compelled to join.

163. We understand that fully; we want an explanation of your statement that it only applied to new men joining the company's service. I have here a copy of the present rules, and in it is reprinted the preface to the original rules of June, 1891. At the bottom of the page the preface reads: "All present employés of the company, as defined in the rules, may, within three months, become members of the society without payment of an entrance-fee, on passing the necessary medical examination. It shall not, however, be compulsory for them to join the society, though all who join the company's service in future shall be required to do so, and pay an entrance-fee in accordance with the rules, within one month of their joining the company's service." That means those in the Union Company at that time were not compelled to join the society at all?—Certainly.

164. Then, these men must have been weeded out considerably, because the great bulk of the employés of the Union Company belong to the benefit society; therefore they must be new men?—Of course, it was stated that members of the society would have preference.

165. In fact, it really was compulsion to say, "If you want work from us, members who belong to our society shall have preference"?—If you like to call that compulsion. If two men apply for a vacancy, and one is a member of the society and the other is not, it is natural the company will give preference to the man who is a member of the society.

166. It is an indirect way of making a man join the society if he wants work?—He judges that for himself.

167. I want to call your attention to the fact that the term "compulsion" or "compulsory" is not invented by us?—Yes; you understand it is limited compulsion. If it is only spoken of by itself you might fancy it is applied to the whole service, whereas, as the rules distinctly state, men in the service were not compelled to join. But all new men had to join the society if they were not members of another friendly society. We were simply anxious that all men in the service should be members of some society, either our own or some other.

168. Well, that was compulsory?—In the future.

169. This is a matter of detail; but is it not a fact that the Union Company's benefit society was at one time affiliated with the registered friendly societies' dispensary?—For a time we got our medicines at the friendly societies' dispensary.

170. Why did your society withdraw?—Well, I cannot just say exactly, but I have an idea. It occurred some years ago. I think some of the registered societies took exception to an unregistered society getting its medicine from that dispensary. I think our society withdrew for some such reason as that. Then we made subsequent arrangements with our medical men, which I think were more favourable to the men in our society.

171. *The Chairman.*] The Union Company has the control to a very large extent of the shipping in these waters. What do you think would become of a man who was forty years old, and was not allowed to go to sea in any of your ships? Do you think it a perfectly fair or right regulation that men over thirty-eight for the stokehole and men over forty for the deck department should be debarred from joining the Union Company's service, because too old for the society? This is not in the rules, but was stated to be the case by Mr. Kirby. Give me your opinion?—I think it is quite right to have a limit of age in regard to men joining the service. We have the same for officers.

172. I do not mean any one who is beginning seafaring life—I mean a man who has been a sailor all his life, and at forty years of age cannot get more employment?—There are many men in the Union Company's service much over that age.

173. Did they enter earlier than that?—Oh, much depends upon the exigencies of the service. If we cannot get any men under forty years of age we have to take them over forty. We do not stick hard-and-fast to that rule; but, naturally, if a young man applied at the same time as an old man preference would be given the younger man.

174. A great deal has been said as to the registering or non-registering of the society: what, in your opinion, is the great objection to the society being a registered society?—We have no objection to the society being registered, but I understand that according to its present rules it could not be so registered. We have assisted it ever since its inception, and I understand that is a bar to registration; and, of course, the Union Company have several representatives on its committee, and that, I understand, is another bar. But, so far as registration goes, the Union Company would be quite glad to see some reasonable way by which it could be registered.

175. *Hon. Major Steward.*] Well, if special legislation were introduced to enable this society to be registered, with its rules as at present standing, would there be any objection to that?—If the society could be registered as it stands I do not think there could be any objection. There is no objection if there is no change in the constitution of the society, and if its present status can be retained.

176. On the other hand, would not registration be an advantage as putting the society in a stronger position before the law than it is at the present time?—It is really for the society to say, because I understand members recognise it would be a disadvantage because they think they would be deprived of privileges they now enjoy.

177. *The Chairman.*] Supposing a question arose as to the disposition of the funds or the maladministration of the funds, or any difficulty that might arise in the society either from the action of a superior officer or an inferior officer, what do you imagine would be the process of recovery for the society?—The treasurer has to find a guarantee.

178. Who takes action to make the wrongdoer pay up?—The society.

179. What society?—The benefit society.

179A. Where does it exist?—It has a committee and executive.

180. But can they as a society take action?—I presume somebody can.

181. It is not like a joint-stock company, which has powers to sue and be sued, or like a friendly society: what position can it possibly take up?—I do not know the nice distinctions of law, but I see by the opinion of Mr. Sim that the society has a legal standing.

182. *Mr. Fisher.*] Mr. Sim's opinion is *ex parte*: he gives a reply to questions as they were put to him?—If the society has a legal status there must be some way to move the machinery.

183. *The Chairman.*] A receipt perhaps is given by the treasurer for your subscription as a member of the society. In your opinion, speaking as a layman, what power have you to recover that money if he refuses to acknowledge it. Mr. Sim stated that Mr. Fisher was wrong in saying the receipt was wholly valueless. Well, my opinion also is that it would be wrong to say the receipt was valueless—that is to say, it would have some value as a receipt given by you to me in the ordinary way. But do you consider the receipt is of value as a society document?—I do not think of it at all. I am quite satisfied with the receipt I get. I do not follow out anything that might happen to it.

184. Here is a man on a vessel, and a purser on that vessel gives him a receipt for his contribution. There is no doubt that receipt is not valueless as between purser and man. But what action do you think the sailor could take to make the society recognise he has paid that money supposing the purser did not pay it over?—Well, the purser is agent for the society in the collection of the men's contributions, and the purser would be responsible.

185. The purser is responsible to the man without any doubt?—The society would look to the matter, because the purser acts as their agent. The secretary is resident here, and cannot travel about, so the pursers of the various vessels collect the contributions, and they are handed over.

The Chairman: Questions have been asked witnesses as to whether they preferred the society registered or unregistered. Now, let me show the advantage of a registered society above all others. The Private Friendly Societies Act gives certain machinery by which a very easy process at law for the recovery of moneys, or fixing the financial status of any part of a society, can be arrived at. In the case of a private club, where three or four people come together and call themselves a society, which seems very much the position of the Union Company's mutual benefit society, that society would have only the ordinary legal process to go through, consisting first of an injunction to the Supreme Court to prevent the money from being put to a different use than was intended. For instance, say there is a case of expulsion, and a sailor wishes to justify his position as a member of the society, and will not regard his expulsion as valid: he would then have to move the Supreme Court before he could do anything: he would have to deposit £25, and go through a process which would be cumbersome and expensive to the last degree and beyond his means.

Witness: What do you mean by expulsion?

187. *Mr. Fisher.*] Suppose he does not keep his payments up, and the society strikes him off its books, and he objects on the ground that the purser has his money?—There would be no question about it if he has his receipt.

188. Suppose some other process in regard to this society has to take place, and the ordinary process of law has to be gone through: one person is trying to establish his rights in the ordinary law-courts at his own expense, and in the other case the committee or trustees have his funds to fight him with?—I do not see how the case could occur. If a man is in possession of his receipt that receipt is his warrant. If a man produces his receipt from the purser the society will be satisfied.

189. But what proof is there of such a thing? Suppose the committee should not do so?—Until you find the committee do not do so I do not think it is worth while considering what they may do.

190. *The Chairman.*] You will notice that there has been a great deal of evidence given to the effect that witnesses considered or did not consider that there is an unfair representation on the committee, because the Union Company have seven representatives and the men have only six, the casting-vote being in the hands of the chairman. No one has said that Mr. Mills would exercise his casting-vote, or ever has exercised his casting-vote, wrongly; but what we want to know is whether the power may be so exercised. Is it not a fact that such a state of things exists? I am trying to get out not what the company ever has done, but what the company could do if they chose?—Yes; but it is quite an assumption, I think, to say there are seven men on the one side and six on the other—I mean, the company's representatives are not in any way antagonistic to the men's representatives. Quite the reverse. The majority of the company's representatives are working-men themselves. When the society was originally started, and required organizing and putting into proper working-order, the Union Company nominated its officials for the committee, as these men were *au fait* with that sort of work; and they assisted very largely in putting the society on a good working basis. But as soon as it could run alone, so to speak, because it was purely in the business management that the nominees of the company took any interest, they withdrew from any active part. I myself and two other heads of departments were on the committee at first, but when all the clerical and office work was arranged we withdrew, and we were not renominated. Men on the wharf and men who would be more likely to be in touch with the seafaring and other men belonging to the society were appointed instead. So a majority of the Union Company's representatives on the committee are working-men like the seamen, firemen, and others.

191. Yes; we fully recognise that, and there has been no evidence given that of late years the working of the society has been influenced or coerced in any way by the direction of the Union Company. What we are trying to arrive at is that in the constitution of these rules the company has such an enormous preponderance of power. In the case of a crucial question arising between the men and the company, would not the company be able to settle all the matters of the society entirely from their point of view, whether the men liked it or not?—I do not think so.

192. You must acknowledge that in a committee where there are six and six the casting-vote would give a power?—But no committee would tackle a large crucial question alone. Any crucial question would be referred to the society for settlement. The committee only carry on the detail work.

193. *Mr. Fisher.*] If it were proved to you that these rules are valueless—that the receipts given to the men for money paid into the benefit society are valueless—and if it were proved to you that the opinion of Mr. Sim is valueless, because of the non-registration of the society, what, then, would you say to that?—Well, there is much virtue in “if.” I think, if that were proved to me, I would have to consider the matter in a very careful manner. I think it is hardly worth while, however, expressing an opinion upon a series of assumptions.

194. If the legal position ultimately is proved to you as to the valuelessness of these regulations because of their want of legal status, would you then be in favour of registration?—We are in favour of registration now. I have already said that the company is in favour of the society being registered on its present basis. That is, I believe, the opinion of the directors of the Union Company.

195. We have the opinion of Mr. McLean the other way—against registration?—On its present basis?

196. The whole point arising out of this question of registration is this: that if the society were registered it would be subject to all the laws under the Friendly Societies Act relating to the existence of friendly societies, and therefore it would be brought within the operation of the law; but if, as you say, the whole of the disposition of the funds and the whole regulation of all affairs relating to the existence of the benefit society are in the hands of members—though that may be as to the mere bald passing of resolutions—what would become of the £4,300 on deposit in the bank in the event of any question of difficulty or antagonism between the men and the Union Company? This really is the crucial point—the fact that the funds are invested in the names of Mr. Mills and Mr. McLean as trustees?—Trustees for the society; exactly.

197. Suppose some point of antagonism arose between the company on the one hand and the men on the other, who has the absolute control over these funds?—The society.

198. Can you tell us, there being no legal power, how the men can move the trustees?—You cannot ask me to tell that on an assumption as you say. I am assured that the society have entire control of their own property. I expect that is so.

199. Then, if the Commission ultimately prove by means of legal advice that the opinion of Mr. Sim is misleading, and that the position is the exact opposite to the opinion communicated by Mr. Sim, would that change your view of the matter?—I should certainly say that something wants to be considered if the society is quite valueless in all its operations.

200. *The Chairman.*] Now, take the case of a society for the prevention of cruelty to animals, or any of those private societies or clubs: as soon as they pass their rules members are bound by them; but one very strong point is this: that the men are voluntary members. They make certain laws for themselves, and in agreeing to join that society they agree to come under their own laws, and therefore they form a society outside joint-stock companies and so on, and they have a legal status. But if it is not voluntary they have no such status. You might think we are urgent in asking this matter, but the whole basis of our investigation will come upon that point, because if an unregistered society can act on its own sweet will as well as any registered friendly society, then the registered friendly societies have been utterly deceived when they have to take all this trouble to register and make their rules legal?—I can quite understand it; and I would like you to understand, too, that the Union Company are quite *bonâ fide* in their actions—they have the interest of the men at heart. There is no question of taking advantage of want of registration, or because the society may not occupy a strong legal position. I do not want you to think for one moment that I am seeking to fence the question. I assure you that the Union Company are extremely straightforward.

201. *Mr. Fisher.*] Will you please give me your opinion as to the object in originating this society?—Certainly. You will recollect it was originated immediately after the great strike. Well, previous to the strike there was in existence a very large body called the Seamen’s Union, the members of which used to meet and chat together. They had something in common to talk about. Very well, after the strike all the men who joined the service were what we called non-union men. The directors recognised that the men always like to have some object in common, about which they can talk, and in which they can take an interest, and, as there was no union, the idea just grew into the benefit society. The company said, “We will form a benefit society, and we will help it; it will bring the Union Company and its employes into close touch; it will do them good and do us good.” The benefit society grew out of that. The company said, “We will give £500 to start a fund with, and we will give 20 per cent on its annual income, which will enable the members to enjoy privileges they could not get in any other society.”

202. Was it part of the original design at the inception of the benefit society that the Union Company should be enabled thereby to keep its hand on the men, and prevent them being drawn away from the service in the event of a strike arising?—I should certainly say No to a question which said “the company had its hand on the men to prevent them being drawn from the service.” I can quite understand that the result of the establishment of the society would be to give the Union Company a stronger hold on its men; but I should certainly not say that the design was to “put its hand on the men and prevent them leaving in the event of a strike.”

203. If Mr. McLean said that was part of the design he is wrong?—I do not say he is wrong, but I do not think Mr. McLean, or anybody else, would put it in that strong way—that we meant to clutch hold of the men, and prevent them leaving the service. But it is a natural result that the ties between the two would be closer.

204. I put that question for this reason: that during this investigation we experience a difficulty

of this kind : We find men making strong statements on one side, and men on the same side making equally strong contradictory statements. Now, I put this question to you, not to trap you in any way, but to ascertain from you whether you agree with Mr. McLean's evidence on this point. Now, you differ from Mr. McLean?—It would depend on what Mr. McLean said.

205. He said this, quoting from the newspaper report: "Witness (that is, Mr. McLean) replied that no doubt the society was started for the benefit of the company, in this way: It was to try and get the men to take an interest in the company, and not walk away without any fault, as they did in 1890"—I quite agree with that, too. I do not think that is the same as saying it was formed for the purpose of enabling the Union Company to put its hand on the men and prevent them leaving the service in the event of a strike. It is one thing which naturally could come out of it—the men become interested in the society, and the tie becomes stronger.

206. *Hon. Major Steward.*] In Mr. Belcher's evidence there is this quotation from a leading article in reference to Mr. Mills's speech at the annual meeting: "Mr. Mills frankly admits that one of its objects was to keep the men in touch with the company, and to endeavour to create a mutual interest, so that if strained relations arose at any other time they might probably consider the company's interests as much as their own." That puts the thing in an official light—that is to say, shows the view taken by the officials of the company?—Exactly; that is the way I would put it also.

207. *The Chairman.*] Will you look at Rule 7, which says something about surrender values: is there any other rule in the books of the society which treats of this surrender value? Do you know of any?—There is none that I know of.

208. Now, this rule provides no machinery for calculating the surrender value: can you tell me how the committee are guided in paying surrender value?—We asked a Government actuary to make out a table; all payments are made upon an actuarial table. I could get you a copy from the society; the matter has nothing to do with the Union Company.

209. The society has a table, but it depends upon the vote of the committee—namely, they could adopt another table if they wished?—Of course, surrender value means surrender value; it cannot mean two values. It is the actual calculation which has been made by Mr. Leslie.

210. Yes; it is a calculation that, if the committee became displeased with it, they could replace with another?—It is very likely that another will have to be made. You will understand that when the society was formed all calculations were made on the basis of other societies' experience, but since the five years have elapsed all the figures in connection with the society's business have been submitted for examination, and if it is necessary that another table of surrender values should be adopted it will be supplied. That is the position.

211. I am asking this to clear up a point, because one witness stated that the fact of having a surrender value was one reason why the Registrar of Friendly Societies would not register the society, because it was on a false actuarial basis?—It may be that in other societies there is no surrender value given, but it could not be that it was on a false actuarial basis. That must be, so to speak, a gratuitous addition.

212. You have never applied to have the society registered?—No.

213. It would be impossible to register with the rules as at present in force?—Yes; that is the objection. In fact, during the early days of the society I spoke to Mr. Mason to see if it could not be done.

214. If the company are going to carry out their expressed intention of withdrawing from the active control of the society, do you not think it would be more fair if the company's interest was represented by something like their pecuniary interest in the affair? That is, the company contribute one-fifth of the revenue, and they are represented much more largely on the committee than the men, who contribute four-fifths of the revenue. Do you consider that a fair basis of representation now that the society is able to walk alone?—Of course, it is only an apparent large representation. The men who really represent the company are not what you would call company men; they are men who are much more of the same calibre as the men's representatives than ours.

215. *Hon. Major Steward.*] Suppose that under special legislation provision were made to enable this society to be registered with its special constitution, do you not think it would be a fair thing to provide that all contributing parties should be represented *pro rata*. Suppose the governing body were fixed at fifteen, and that the Union Company elected or appointed three members and the men elected the rest, exactly in proportion to their contributions, would not that be a fair thing?—I am sure the Union Company would agree to what they thought fair.

216. *Mr. Fisher.*] You accept Mr. Sim's opinion as being a satisfactory exposition of the legal status of the society?—I just accept it as I would accept the opinion of any lawyer. Had it been to the contrary I would just have believed it all the same.

217. Have you any official knowledge of the intention of the company to retire from participation in the management of the benefit society?—No, nothing official.

218. This statement appears in an article of the *Otago Daily Times* of the 13th May: "The company has intimated its intention of doing at the end of September that which it has all along expressed its intention to do—retire from all participation in the management as soon as the society could go alone, and make it then a purely voluntary association like any other friendly society." Do you know what has given rise to that statement?—I can only imagine that it might have arisen out of something said at the meeting of the Conciliation Board. There has been nothing before the board of directors of the Union Company officially.

219. You know nothing of it officially?—No, unless it has been announced here. The company has always had that feeling. They look forward some day to the society being registered and the men running the whole thing. It is just what the company have had in view.

220. Here is a witness who stayed behind at the request of the committee—at all events, of one member of the committee—to give evidence—Mr. Bracegirdle. He says he has taken an interest in

the affairs of the benefit society, and he gave evidence generally in favour of what one might call the company's view. That was the general tendency of his evidence. But, still, he said this: "That in the event of any large crucial question arising the committee are almost powerless—the representatives of the men are virtually powerless, but not the committee as a body." Do you agree or disagree with that statement?—I look upon that as an unbusinesslike statement, because I cannot believe that the committee of any society would deal with a crucial question. It is not their business.

221. His point is, I think, that the part of the committee which is composed of the men's representatives would be powerless. He says distinctly here that in the event of any large question arising that part of the committee would be virtually powerless?—He says so, evidently, there. I do not agree with him, because I know how the society is run. I know the feeling of the Union Company towards it, and I know quite well there could never be such a thing as a deadlock, or anything like that.

222. *The Chairman.*] Do you think a strike amongst the employés of the Union Company impossible?—I hope so, since we have an Arbitration and Conciliation Act.

223. You think the Act will go largely towards preventing any strike?—The Court forms a sort of meeting-place which did not exist before, and enables each side to be heard. I think it is good in that way.

224. Matters in dispute could be referred to the Arbitration Court, which would tend to discourage strikes?—Yes; I look upon it as a beneficial measure—certainly of great benefit to the wives and families of those concerned.

225. I would like your personal opinion on the question of establishing private benefit societies, and whether you think the principle is a good one. The Commission think the principle is dangerous, on this ground: that one hardly sees where it is to end. In the case of a company like the Union Company the largeness of the affair makes it absolutely necessary that the accounts should be audited, and the whole thing fair and above board?—The accounts are audited.

226. But, if the same principle is followed by small private employers, do you not think that an unregistered society able to dictate any terms to the men is a rather dangerous weapon to have over the operatives?—If it were made use of in that way, certainly.

227. Of course, the employer in most cases is beneficent as well as benevolent; but on the other hand he may be malevolent. Do you not think the principle is dangerous?—I can only judge by cases. In the case of our company it has been of benefit to the men. Of course, the very essence of a private benefit society is that the employer's contribution gives the men advantages they would not receive in a society without that subsidy.

ARTHUR MORRISON was examined on oath.

228. *The Chairman.*] You are a member of the House of Representatives?—Yes.

229. You are a member of a friendly society?—Yes; I am District Grand President, U.A.O.D., for Otago and Southland. I have been a full financial member of a registered friendly society for between twenty and thirty years.

230. Can you tell us some points in regard to these private benefit societies—for instance, do you consider the Union Company's society, or any other society, has been a hindrance or loss to the registered friendly societies?—Yes; I can perhaps advance one or two reasons why, in my opinion, these so-called private benefit societies are not what I might call fair competitors as compared with registered friendly societies. I am not going to attack the Union Company's benefit society, or any other particular society. But I may say, as one who has taken a great deal of interest in friendly society work in this colony for a number of years, that there is a strong feeling of antagonism amongst registered friendly societies as against the like of the Union Company's society. I remember in 1891, or the early portion of 1892, a convention was held in Dunedin of representatives from all the various friendly societies in this locality—from the Druids, Foresters, Oddfellows, and so on. At that convention some strong resolutions were passed, and they were forwarded to the then members for the City of Dunedin. But nothing came out of that. We asked then, as friendly society men, that the Government should exercise some control in regard to the establishing of societies that were going to be run on the lines of the Union Company's benefit society, because they had a tendency to take away members who had been contributing to our funds, and who had been members of our lodges for a number of years; men felt that if out of employment and offered a job in the Union Company's service it was made a condition of their receiving that employment that they had to join the benefit society. They naturally demurred to this, and said, How can we afford to pay contributions to the society we have been attached to for so many years and pay contributions to a society over which, simply speaking, they had little or no control? To the men out of employment, however, it was simply a case of between "the devil and the deep sea," as the saying is. A man out of work, and needing a job, naturally threw over the registered friendly society of which he had been a member for years and joined this society, on which his employment was, in a manner of speaking, dependent. That is where we felt it was unfair competition to which the registered friendly societies were being exposed. Now, that is one phase of the question. Another phase of the question is this: It is found absolutely necessary, in the interests of the community, that the Government should pass an Act which is known as the Friendly Societies Act, which compels all friendly societies to conform to certain conditions which are laid down. The Act says you shall observe so-and-so; you shall make annual returns to the Registrar; and you shall only allocate your funds in certain directions; and you shall do this, that, or the other thing. Now, is it fair that our societies should be brought into competition with a society which is not only drawing our members away from our own ranks, but is also picking up members outside the societies who would in all probability join a registered society. This society is not registered, and has no control over the funds. There is nothing in connection with

this society to prevent the members carrying a motion that the society be dissolved; but where is the money? Where are the funds? What has been done with them? It is all right to say they are invested in shares, and so on. The Friendly Societies Act says we shall not do these things, but allows private benefit societies to do anything they like.

230A. *Mr. Fisher.*] In the case of the Union Company, the funds are on fixed deposit in the bank?—That is a matter for arrangement; but you have no guarantee that the funds are going to be kept intact. The point I wish to bring forward is this: The Act says you shall contribute so much to a sick and funeral fund and so much to an incidental fund. Now, it says a registered friendly society shall not take any money from its sick and funeral fund to meet any claim on its management fund. There is no such rule in the matter of private benefit societies. Of course, the great danger I apprehend from these private benefit societies is in the two directions I have pointed out. They act as unfair competitors as against registered friendly societies; and members never get that control of their funds or that guarantee of the solvency of their society that they would possess in the case of a registered friendly society. I say I am inclined just to fear that the loose manner in which the funds in connection with these private benefit societies are invested will result in the members of these societies awakening some day to the fact that their funds are gone, or placed in such a position that they cannot get them when wanted. Now, such a contingency cannot occur in a registered friendly society, because we are compelled by law to have our funds placed in certain ways. We can invest them in the bank, and on freehold, but we cannot invest them on leasehold. So, you see, a registered friendly society has got to be very carefully managed—all its resources have to be husbanded, and the particular accounts kept intact. I know there is a strong feeling of antagonism in the friendly societies as against the Union Company's private benefit society. In 1894 they made an application to the association we had formed—the Co-operative Friendly Societies' Dispensary. When we started this dispensary each friendly society in this district contributed 5s. per member towards a capital account. Then we further paid an annual contribution at the rate of 7s. per annum per member for the supply of medicine and so forth for ourselves, wives, and children. As I say, an application was made by the Union Steamship Company, or some officer on behalf of its society, to the then board of directors, who were appointed by the representatives of the various friendly societies at the annual meeting. The board of directors admitted the Union Company's benefit society to the full benefits of the dispensary. Of course, they paid their 5s. per member towards capital account, and they paid the same rate—that is, 7s. per annum. But they were not members; they only paid this deposit as a proof of good faith, so that the board of directors should have this money to work on if it was thought necessary. But they had the right to withdraw at any time and take their money with them. The feeling was so strong over this that at the first quarterly meeting after the delegates were called together a motion was tabled—and I believe I was the person who tabled it, on behalf of my own lodge—to the effect that at the end of the term for which the board had entered into agreement with the officers of the Union Company's benefit society the agreement be cancelled. Of course, we could not override the agreement at that time, because we had clothed the board with a certain amount of authority; and, while we harshly criticized the agreement they had entered into, we could not repudiate it. It led to some very acrimonious discussions at our quarterly meetings; and, in fact, one of our meetings broke up in disorder. It was found that the Forersters were moving, and that some other lodges were moving, and at the second or third quarterly meeting the board of directors saw they were going to lose the point, and that they would not get a majority of the representatives to approve their action, or reauthorise them to enter into a further agreement. This was carefully carried to the ears of the Union Company's officials, and they withdrew their application, and said they could get better terms elsewhere, or something to that effect. I just mention this incident to show you the feeling of antagonism that is running between registered friendly societies and especially this private benefit society. As regards the management of the Union Company's society, I know nothing about it, unless what is general property.

231. *Hon. Major Steward.*] At what date was the first meeting to which you refer held?—It was held in the Oddfellows' Hall either in the latter part of 1891 or early in 1892.

232. At the time that meeting was held the first rules of the Union Company's society were in force. That society was formed in 1891. Well, in the rules as published in 1891 there was a clause requiring all employes who joined the service after that date to become members of the mutual society in connection with the company, but shortly after that, and probably about the time your meeting was held, an exception to the rule was passed, to this effect: "Any employé in the company's service who is in good standing on the books of a registered benefit society shall not be required to join this society." You are aware of that?—Yes; but that rule is more honoured in the breach than in the observance.

233. That rule, if enforced, would do away with the collision, on that ground, between the society and registered friendly societies?—It would do away with the objection that rests on that point—namely, that we were brought into unfair competition with a society which made it a condition that a man must belong to that society. But when did that rule come into force? One objection against this private benefit society is this: that the rules say that a man must be a contributing member to the society for some period before he will be allowed to have an opportunity of retaining, if he wishes it, his membership in that society. Why should they attach conditions to membership of their society which no other society in the world attaches, because all other societies say, "You pass our doctor, you pay our entrance-fee and conform to our regulations, and, once a member you remain for ever a member." But this private benefit society turns round and says, "This man must be two years in our employment before we allow him the privilege, if he leaves our employment, of retaining his membership."

234. Is it a fact that, although a man who does not continue in the company's employ for a period of two years cannot retain his membership, the contributions from his wages begin as

soon as he enters their employ?—Oh, certainly; the moment a man joins the service he has got to join the society.

The Chairman: I understand if a man leaves the service after eighteen months' service, according to the rules, that man ceases to be a member of this private benefit society.

Hon. Major Steward: That is under Rule 7.

236. *Mr. Fisher.*] What was the objection of the members of the registered friendly societies to the continued inclusion of the non-registered society members, though they were willing to pay into the capital account, and willing to pay the annual contribution of 7s. per member?—The position was this: The registered friendly societies have never looked upon the Union Company's benefit society as belonging to the ranks of friendly societies; they looked upon it as an unfair competitor, who was brought into the field for a certain purpose, and they said, "If you are going to establish societies outside what is known as a registered friendly society you can run your own show in your own way; but you are not going to participate in our benefits." There was just that strong feeling of antagonism against the society; and, though the other societies knew they would make a few shillings out of it, they preferred to lose the money rather than have anything to do with the Union Company's society.

237. They regarded them as not legitimate societies?—Well, they did not consider them as friendly societies; they looked upon them as neither "fish, flesh, nor good red-herring." The point I would bring very strongly before the Commission is this: that the funds of these registered bodies are secured, and that the members can get them whenever they carry a motion to dissolve the society or anything of that kind; and this is another feature with regard to the better security of the funds that a member of a registered society possesses as compared with the member of an unregistered society. In a registered society a member is absolutely guaranteed that his money is kept intact, and he knows that the officers are compelled by law to keep the money in a certain manner. We are compelled by the Registrar to guarantee our secretary and treasurer; that is one of the conditions that attaches to registration.

238. *The Chairman.*] You referred in the first part of your speech to the feeling excited amongst registered friendly societies by the unfair competition of this private benefit society. It has been stated to us by witness after witness that any man belonging to an already registered society had an equal chance of getting work with a man belonging to the company's benefit society?—That may have held good some short time back; but I say now, candidly and honestly, that four or five years ago it was made a condition of employment in the Union Company's service, and the men could either pay into both societies or do as they liked, but they had to belong to the Union Company's benefit society or they would not get a job. That was the state of affairs at the time our convention was held, and we thought it was not fair, because a large number of the members belonging to various orders about Dunedin were also seamen, and men who had to depend upon the Union Company for employment. The Union Company were simply weeding the men out of our lodges with the conditions they imposed.

239. I suppose you could not give us any instance drawn from the books of any society as to certain men having left their friendly societies to join the Union Company's society?—No; I could not do that. Of course, the secretaries of the various lodges will be in a better position to give you that information. As I have already told you, I do not intend to attack the Union Steamship Company. I appear as an advocate on behalf of registered friendly societies, and as such wish to show you where we thought we were brought into contact with unfair competition.

240. *Mr. Fisher.*] How are your funds invested: in what class of security?—They are invested in accordance with the provisions of the Friendly Societies Act: first, on fixed deposit in the bank; second, current account in the savings-banks; and third, on freehold security. We are not allowed to loan on leasehold. In reference to my own lodge, I may say we have never adopted the method of lending out on freehold, because we think that, for the sake of the extra 1 or 2 per cent., we are running a great risk; and so we keep our money on fixed deposit.

241. Suppose the dissolution of any society came about, is there a prescribed legal mode of getting a distribution of the funds?—It is laid down in what is known as our constitutional law-books. I will take the case of a lodge in a country district, because the position as you have supposed it could never occur in a populous district, where the lodge has perhaps been in existence for some years.

242. I am supposing the possible dissolution of a benefit society and the possible dissolution of a country friendly society?—We will suppose there is a lodge in a country district, and perhaps, through scarcity of employment, the membership dwindles off, and they voluntarily decide to cease carrying on the lodge any more: they then apply to the head of their order for leave to surrender their charter, and dissolve as a friendly society. The head of their order—of course, through its executive officers—will make careful inquiries into the position of that lodge. In the event of them deciding that it would not be beneficial to carry it on any further, that lodge would be dissolved by the authority of the executive body; and the moneys they held then, after meeting all engagements, would be divided *pro rata* amongst the members, according to the opinion of the executive officers, as against the moneys they had paid in. That is to say, if a man had belonged to the order for ten years, and another man only five years, it would be hardly fair that the man with five years' payments should step in and take the same money out as the man who had paid in for ten years. The money of the lodge would be distributed in that way.

243. Would you please give us your opinion as to what would happen in the event of the dissolution of a private benefit society, as to the disposition of any funds, whether on fixed deposit or not?—That is hardly a fair question, because I am not in a position to know what the rules of the Union Company's society say.

244. You could not answer it?—Yes; in the one case the funds of a registered friendly society are kept intact, so that the members when dissolving their society can always get them. In the

case of these private benefit societies there is a possibility of the moneys which the members have been compelled to contribute for a number of years being tied up in certain ways, which might result in the members, when they wished to dissolve, being unable to get their funds. That is the point. You have more security under registration than you have under non-registration. I have no objection to private societies, but I say make them toe the mark, and make them come under the same rules as to the disposal of their funds as registered friendly societies.

245. *The Chairman.*] I should like to have your opinion, as a man who has thought largely on social and industrial subjects, as to the principle underlying these societies. If the Union Company can compel its employes, or do compel its employes, to subscribe a certain amount of their wages towards a benefit society, what is to prevent a smaller employer taking as much as he pleases towards his private benefit society?—There is nothing to prevent him; it is the thin edge of the wedge.

246. Do you not think it has a dangerous influence in regard to the fixing of wages. For instance, supposing a union says a carpenter's wages shall be 8s. per day; a private employer says he is willing to pay 8s. a day, but he requires 6d. off it for his private benefit society; another employer says he will take 9d., which, of course, kills all freedom of contract?—Of course; they are making that a condition of employment.

247. Do you not consider it a grave danger?—Yes; I consider there is a grave danger to the whole community, and chiefly to the registered friendly societies; but at the same time, apart from that particular point, the question could be discussed both for and against. The danger, to my mind, consists in the fact that in the one case you have control of the moneys, and in the other case you have no guarantee that the money is there. That is the danger, in my opinion, to which members of private benefit societies are exposed. I say the Government, in the interests of the community, should insist that private benefit societies as well as registered friendly societies should conform to a certain code of rules and regulations in regard to the disposition of their funds. The Government should insist that the moneys should only be used in certain ways.

248. *Mr. Fisher.*] It is your opinion that registration would cure all this difficulty and complaint?—Yes; registration would go far to cure it. But, of course, registration opens up a still further question, and that is: Are the amounts which the various societies receive from their members sufficient to cover what they are promising to pay?

249. That is an actuarial question?—It is a further stage; at the same time I say registration would go far towards remedying the evils which, in my opinion, exist in regard to private benefit societies.

250. *Hon. Major Steward.*] Now, would it not be necessary that there should be some special legislation to deal with these classes of societies that are springing up: an existing friendly society, such as the Order of Druids to which you belong, or the Order of Foresters, can establish branches in any part of New Zealand—in fact, any part of the world?—Yes.

251. But such societies as we are now speaking of cannot have branches anywhere outside where the business with which they are connected has its operations, so that they could not, as it were, be regulated under precisely the same rules as those large societies to which you refer?—Why not?

252. Well, one point that comes in in relation to that “Why not?” is the fact that the employers, in some cases, just as the Union Company do, are supposed to subsidise the societies by grants of money. Is that not so?—Some of them give subsidies.

253. I wish to ask you whether provision should not be made specially by law for the registration of these societies with proper safeguards, and specially providing for the proper representation of all contributors to it, whether employes or employers?—Yes.

254. Although registration would cover some of the difficulties, mere registration under the present Friendly Societies Act would not, so long as there is this difference of constitution—namely, where there is a contributing body, as in the case of the Union Company. You see, the Union Company's society is rather a large affair. There are 860 subscribing members to it. Then, the Union Company contributes 20 per cent. to the revenue, besides giving £500 at the commencement of the society to start the fund with. Therefore it seems to me fair that the subsidising body should have some representation. What is your view?—I have no objection to that, although the Union Company have only promised to pay that 20 per cent. for five years.

255. But the contribution is open to readjustment?—Well, I maintain that registration is in the interests of all these private societies. I think they should be compelled to register, so that their affairs can receive the light of day. I maintain that the principle underlying my contention is correct, and that is, that all private societies should be registered as a security to their members.

256. Do you not think some special legislation is necessary to meet these different cases?—Yes.

257. You think a special Act is required?—Yes.

DUNEDIN, THURSDAY, 27TH MAY, 1897.

ROBERT CHARLES WILSON was examined on oath.

1. *The Chairman.*] What is your position in regard to friendly societies?—I am secretary of Court Little John, A.O.F.

2. Have you read the evidence in regard to this inquiry?—I have read some of it.

3. Is it your opinion, as an officer of a friendly society, that the system of private benefit societies is detrimental to the registered societies?—Yes; I certainly say it is. If a man is employed where there is a private benefit society in connection with the works he feels compelled, I take it, to join that private benefit society, and therefore he cannot well afford to pay into two societies.

4. Have you had any practical evidence of men leaving any of the lodges in order to join any such private benefit society?—No; I do not know personally of any men having left lodges. I have heard of them having left on account of not being able to keep up their contributions to both societies.

5. You heard of them on good authority?—Yes.

6. What, in your eyes, is the worst point in regard to private benefit societies as compared with friendly societies?—Well, I think the fact of them being in a manner compulsory is a bad point; and, then, the fact of them not being registered helps to work against the societies that are registered.

7. In what way?—Registered societies have certain conditions to comply with which unregistered societies have not.

8. In regard to the distribution of the funds?—Yes; in our friendly society the moneys are divided into two funds—the sick fund and management fund; and, according to the Friendly Societies Act, we must not touch the sick fund for any management expenses; it has to be kept by itself.

9. Then, is there not some rule in a friendly society as to the manner in which the funds are invested?—In a friendly society the funds are invested, by order of the society, by the trustees, and they can only be invested on first mortgage, Government debentures, or on deposit in the Post Office or other savings-banks.

10. Are these investments regulated by the will of the trustees or are they submitted to the Registrar of Friendly Societies?—Yes; the Registrar has a return sent to him every year showing how the funds are disposed of and how invested.

11. You consider that a safeguard?—Certainly.

12. Then, again, I suppose registration of the rules gives fixity to the rules, and in a sense there is security also in that?—Yes; while the management of the friendly society is in the hands of members, without any outside interference at all. Of course, in private benefit societies, as a rule, some members of the firm are on the board of management.

13. But they are not allowed in any way to have too large a representation on the committee, or to in any way influence the affairs more than any other members?—It is true, I think, they have an undoubted influence.

14. Even in a friendly society?—No; in a private benefit society. In a friendly society all men stand on the same footing.

15. But you consider the main point in a friendly society is that the men join of their own free-wills, while in a private benefit society they are, to some extent, either directly or indirectly compelled to join?—Certainly. I think in a great many cases in connection with private benefit societies there is a certain amount of compulsion. In friendly societies men join of their own free-wills.

16. Compulsion being, in your eyes, a necessity to getting employment?—Yes.

17. *Hon. Major Steward.*] Then, your opinion is that the contention as to the alleged clashing of these private benefit societies with the friendly societies rests upon the assumption that an employer requires an employé to join his benefit society, whether or not that employé is a member of a friendly society?—Yes.

18. Well, now, in cases where it is specially provided that an employé, if a member of a registered friendly society, is not required to join the benefit society, would the benefit society clash at all with a friendly society?—If a private benefit society were registered it would be a different thing.

19. But in a case where it is specially provided that an employé may, if he so pleases, be a member of a friendly society instead of being a member of the benefit society, the latter society would not clash with a registered society?—No.

20. Well, then, the reason why you would still object to the existence of such societies, the membership of which was optional, is, I understand, because these societies are not registered?—Yes.

21. And you conceive that the benefit of registration is that there is more security to the men who join, in that their funds have to be invested in a manner prescribed by law?—That is one point.

22. And the other, that the rules in their case are more permanent?—Certainly.

23. That is to say, they cannot be so readily altered?—Yes; of course, the rules of a friendly society cannot be altered unless at a special meeting called for that purpose, and of which notice has been given.

24. I suppose you are aware that a good many private benefit societies are in existence?—Yes.

25. Well, now, what is your view with regard to legislation? Do you think it would be desirable that there should be special legislation to deal with these societies, providing for their registration and the registration of their rules under certain safeguards?—Certainly. Of course, I think they should be registered in the same manner as other societies. I do not think it would be wise to have a number of the employers on the board of management.

26. Would you be of the same opinion if you knew that the employers contributed—in some instances very considerably—towards the funds of the private benefit societies? Would you not think it fair that the employer so contributing should have a representation in proportion to the amount of his contribution?—Well, I am of opinion that these private benefit societies are formed principally to give employers a hold over the men, and the fact of an employer contributing would be, in a manner, to his own benefit. I am of the same opinion whether employers contribute or not—that they should not be on the board of management.

27. You say an employer should not be?—No.

28. Do you think an employer should have no representation on the board of management in respect to the amount of his pecuniary contribution?—No; I think the men should simply manage the society themselves.

29. That the employer, in fact, should intrust his pecuniary interest to the control of the men?—Certainly.

30. For the reason that you do not think he subscribes or assists the society purely from philanthropic motives, but is interested on his own behalf?—Certainly.

31. *Mr. Fisher.*] Is there a feeling of antagonism between friendly societies as registered under the Friendly Societies Act and the private benefit societies?—Yes; I believe there is at the present time. Of course, that was proved some years ago by the action taken in connection with our dispensary here. The friendly societies declined to have members of private benefit societies connected with it.

32. And is it or is it not also a reason for the antagonism that the private benefit societies enter into unfair competition with the registered societies?—Yes, that is certainly a reason.

33. And I suppose, on the grounds stated by Mr. Morrison yesterday, you are firmly of opinion that these societies ought to be registered?—Certainly.

JAMES TRAVERS HIGGINS was examined on oath.

34. *The Chairman.*] You are an officer of a friendly society?—Yes; I am Grand Master of the New Zealand branch, I.O.O.F.

35. You have been an Oddfellow some time?—I think, about fifteen years.

36. Now, is it within your experience that the institution of private benefit societies has been a loss or been detrimental in any way to friendly societies or your own order?—Yes; it has been a loss to the whole of the friendly societies.

37. Members who belonged to your order formerly, or whom you consider would have joined your order, have joined private benefit societies?—We know of members of our order who have been good members up to the time of obtaining employment in the Union Company's service, when for some reason or other which I do not know their membership ceased on several occasions. Of course, I am not in a position to speak of the whole of New Zealand; I am merely speaking of the time I was secretary of a subordinate lodge in a suburban district. That sort of thing would be more likely to be noticed in a lodge in a large centre like Dunedin, Wellington, or Christchurch.

38. Still, you feel it had that effect there?—Yes; I am certain of them—at least, on one or two occasions in my own lodge.

39. You have heard of many cases in larger districts?—I have heard complaints in other districts to the same effect.

40. Is that still going on to your own knowledge? Are men still leaving friendly societies to join private benefit societies?—I am not aware of it having taken place recently.

41. *Hon. Major Steward.*] How long ago was it that you were connected with the suburban lodge, and that you knew of these cases in connection with the lodge?—Well, towards the end of 1896.

42. So recently as that?—Yes. Of course, I ceased to be secretary of the lodge when I was elected Grand Master.

43. That is just a few months ago?—Yes.

44. What, in your opinion, is the great disadvantage of a private benefit society as compared with a friendly society?—One objection I would take to—well, the Union Company's benefit society, is inadequate rates of contributions.

45. Do you mean they are not sufficient to provide the benefits promised?—They are not.

46. You think the basis is actuarially unsound?—Yes.

47. *The Chairman.*] How, Mr. Higgins, do you reconcile that with the fact that the society has some £4,000 to its credit in the bank?—I do not know its liabilities. They have never been a registered society, I understand; consequently, there has been no valuation made, and we do not know what assets they may have to place against their liabilities. We know that in the case of every regular friendly society. There are quite a number of them in New Zealand who have very large assets, but they also have very large liabilities; consequently, their benefit funds will show a deficit when submitted to the Registrar.

48. *Hon. Major Steward.*] Then, you think the reports laid before Parliament from time to time showing that, in the opinion of certain actuaries, the financial basis of some of the friendly societies is unsound are correct?—I believe so.

49. Therefore, if that be so, the Union Company's benefit society, even supposing it to be actuarially unsound, does not occupy a unique position—there are some registered friendly societies in the same boat?—So the valuers think.

50. And you think they are right?—I think so.

51. According to that, then, it would appear that mere registration under the present law is not sufficient to secure actuarial soundness?—It appears not.

52. Then, I presume you would think it desirable that there should be further legislation, so as to insure these societies being ascertained to be actuarially sound before they are allowed to be carried on?—I consider that before a society is registered it should be placed on a sound financial basis.

53. That is to say, its scale of contributions should be made sufficient to meet all contingencies?—Yes.

54. *The Chairman.*] In your society, is there any surrender value? If a man withdraws from your society, does he get any surrender value?—No.

55. That is one great difference between the private benefit society and friendly societies?—In my opinion, there can be no surrender value of a man's probable sickness; it cannot be valued.

56. *Mr. Fisher.*] It is his share in the proprietary rights in the accumulated funds?—Yes.

57. *Hon. Major Steward.*] And, therefore, in the sick fund he is insured against risk in common with a number of others, and that risk has been sustained whether he has been sick or not, or whether there is anything to come to him or not, because there is always a certain number sick, it does not matter who they are?—Yes; we hold him secured against sickness.

58. And the risk, sickness, although it did not actually fall upon him, might have fallen upon some one else?—Yes.

59. You say that in one or two instances, as lately as the end of 1896, you knew of members of your lodge who ceased to be financial members shortly after or upon joining the service of the Union Company?—Yes.

60. Now, we will assume there were two: do you know of your own knowledge whether these two men withdrew from your society because they joined the Union Company's benefit society? Do you know if they have joined the Union Company's benefit society and the service of your own knowledge?—One, I know, is a member of the Union Company's benefit society, and the other member simply told me it was too expensive to be in two societies, and said, "I will have to leave this." Whether he became a member of the other I do not know.

61. Are you familiar with the rules of the Union Company's society?—I knew the original rules as passed in 1891. I believe there have been some changes.

62. Are you aware that subsequent to 1891 alterations in the rules were made exempting men who were members of friendly societies from the necessity of joining the Union Company's benefit society?—I am aware of that.

63. That was in force at the time these men left the lodge, as it was the end of 1896?—Yes.

64. Therefore the men were not compelled to join the Union Company's society, and could have remained in your lodge according to the rules?—Yes, according to the rules.

65. You have evidently an idea there is something behind this—that preference of employment is given to men who are members of the benefit society?—That is the common idea.

66. Are you aware of the conciliation agreement that was entered into the other day between the Union Steamship Company and the Seamen's Union?—I have not seen it.

67. There is a paragraph to the effect that after the 30th September it shall absolutely cease to be compulsory for men in the Union Company's service to join the benefit society, and it has further been stated that this is to take effect as from now in regard to all persons newly joining. If you were satisfied that the spirit of that agreement was kept, would that remove your impression as to the influence exercised upon these men?—I may say that from the very start of the Union Company's benefit society we would have had no objection to it as a society providing the men received justice, and the society were founded on a proper basis, and that membership in the society was not to cease when a man's employment ceased with the company. If these terms had been carried out we would have had no objection at any time, nor would we have now, to the existence of the society.

68. Well, then, I may tell you it is provided in the rules that any man who has been two years in the benefit society is entitled, whether he remain in the service of the Union Company or not, to continue as a member of the society. You think that restriction of two years should be removed?—Yes; because two years added to a man at a certain age might carry him outside the possibility of entering a friendly society. It might do that in some instances; and even where it did not quite do that it might carry him into another group of ages, where he would have to pay higher contributions, whereas by remaining in the society he first joined he would continue to pay the same rate of contribution all through.

69. What you conceive to be the necessary safeguards in regard to this Union Company's benefit society are that it should be ascertained that the basis is actuarially sound—that is to say, that the contributions should be adequate for the benefits promised, and that the accrued funds should be properly invested?—Yes; and the funds entirely under the control of the benefit members.

70. And, thirdly, that there should be secured for members joining the society the same privilege of continuance as a member of the society as obtains with regard to friendly societies—namely, that once having joined, and so long as a member keeps himself financially good, he ought to retain his right?—Yes.

71. *The Chairman.*] We were told in some of the evidence that a circular was issued inviting officers and other officials of the Union Company to join the benefit society, although already insured. The effect of this was to give them a vote, although not benefit members. Do you consider that was an improper thing?—Yes, highly improper. The benefit funds should be under the sole control of the benefit members.

72. Is it or is it not a fact that friendly societies provide certain machinery by which they can get at a defaulting officer, or by which they can distribute the funds on winding up the society? Do you not think that gives a friendly society an immense advantage over a private benefit society—I mean in case of a dissolution or in the case of an officer embezzling the funds, or other cases of fraud? In the case of one institution the only remedy is the ordinary legal remedy in the Court of law, whilst in the proper friendly societies they have a method by which they can go straight to work?—I consider it is a very great advantage. A registered friendly society is compelled, by the provisions of the Benefit Societies Act, to provide for the proper disposal of the funds in the event of dissolution or secession.

CHARLES WILLIAMS was examined on oath.

73. *The Chairman.*] You are an officer of a friendly society?—I am secretary of Court St. Andrews, Ancient Order of Foresters.

74. Have you been a Forester long?—I have been a Forester thirty-two years—twenty-two years within the Colony of New Zealand.

75. Now, do you know of your personal knowledge whether the institution of private benefit societies, whether in connection with the Union Company or any other society, has been a loss to the friendly societies?—I only know of one case of a member having left our court to join the Union Company's society; but there are several of our members who have been obliged to join the Union Company's society and keep up their own court too.

76. Have you heard outside your own lodge, or in your order, that there has been dissatisfaction amongst friendly societies on this account?—I have. I have taken an active interest in the Foresters, and I have been connected with the societies' dispensary.

77. Do you remember a dispute between the Union Company's benefit society and the friendly societies?—I was a member of the board of management when an application came from the Union Company's benefit society to be members of that dispensary. We allowed them to enter into contract with us to supply them with medicines for twelve months, and gave them the right, and retained the right ourselves, to terminate the agreement at the end of twelve months with one month's notice.

78. You did not consider it was fair to let a private benefit society come in on the same terms into your friendly societies' dispensary?—We did not. I may say that the opinion expressed by members of the board was very evenly divided as to whether it would be beneficial in any shape or form for them to become members of the dispensary, and by a majority of one it was carried to allow them to enter into a contract with us.

79. Have you any opinion as to the advantage that a friendly society has over a private benefit society?—They have greater protection under registration in the first place; they have likewise control of their whole working and of their funds. The present rules of the Union Company's benefit society are certainly bad from a member's point of view, because they have not the controlling-power that a friendly society possesses.

80. From what you have read of the rules of the Union Company's society you think the Union Company's influence is dominant?—Yes; where their representatives on the committee have not power, they retain the power themselves as a company to agree to any action.

81. Although they may not have exercised that power for years, you think the power is still in their hands if they choose to do so?—I do not know of any case where they have exercised it, but they can do so.

82. Do you consider the rule that officers, engineers, and others, who are not benefit members, should be allowed a vote in the administration of affairs a good one?—Decidedly not. I do not think that any one should have a vote except actual contributing members. It would be more than possible to "pack" a meeting with honorary members and carry any point they wanted to.

83. I believe your society has certain rules by which, on the society winding up, the funds can be distributed?—Yes.

84. Do you see any machinery of that sort in the private benefit society's rules?—There is nothing of the sort. There is a rule allowing for the abandoning of the society and a division of the funds, or that any member would receive his surrender value on leaving the society, but there is no scale laid down whereby that surrender value is regulated, so that no man ever knows what he is entitled to receive.

85. Then, as that surrender value is based upon some actuarial scale, and is at the disposition of the committee, it can be altered at any time?—At any time. They can only alter their laws by the consent of the Union Company.

86. So you consider the benefit society is more in the nature of a benevolent society?—It is simply surrender value in name more than in practice.

87. Do you consider surrender value is a proper adjunct to a friendly society?—I do not think so. Supposing a society became weak, or that defalcations had taken place, and a number of men made application for the distribution of the money, the withdrawal for the surrender values would so weaken a society that it would be placed in a hopeless condition.

88. If the contributions were on an excessive scale, and caused the funds to accumulate to a large extent, do you think it would be fair for members to contribute on that excessive scale? I ask on this ground: that it may be possible that at a certain time the funds should be distributed among the members then existing. Would that be fair to those members who in the past had withdrawn after paying these excessive rates?—I should say it would not be fair in a private benefit society, because if there is to be a surrender value every one should participate equally in it.

89. Even those members who had assisted to build up the fund?—Most decidedly.

90. *Hon. Major Steward.*] Are you familiar with the scale of contributions that members of the Union Company's benefit society have to comply with?—Yes; they are slightly less than in the case of an average registered friendly society.

91. I suppose you are acquainted with the scale of benefits provided?—Yes; the scale of benefits is provided in accordance with the average friendly society as regards sick-allowances and funeral-allowances.

92. Then, there is also what you do not grant and what you think to be financially sound—surrender value?—Yes.

93. Then, there is, further, to take the whole case, a contribution to the funds—or there has been up till now—to the amount of 20 per cent. by the Union Company?—They might cease it at any time.

94. That has been the position up till now?—Yes.

95. Taking into view the whole of these circumstances, what is your opinion as to the soundness of the scale—that is to say, are the contributions, which are lower than that of the friendly societies, as you state, but which have been assisted by the funds of the Union Company, sufficient to provide the benefits which are intended to be secured?—I think so, with the 20 per cent. added.

96. Now, supposing the 20 per cent. was withdrawn, do you still think the scale would be high enough to provide the benefits?—No; and they do not think so according to the wording of the rules.

97. So, in your opinion, the financial soundness of the society depends on the contribution of 20 per cent. from the Union Company?—Yes.

98. And if the contribution is withdrawn the society must come to grief?—It is not on a sound basis; in fact, they have provided for that in their own rules.

99. Are you aware of any members of your order—the Foresters—having left the order in consequence of joining the Union Company's service and becoming members of the benefit society?—I am aware of one man who had to leave the service of the Union Company because he would not join their benefit society while he was a member of our order.

100. What is that man's name?—David Cardno.

101. When did this occur?—I cannot say definitely; I would say, about a year and nine months or two years ago.

102. Are you aware that there is a rule in force now, and I am led to believe was in force at that date, exempting persons who are members of friendly societies from the necessity of joining the benefit society?—According to the rule.

103. Notwithstanding the rule, you say this man Cardno was required to join the benefit society under the penalty of losing his appointment?—He did lose his appointment.

104. Is he available as a witness?—He is not available; he is on the sea, bound for Home, or is in London; but he is a member of our society.

105. He declined to leave his court, and preferred to remain in it rather than join the Union Company's benefit society?—That is hardly the position. It was this way: The man's boat was laid up, I believe, and when he applied for employment again he was told he was not a member of the benefit society. He said, "No, but I am a member of the Foresters." He produced his book to prove he was a financial member, which he says he had previously done on several occasions, and they replied, "Oh, you will have to stand aside." That is the position.

106. They preferred another man who was a member of the benefit society?—Yes.

107. Now, with regard to the Union Company's benefit society generally, supposing that that society were registered, and that all compulsion such as you speak of ceased to exist, would you have any objection to the existence of the society as a registered society?—Not the slightest.

108. Your view is simply that the men who join that organization should be placed on an equally sound and safe position with those joining your society?—That is it.

109. *Mr. Fisher.*] Does this correctly represent one answer you gave—that one member of your order left your society and joined the Union Company's benefit society, but several, being compelled to join the benefit society, have kept up both?—Yes; I would not say compelled to join. I think they joined more through fear than anything else.

110. *The Chairman.*] Or persuasion?—Yes.

111. *Mr. Fisher.*] The action, then, was voluntary on their part, because I was going to follow that question with another—as to whether they had disclosed or concealed the fact that they were members of an outside friendly society when they joined the Union Company's service?—I should think not. I do not see any reason why they should conceal it in any shape or form. I have never heard of anything of the sort.

112. Your evidence is contradicted by the public statements of the company?—That may be so; but I can contradict one of the public statements of the Hon. George McLean, where he says, "The society was once affiliated to the friendly societies' dispensary." They were never affiliated with the dispensary; there could be no affiliation unless they had some say in the management. I was on the board of management at the time, and they simply entered into a contract with the dispensary for the supply of medicines.

113. Here is a letter sent to the purser, "Ovalau": "If Wilson can satisfy you that he was a member of the Foresters before he joined the company's service he need not join our society, but if he cannot do this enrol him forthwith.—13th August, 1895." Does that correctly represent the position of the company?—No; it does not represent their actions.

114. Here is another, to the chief officer, "Ohau": "Cannot admit O. Johnson to the society, as he is a financial member of the Druids." Is your answer to that the same?—Most decidedly.

115. Here is another: "To Purser, 'Talune.'—If Pimley satisfies you that he is a financial member of the Hibernians we do not wish him to join the society.—7th March, 1896." Is your answer to that the same?—Exactly the same.

116. Well, your answer is that this is the company's view given to the public of the position they assume in regard to this matter, but their actions towards the men are entirely different?—Yes; entirely different. I have recently had a case of one of our members who was sick, and the same doctor tendered a certificate both to my court and to the Union Company's benefit society in reference to his sickness. That, I think, will be most conclusive proof that the company was bound to know the man was a member of both societies.

117. What, in your view, was the object in creating this private benefit society?—Well, my opinion is that the Union Company have come to see their way to benefit by it, either financially or by having greater control over the men. I can see no other object.

JESSE HAYMES was examined on oath.

118. *The Chairman.*] You are an officer of a friendly society?—I am minute secretary at the present time of the Ivanhoe Lodge of Druids.

119. How long have you been a Druid?—Nearly seventeen years.

120. Can you tell us whether, in your personal knowledge, there has been a loss to your society through the creation of private benefit societies?—Well, I cannot say for certain that we have lost members, or that members left our lodge through being members of a private benefit society, but I know this: We had considerably more members who were seamen a short time back to what we have at the present time. I suppose there must be some ten or twelve members who have left our lodge.

121. You cannot give us the reason?—No.

122. To your knowledge, are any of these men in the service of the Union Steamship Company at the present time?—I cannot say.

123. Is there a general feeling amongst the friendly societies, so far as you know, of dislike to private benefit societies, on the ground that they take members away?—I can certainly say, so far as my own lodge is concerned, that we are entirely opposed to private benefit societies.

124. On what grounds?—On the grounds—that is, so far as the Union Company's benefit society is concerned—that members are compelled to join the institution, and have not the full control of the funds.

125. You consider that the advantage which a private benefit society offers to the men is an unfair advantage?—Yes.

126. That is, owing to friendly societies being hampered with rules and restrictions which do not apply to private benefit societies?—Exactly.

127. *Mr. Fisher.*] What are you by trade?—I am a carter.

128. *Hon. Major Steward.*] You stated there were two reasons why the members of your lodge generally objected to private benefit societies, not particularly the Union Company's benefit society, which I suppose is the largest in Dunedin. I will take these two reasons, and would like to question you a little further about them. You say the first objection is on account of members being compelled to join. Will you kindly explain what form of compulsion you believe to be used?—A very important reason to them, and why they are compelled to join, is this: The Union Company, according to the rules of the benefit society as first published, which I have read—I do not know what amendments have been made—gives preference of employment to those who belong to the benefit society over those who do not join.

129. In the rules, as they stand at present, it is provided that any man who is a financial member of any outside friendly society need not join the Union Company's benefit society. You are aware of that?—Yes.

130. You are still under the impression that there is compulsion?—Yes.

131. I would like you to explain yourself—namely, as to how that compulsion is exercised?—So far as compulsion is concerned, it is clearly shown, I think, in their rules that a member of their own society, of course, comes under the thumb, as it were, of the Union Company, and consequently, if there is a man out of employment belonging to their benefit society, and another man belonging to a friendly society, the man who belongs to their own particular society will be engaged prior to those who do not belong. That is my view.

132. Have you any evidence that you can give us as to the actual fact? Do you know of instances where that has occurred?—I am not acquainted with any in their service, so I cannot give you any information as to the actual facts. It is my impression.

133. You cannot give us instances in proof?—No; I have not been connected with the Union Company in any way whatever.

134. Then, the next objection you take is to the men not having full control of the funds belonging to the benefit society?—Yes.

135. You know the constitution of their governing body?—I have read in the rules how it is set up.

136. The rules have not been altered in that respect. There is a committee of twelve, of whom six are elected by the men and six are nominated by the Union Company, with a thirteenth member, who is appointed by the company. I think that is the position?—Yes.

137. And you consider that the committee so constituted does not give to the contributing members the control they ought to have?—I consider it does not.

138. Will you tell us why?—Simply because the Union Company have a larger voting-power than the men.

139. Then, you think, in the case of a difficulty that might arise, the Union Company possess the controlling-power?—Probably they might.

140. That is your ground of objection?—Yes.

141. *The Chairman.*] Is it within your knowledge that any member of your lodge has continued to pay his subscription, and at the same time joined the Union Company's benefit society?—Yes; there are two members of my lodge who are contributing members to the Union Company's benefit society at the present time. I am sure of two; possibly there are more.

142. *Hon. Major Steward.*] I should like to ask you whether your order, as an order, in Dunedin objects to the existence of these private societies merely because they are private societies, or is it for reasons connected with the security of the men who contribute to such societies as contrasted with that of those who contribute to the regular friendly societies? Would you object to the existence of the private societies provided there were proper safeguards provided by legislation?—I do not think my society would have any objection to a proper friendly society, always providing it was controlled by the members belonging to the society.

143. *Mr. Fisher.*] Which means registration?—Yes, of course; or members having the control of the society in their own hands.

144. *Hon. Major Steward.*] Then, you think, if these societies are to exist, they should be regulated by law?—Yes.

145. *Mr. Fisher.*] What, in your opinion, is the reason for establishing these private benefit societies?—Well, I do not know much about private benefit societies, of course, not being connected

with them. I take it that the various companies who form these societies have, no doubt, a very generous feeling towards their employés, and they start these societies possibly for the benefit of the latter; at the same time, they are always looking after their own interests, in my opinion—I mean the companies who form these societies.

146. And, of these two, which do you think is the predominating idea in the mind of the company?—I am rather inclined to think that their own interests predominate.

147. You say the existence of the Union Company's private benefit society has taken some members from your order?—I could not say it has taken them away, but I know there were more seamen members of my lodge before the Union Company's society started than there are at the present time.

148. Do you know of instances in which men have not joined your lodge because of the existence of the Union Company's benefit society?—No; I could not say.

149. *The Chairman.*] Do you believe it is for the benefit of workmen that private benefit societies should be established—I am not speaking of the Union Company—in which the employer has the controlling interest in return for his subsidy?—I do not think it is beneficial to the workmen at all.

150. *Mr. Fisher.*] You think registration would abolish all complaints on the part of the men?—Yes; because it would alter the constitution of the society as to the controlling-power.

151. *Hon. Major Steward.*] In the case where an employer contributes a portion of the funds, should or should not that employer have a representation in proportion to the amount that he contributes?—Well, I consider that if an employer contributes towards the funds of a society he does it of his own free-will, and I really do not think he should ask for representation if he is contributing out of generosity towards the men in his employ.

152. You think he should, then, be prepared to trust his employés to administer the fund?—I do.

153. If he keeps the controlling-power himself you begin to doubt his philanthropy?—I do certainly doubt it.

GEORGE THOMAS SCOONES was examined on oath.

154. *The Chairman.*] You are an officer of a friendly society?—I am a member and past officer of the Loyal Dunedin Lodge, I.O.O.F., M.U.

155. How long have you been an Oddfellow?—About sixteen or seventeen years.

156. Can you tell us from your own personal knowledge of any man who, having been an Oddfellow, has relinquished his lodge on purpose to join a private benefit society?—Do you mean in my lodge?

157. As an Oddfellow, whether in your lodge or another. Do you know of any man having left his lodge to join a private benefit society?—Well, I can truthfully say I have no knowledge of any such thing.

158. Have you heard anything about such a thing having occurred, or any grumbling in the friendly societies as to their members having been taken away by private benefit societies?—I want to tell the truth, and I cannot say that I have, except perhaps the man in the street. I have certainly never heard of it in the lodge.

159. Was your lodge a member of that dispensary here?—Yes; I was its delegate.

160. Do you remember the friendly societies objecting to a private benefit society joining that dispensary?—Yes; there was no private benefit society affiliated to it, because it would be against the rules.

161. *Mr. McLean*, in his evidence, said the Union Company's society was affiliated: was he wrong?—He was under a misapprehension of the fact. I was on the board at the time, and should know.

162. There was some understanding?—Yes; they wrote to the board asking on what terms the board would supply them with medicine, and, I believe, asking to be allowed to join, but I cannot say. Certainly it would have been against the rules, because every society must be registered before it is affiliated. The answer sent back was that we would supply them with medicine—at least, to the end of the year—on receipt of their payment to capital of 5s. per member. I do not think there was any premium paid. They were to pay this sum as a deposit, and they were to get medicine at the same rates as our members.

163. That was the only connection?—Yes; as a matter of fact, they lifted their capital when they withdrew, and we cannot do that. If our society were to withdraw we would have to leave our capital behind. This 5s. per member was like a guarantee of good faith.

164. Have you any idea as to the advantage or disadvantage of a friendly society being registered? What do you conceive to be the benefits that a registered society has over a private benefit society, if any?—I think a registered society would have a benefit at law supposing the secretary or treasurer were defaulters.

165. From the machinery provided by the Friendly Societies Act?—Yes. To tell you candidly, I have heard of secretaries being defaulters, and it has been said you cannot get at them because the society was not registered. I am speaking in a general way; I am not a secretary, nor have I any intimate knowledge of such matters.

166. *Mr. Fisher.*] Is there any feeling of antagonism between the registered societies and the unregistered?—Am I to speak for my own society?

167. As you please?—My own lodge has maintained an indifference to the whole question. In fact, when I was delegate to the dispensary, and this discussion was at its most bitter point, my lodge left the matter entirely in the hands of its delegates. They treated it as a commercial transaction; they did not care if the Union Company withdrew or were allowed to stop.

168. Your lodge stood aloof; but there was a bitter feeling on the part of other friendly societies, not in your lodge?—Not in the Manchester Unity. I cannot speak for societies I am not

connected with; but in the discussions, if some of the delegates voiced the sentiment of their societies, there must have been a very bitter feeling. If some of the societies were as keen as their delegates, there was a bitter feeling, but that was not my experience, so far as my own lodge was concerned.

169. What is your experience and opinion? Is it that private benefit societies should be registered or unregistered? This is a crucial point: what do you think of it?—Well, all our Manchester Unity societies are registered, and we consider ourselves really the best of the friendly societies, and we consider it absolutely necessary to be registered. We pretend to lead the van, or the Manchester Unity does, in friendly society matters.

170. Let us get to the point. Is it your opinion that private benefit societies would be better registered or unregistered?—I do not care about expressing my personal opinions. I will give you facts, as much as you like.

171. Do you think it better, in your opinion, that these private benefit societies should be registered or not: surely you have an opinion on that point?—Well, since it is the universal thing for all solid friendly societies to be registered, I think it would be better to register them. I would like to see all benefit societies registered, seeing that the live ones are.

JOHN WALLACE DUNCAN was examined on oath.

172. *The Chairman.*] What are you?—I am a steward, late on the s.s. "Manapouri."

173. What is it you would like to tell us?—It was only to tell you that I have been a member of the Union Company's benefit society since the latter part of 1892, and that no pressure was brought to bear upon me to join it. I am quite satisfied with the representatives of the men.

174. Do you belong to any other society?—No.

175. We had a lot of evidence of that pressure?—I know other men in the Union Company's employ who do not belong to the society. It never made any difference in our department.

176. *Mr. Fisher.*] You have no complaint to make of any kind whatever?—No. I have not heard of any one in our department being forced to join.

177. *Hon. Major Steward.*] Did you ever know of any man being refused employment because he was not a member?—No.

178. Did you ever know of a case of a vacancy where two men presented themselves, one being previously a member of the benefit society and the other a member of a friendly society?—I do not know that. I have seen where a number of us were idle at the same time and a non-society man got the preference. I have known of those cases. There are no less than three; they may belong to an outside society, but they do not belong to ours.

179. Those men may have been members of a friendly society?—Yes.

180. You know the rules insist they shall be one or the other?—Yes. In the cases I am talking about one of the men, I think, does not belong to any society; but I know three of them are employed to-day by the Union Company, and they are not in the benefit society.

181. *Mr. Fisher.*] You know of no compulsion having been used to induce or compel men to join the benefit society?—No; not that I can speak of.

182. You know nothing of compulsion, you say. What do you think of this clause in the recent agreement between the Seamen's Union and the Union Steamship Company, where it states, "that after the 30th September next it shall not be compulsory on any member in the fleet to join." If you take the natural deduction from that, what does it mean?—It means it has been compulsory. At the same time, no one ever asked me to join. I joined the society of my own free-will.

183. *Hon. Major Steward.*] You are not aware of any instance where compulsion was used?—No.

184. *Mr. Fisher.*] I am only calling your attention to the rules of the benefit society and to this most recent agreement between the Union Steamship Company and the Seamen's Union. Therefore, when you say you know of no influence or compulsion having been brought to bear at all, you are merely speaking of your personal experience?—Yes.

185. You do not speak against these rules and this agreement?—No; I only speak of what has come within my own experience.

JAMES GLEN was examined on oath.

186. *The Chairman.*] What are you?—I am a cook, late of the s.s. "Brunner."

187. What is your age?—Fifty-three years.

188. How long have you been in the Union Company's service?—About ten or eleven years.

189. How long have you been in the benefit society?—Since it started.

190. Are you still in the Union Company's employ?—Yes; I left the "Brunner" six weeks ago.

191. Have you left the service?—No; my name is on the books for a job.

192. Can you tell us anything about this society?—It has been beneficial to me in a good many ways. I am getting up in years now, and I sometimes require to go off work.

193. During the time you are off you get assistance from the society?—I get £1 a week and the doctor as well.

194. I understood that was when you are ill?—Yes; I get nothing when out of work.

195. But supposing you are out of work for a long time, and are not able to keep up your subscriptions?—Well, that has occurred before, and they suspend me for three months, and I do not make any payments at all.

196. *Hon. Major Steward.*] Then, you can pay up the arrears and go on again?—Well, if you are three months off you have no arrears. If you are not three months I expect you have to pay up.

197. *Mr. Fisher.*] You are a member of the benefit society?—Yes.

198. And fifty-three years of age?—Yes.

199. And at present out of employment?—Yes.

200. Do you think the fact of belonging to the society gives you any priority of claim for employment as soon as a vacancy occurs?—No, I do not think so. I will get my chance the same as anybody else. There might be a vacancy where a younger man would be preferred.

201. I suppose you look upon the Union Company as your ultimate employment?—Yes; there is nothing else for me.

JABEZ HARMER was examined on oath.

202. *The Chairman.*] What is your business?—I am a butcher, late of the s.s. "Talune."

203. How long have you been in the benefit society?—Since 1893.

204. You think it would be better if it were registered?—Yes; although I have nothing to say about it. I was ill for five weeks, and got my benefit from the society.

205. What was the cause of your illness?—I poisoned my finger on the "Wakatipu."

206. You received a benefit from the society, but nothing from the Union Company?—I left the ship, and went on to the benefit society.

207. Your wages have been paid over?—No; as soon as I got better I joined another ship.

208. *Mr. Fisher.*] What is your opinion of the Bill introduced by the Government dealing with private benefit societies, if you understand its contents?—My opinion is that the benefit society would be better registered.

THOMAS ROBERTSON was examined on oath.

209. *The Chairman.*] What are you?—I am a baker, late of the s.s. "Talune."

209A. How long have you been in the Union Company's service?—Between fourteen and fifteen years.

210. How long have you been in the benefit society?—I never was in the society.

211. What friendly society do you belong to?—None whatever.

212. Were you ever asked to join?—Yes; but it was always a matter of neglect on my part that I did not join. It did not deprive me of my employment.

213. There seems to be some neglect on the part of the officers, because the rules say every man must belong either to the benefit society or to some friendly society?—I understand that.

214. How was it you were able to avoid the rules?—I do not know; I was always kept in employment.

215. There is some exceptional reason, because we have evidence that if men did not belong to a friendly society they must join the benefit society?—I understand that. It has always been owing to my own neglect that I am not in the society, and it would have been far better for me.

216. How old are you?—Thirty-four years.

217. Tell us your reason for not joining?—My own neglect.

218. You say you recognise it is a good thing?—Yes; and I think I should have been in it long ago. But it has never deprived me of work in my department.

219. I should like you to be very careful, because you must remember that Mr. Kirby has sworn that membership is absolutely compulsory in a case like yours?—I know it was compulsory, but perhaps they wanted a baker, and I was the only one knocking about, and they would take me. I am an old hand in the company.

GEORGE HILL was examined on oath.

220. *The Chairman.*] What is your business?—I am a butcher, late on the s.s. "Manapouri."

221. How long have you been in the Union Company's service?—Five years.

222. How long in the benefit society?—Eight months.

223. Do you belong to any other friendly society?—No.

224. What have you to tell us?—I think the society is right enough as it is. I have been in other friendly societies a few years ago, before I joined the Union Company, and that is my idea of it. I was in the Oddfellows. I ran out of them a few years ago in Melbourne. I think this society works just as well as I have seen the Oddfellows work. My idea of it is that it is just good enough. We get just as much; in fact, we get a little more, because if we are ashore for a couple of months we get that idle time thrown in to us when we go back. We do not have to pay any money for it. Of course, you do not get that concession in a friendly society.

225. Did we send for you?—I requested to be examined.

226. *Hon. Major Steward.*] Is there any suggestion you wish to make as to improving the society or its constitution in any way?—I do not think it could be improved in any way, so far as I can see.

227. You know it is an unregistered society?—Yes.

228. Do you or do you not think it would be an advantage to have it registered?—I think it would be as well as it is.

229. Why?—Because I think it works well enough as it is. We work it ourselves; we have the option as to what men we will put on the committee. Perhaps if the society were registered we would not have that power.

230. Why; if the rules were registered, would not that be the same thing?—If the rules were registered as at present existing.

231. Are you out of employment now?—I am waiting for a ship. I may be away in a day or two.

232. You have requested us to hear you: did anybody ask you to come?—No; some of them ran away with the idea of its being compulsory; but before I joined I got a job as soon as I do now.

233. You say it was not compulsory?—I was never compelled to join.

234. The rules state you must?—Not with me.

235. Not even if Mr. Kirby swore that they do?—Not with me.

236. *Mr. Fisher.*] This new agreement with the Seamen's Union applies to all?—Yes.

237. What is the inference from that?—I do not know, I am sure. I was asked once or twice if I was in any society, and I said "No." I was never forced into it, and told if I did not join I would have to leave my ship, or anything like that.

FRIDAY, 28TH MAY, 1897.

The Chairman intimated that he had received an opinion from Mr. J. F. M. Fraser, solicitor, of Dunedin, in reference to the legal status of an unregistered benefit society, which he desired to read, as follows:—

OPINION.

I am instructed by Mr. Tregear to advise as to the effect of non-registration on a mutual benefit society, and generally as to the legal status of a member of the Union Steamship Company (Limited) Mutual Benefit Society.

The effect of non-registration of a society in the nature of a friendly society is governed by the rules and objects of such unregistered society, and it "is difficult to define and determine the exact status and position of an unregistered friendly society." A society such as the Union Steamship Company's Mutual Benefit Society unregistered appears to me to stand on the footing of a club or voluntary society. I have read Mr. Sim's written opinion on the points submitted to him. As a series of abstract propositions of law he is, in my opinion, correct in his views; but if his opinion is applied to the society in question, and to its rules, the many disadvantages of membership in this society become, in my opinion, very apparent.

Before referring to several of Mr. Sim's points, allow me to emphasize the controlling influence the company exercises over the society, and in doing so I do not suggest that the company is in the habit of exercising its full powers. I merely point out what it might do if the necessity for extreme action, in the opinion of the directorate, arose.

The governing body of the society is the committee. This consists of six members who are nominated by the company, six members who are elected by the men, and the thirteenth member is the managing director of the company. I apprehend that, if the company deems it necessary to control the appointment of six members of committee, the company would also take due precautions to nominate members whose interests would be more or less identical with the interests of the company; and I also assume that, if any crucial question arose wherein the interests of the majority of members conflicted with the interests of the company, the six nominated members would probably be, perhaps unconsciously, biassed in favour of the company's view. If the six elected members took the opposite view, the decision would rest in the hands of the managing director of the company. As all questions brought before the committee are decided by a majority of votes, it is therefore possible for the managing director of the company to control the committee, and so control the society, and, within certain limits, the allocation of the funds of the society—the limit in the case of a vote out of the benevolent fund being the amount lying at the bank to the credit of that fund.

The power of the company on the committee is to be gathered from Rules 23, 24, and 33. It nominates the treasurer (Rule 34). Its chairman and managing director are the two trustees (Rule 45). It has the power to veto any amendment of the rules (Rule 22); and it can further veto any attempt to dissolve the society and distribute the funds (Rule 77); and the directors, officers of vessels, and members of the company's staff on shore are eligible as honorary members (Rule 11). These honorary members have no beneficial interest in the funds of the society; yet these honorary members are given a vote on questions affecting the funds of the society (Rule 4). This is surely a most unusual and inequitable provision. If honorary members have no beneficial interest in the funds of the society they should certainly not be given any power to vote. The reason why this power should not be given to honorary members is perfectly obvious.

I notice that the rules make no provision for preventing a transference of liability from the company to the society. The only reference to this subject is to be found in the preface. The passage runs, "Benefits granted under the rules of the society shall not in any way relieve the company from its legal liability." I am unable to explain this sentence. I suppose, if a seaman has to be left behind sick by any of the company's vessels, he would get his £1 a week from the society; or, if killed by accident, caused by the actionable negligence of the company's officers, what is there to prevent the legal personal representative getting a substantial grant out of the benevolent fund of the society?

Mr. Sim did not feel called upon to explain, as one result of the non-registration of this society, that, owing to its want of definite status, its members are deprived of the cheap and expeditious methods of settling disputes provided by the Friendly Societies Acts, and are relegated to the ordinary legal methods and remedies. I may add that the cost of obtaining such redress as Mr. Sim refers to would be, in the case of the ordinary member, quite prohibitive. Moreover, the committee could utilise the society's funds, and drag a suitor from Court to Court at the society's expense.

The position of a member of an unregistered society such as this is as follows:—

The terms of the contract of membership are to be found in the rules of the society, and when a member joins he cannot escape the application of the rules unless he can show that there has been a breach of the rules, or that he has not been dealt with *bond fide*. "The plaintiff has made the law for himself in this case by becoming a member, and thereby submitting to the rules, and he must be bound by them. The case is governed by a written agreement to which the plaintiff has given his consent, and I base my decision on the clear written contract between the parties."

In this connection note the importance of the matter of "voluntary membership" as against membership "under pressure.")

There being no appeal within the union against any decision of expulsion, any member who is expelled and feels aggrieved must apply to the Supreme Court by way of motion for an injunction to restrain the committee from excluding him from membership; or commence an action in the ordinary way, and ask the Court for a declaration that the attempted act of expulsion is null and void, and for an injunction. The cost of this would be about £25 in the first instance, and the litigation might start in the Supreme Court and reach the Privy Council *via* the Appeal Court, and cost the plaintiff, say, £200, before he could get a final decision.

Also note that the rules do not provide for the giving of any notice to a member of a charge made against him, or the holding of any inquiry. This, however, would be required by the Courts, and is a condition precedent to any finding by the committee under Rule 10.

Surrender Values.—Rule 7 is the only rule dealing with surrender values, and it is vague in the extreme, whereas the rules should have been most explicit on this very important point. The passage in the rule referred to runs thus: "Shall not be entitled to any refund of payment unless . . . in which case they shall be entitled to the surrender value of their contributions." There is no machinery provided by the rules for arriving at the surrender value. If the committee chooses to leave matters as they stand in the rules, and provides no table, I am unable to advise that any member could recover his surrender value. On the other hand, assuming that the committee has the right to fix a table, the committee could fix it at any figure from, say, $\frac{1}{4}$ d. in the pound upwards. I am informed that there is in existence a table. This could be cancelled at any time.

It would be a most difficult matter to successfully invoke the influence of the Courts in this matter as there is no expressed basis of calculation. The above point is of the highest importance to members, and I cannot understand why it should be handled in such vague and general terms.

27th May, 1897.

JOHN F. M. FRASER.

JAMES NESS was reheard.

1. *The Chairman.*] You wish to add something to your evidence?—Yes; there are a few points I have noticed in the recent evidence.

2. I hear from Mr. Gray you have some other evidence to call in regard to friendly societies; but, really, we must make an end to this phase of the inquiry, or it will be interminable?—My only reason for asking is that yesterday the Commission heard several secretaries of friendly societies, who were, apparently, quite antagonistic to the Union Company's benefit society. I think it is only fair that we should have the privilege of bringing forward other men, who hold very prominent positions, to confute some of the statements brought forward yesterday, although I must say these same men brought forward no evidence bearing upon our society.

The Chairman: You will notice I was very careful in asking each witness to say of their own personal knowledge how many men had left their societies, and they said one or two.

Witness: Well, if you would simply call one—Mr. Asher—I would be satisfied. I do not think he would detain you long.

The Chairman: Mr. Kirby has been here with another witness, and it may drag on for ever.

Mr. Fisher: The only point is this: Mr. Ness bases his request on the ground that the Union Company should have the privilege or right to produce evidence contrary to that of yesterday; and I am afraid, if the Union Company or its representatives put forward a request of that kind and we decline, it will be fairly open to them afterwards to say they wished to tender evidence which the Commissioners refused to receive.

Hon. Major Steward: We will take all evidence tendered; at the same time, I think Mr. Ness will see we wish to get on to the other societies in Dunedin, and that it will be very inexpedient to sandwich in evidence relating to the Biscuit Company's society and others with evidence in reference to the Union Company's benefit society. The better way will be to let Mr. Ness call this man, and bring him at once.

Witness: I will ring him up and ask him to come.

3. *The Chairman.*] Will you mention the points you desire to lay before us?—I see by my former evidence I was made to say that about two hundred and fifty of the Union Company's men were members of other societies. That is not correct. What I intended to convey was that about two hundred and fifty did not belong to our society. Only between eighty and ninety, out of a total of eleven hundred, are members of other societies.

Mr. Fisher: I made that point quite clear for my own information through Mr. Kirby.

Witness: I would like, again, to deny Colman's written statement, which was brought up by Mr. Belcher, I think, in reference to being forced to join the society. I remember Colman's case quite well, in which he mentioned he was a member of another society, and also in the Australian Mutual Provident Society.

The Chairman: I think Colman, in his evidence, said that he joined just because he thought he might as well belong to both. He said it was only paying a few more shillings a week to get more benefits.

Witness: I can assure you we never had the slightest intention of forcing this man into the society. It was the other way about. I was always strong in impressing upon the secretary and Mr. Kirby, "Whatever you do, do not take these men in if you can avoid it; always refuse them." Although at least forty or fifty of our permanent shore hands at Port Chalmers were asked to join the society about four years ago, only seventeen did so, the rest being members of other societies.

The Chairman: We had evidence from shore employés of the company as to membership never having been compulsory.

Witness: Yes; I want to point out that these men are still working. It never made the slightest difference to them; the same permanent hands are employed in the same old way. To show the liberal spirit of the Union Company towards men injured in the service, I may mention that at Port Chalmers at the present day we have at least nine such men for whom employment has been found. They have been working at Port Chalmers for periods extending over fourteen or fifteen years. These are men injured more or less in the service of the company, who had no actual claim on the company, but who have had little jobs found for them. These men are employed in various directions—as sailmakers, upholsterers, one is a watchman, one potters about the ships laid up, keeping them clean, and so forth. I just want to show we are not so bad as we are made out to be. With the exception of McCann, not one of these nine men are members of the benefit society. In addition to these nine, there is the case of a man, George Smith, I think, a sailor of the "Wakatipu," who lost his leg through an accident on board. He has been given light employment, and is now watchman on the wharf at Wellington. In yesterday's evidence I read that Mr. Higgins stated that the society is not on a sound financial basis. I may say that before our rules were finally adopted the Government Registrar of Friendly Societies approved them and fixed the rates of contributions.

4. *The Chairman.*] You say he approved of your rules: do you mean they were officially submitted to him?—In a semi-official way. I think he was asked in a semi-official way for his opinion. Of course, he would not lay down the law to us.

The Chairman: I feel sure Mr. Mason would deny having given such an opinion.

5. *Mr. Fisher.*] Are you sure Mr. Mason advised on the rules?—They were sent up to Wellington, and I am almost sure it was Mr. Mason. It might prove interesting to know how many registered societies have been approved by an actuary, although the order of which Mr. Higgins is Grand Master is one of the few societies whose contributions and benefits are looked upon by actuaries as financially sound. The Registrar, I understand, does not fix the rates of contributions to the various societies; it is done by the members themselves. In reference to the statement about the man Cardno in yesterday's evidence—I forget who brought it forward—Cardno

made an application to the Union Company to be registered for a job on the 4th December, 1895. In January, 1896, he was appointed as assistant-baker for the Sounds trip. At the conclusion of that trip—it was only a temporary job—he was reported upon as being not quite fit for the job. He was appointed on the 8th April, 1896, as baker on the “Waihora,” and discharged on the 29th July, 1896, and reported upon by the chief steward as not suitable. That may possibly be some reply to the witness’s evidence yesterday. Mr. Williams also states that members of the Foresters had been compelled to join the Union Company’s benefit society. That, of course, I again deny. With reference to members of committee not being contributing members, there are only the marine superintendent and myself who are in that position; and it has always been my intention to join, but I have simply put the matter off from time to time for no reason whatever. I shall probably join, and that will only leave the marine superintendent as a non-member. All the other members of the committee are contributing members of the society, dealing with their own funds. With reference to our benefits being about on a par with other societies, it might be well to point out that at the time of the “Wairarapa” disaster the committee voted no less a sum than £280 from the benevolent fund to alleviate distress amongst some of the survivors. This was in addition to sick-pay resulting from exposure at that time. I do not think any friendly society in New Zealand could have done such a thing from their benevolent fund. That was principally owing to the donation given by the Union Company at the initiation of the society. The Union Company gave £500, and out of that sum £250 was allocated to the benevolent fund at once. Mr. Haymes also stated that ten or twelve seamen had left his society since the start of the Union Company’s society. Granting this to be correct, it must be remembered that, after the conclusion of the late unfortunate strike, many of our men found their positions filled by others, and they probably drifted into other spheres of usefulness. They probably left the colony; but, if Mr. Haymes can supply the names of those ten or twelve men, the Union Company will, no doubt, be able to trace their whereabouts, and see if they were members of the benefit society. Mr. Morrison stated that an unregistered society had no guarantee of solvency such as a registered society had. I might ask what guarantee any society has. In my opinion, the Union Company’s benefit society has a stronger financial position than many of the registered societies—than the Druids, for instance, of which Mr. Morrison is a prominent member.

GEORGE LEYON ASHER was examined on oath.

6. *The Chairman.*] Are you an officer of a friendly society?—Yes; I have been secretary of the Foresters continuously for about twenty-four years. I have been connected with them for about thirty-two years.

7. Are you connected in any way with the Union Company?—In no shape or form.

8. You saw the evidence brought yesterday by some members of friendly societies: do you wish to say something on the subject?—My experience, as an officer of the society at Port Chalmers, is that the establishment of the Union Company’s society has been a benefit to us there. It has caused men to join us voluntarily whom we would otherwise not have got. We have not lost a single member through the Union Company’s society being established.

9. *Mr. Fisher.*] What are you by trade?—I am shipping clerk of the New Zealand Shipping Company now, in charge of their office at Port Chalmers.

10. *The Chairman.*] Can you give us any idea why these men joined your society, instead of joining another society?—This was just about the time that the Union Company’s society was talked about, and there was an impression that the employés would be compelled to join the benefit society if not already members of a friendly society, and several of the employés joined us straight away in preference.

11. That being the case, it was an impression amongst these men that to join a properly registered society was of greater advantage than belonging to an unregistered society?—I do not know whether that was it exactly, so much as that they did not care for the element of being compelled to join. I think that was more in their minds at the time; that was just when the society was being inaugurated by the Union Company. I may say that, of our members at Port Chalmers, I think some twenty-three are in the employ of the Union Company. I do not know whether any of them are members of the Union Company’s benefit society or not. I have no means of knowing.

12. *Mr. Fisher.*] But you know it is a condition of employment in their service that if a man is not a member of an outside friendly society he must become a member of the benefit society?—I know there is such a condition in their rules. Before their society was established I saw a printer’s proof of a draft copy of the rules. I was asked by the Union Company, as a member of a registered friendly society, if I had any objection to going through them and making suggestions. I did so, and I know some of my suggestions were acted upon. I believe they asked others as well, but I did not know who they were, and I never troubled. I went through a draft copy of the rules.

13. That does not matter now, for we have a legal opinion which determines the validity or non-validity of the rules of the benefit society?—Yes; I notice a legal opinion was given the other day, and that another one is to be put in to-day. I was just going to say, probably every lawyer in Dunedin will give a different opinion. I should think the opinion to be relied upon would be the opinion given by a Judge of the Supreme Court, or something of that kind. I would not place much value upon a solicitor’s opinion.

14. *The Chairman.*] Is there anything more you would like to say?—Only that my own society at Port Chalmers is quite indifferent whether the Union Company’s society is registered or not. We had the matter before us by circular some time ago. We did not care what they did, as we found they did not affect us in any way—the society is rather to our benefit—and we were quite content to let matters go on as they were.

15. *Mr. Fisher.*] That is not the question?—That was the question put to us.

16. The question is whether, for the protection of its members, the Union Company's benefit society should be registered. What do you say to that?—I do not see that it matters a great deal whether it is registered, except that perhaps there are some small matters which could be dealt with in a simpler way if the society were registered than if it were unregistered. Little things might occur that could be settled in the Magistrate's Court if the society were registered, and which they might be compelled, by being an unregistered society, to take into the Supreme Court.

17. Am I to infer that it would be a matter of perfect indifference to you whether the Foresters were registered or not?—Personally, I place little or no value on registration.

18. Even in the case of the Foresters?—I am speaking now as a member of the Foresters.

RODERICK McNEIL was examined on oath.

19. *The Chairman.*] What is your business?—I am a sailor on the s.s. "Hawea."

20. How long have you been in the Union Company's service?—About fourteen or fifteen years.

21. How long have you been in the benefit society?—I have never been in it.

22. Will you kindly tell us what you have to say?—When I came over here from Sydney I did belong to the Foresters, but I was unfinancial, and Mr. Kirby told me to join the Foresters afresh. I did join the Foresters afresh. That is all I have to say.

CHARLES GRACE was examined on oath.

23. *The Chairman.*] What is your business?—I am foreman of McLeod Brothers' soap- and candle-works.

24. How long have you been in their service?—Ten or twelve years.

25. You have a benefit society connected with the firm?—We have.

26. Have you a copy of the rules with you?—I have. [Exhibit 12.]

27. Are they in manuscript or printed?—They are written; but we have a printed copy in a frame, for the information of the workmen.

28. How long has this society been in existence?—About nine years.

29. Has there been any grumbling on the part of the men at having to join the society?—Not a single word that I am aware of, and I firmly believe there has not been a single word. I may tell you that the whole concern is in the men's hands. It is entirely optional with them; the affair is carried on by the men entirely. There is a secretary and a committee, and there is nothing for me to trouble about. At the end of the year the funds accumulate to, say, £30, and the men, if they think fit, divide that sum, less perhaps £8 or £10 as a reserve fund. They do exactly as they like.

30. That has been done?—Every year. If there is £1, well and good; if 10s., well and good; the amount is divided, with 5 per cent. interest, which is added to the accumulated funds.

31. By whom?—By the firm. The firm really has nothing to do with the society but in name.

32. Is there any subsidy?—Oh, yes; but beyond that the firm do not interfere with the society. I might name men who do not choose to join it because they are paid their wages if they are laid up, while other men are not. I refer to the clerks and storemen. If they lose time their wages are paid, because it is not usual to stop their wages, and therefore they do not see the fun of joining the benefit society. For that reason they do not join.

33. But, as regards the operatives in the works, they have to join?—There is no such thing as having to join in the place. I have never seen the rules before.

34. A man would not be dismissed if he refused to join?—Certainly not; there is no such thing in that place as discharging men.

35. What is the use of having rules if they are not carried out?—Well, there may be something in that; but they are carried out fairly, so far as I know.

36. Suppose there are sixty men in the works, and the rules say they are all to join: if twenty are allowed to remain outside the funds are not so strong, nor is the society so strong?—That may be so, but the rules are never enforced.

37. *Hon. Major Steward.*] Are there any men except clerks who have refused to join?—No one. I will tell you of an instance of a man withdrawing from the society. He said, "I might be laid up more or less, and I would not like to be a burden on your funds," and he withdrew. We did not bother him, and he is still employed by the firm.

38. Practically, nothing follows on non-compliance with the rules?—Nothing whatever; it is entirely in the men's hands. The management of the works know nothing about this matter. I do not suppose they ever trouble. It is carried on by the men quietly and smoothly, until the time comes for the annual division. Then the secretary—one of our workmen—goes to the managing director, and says, "The men have decided to divide so much money as a bonus; are you agreeable?" The answer, during the time the society has been in existence, has always been, "Oh, yes; quite agreeable."

39. It is in the nature of a temporary society from year to year?—It is more like a savings-bank among the men. They were paying in £1 6s., and they divided £1 each as a bonus, with 5 per cent. interest added; so you see it is more like a savings-bank.

40. They get a subsidy also?—The subsidy is in case of an emergency; we have that to fall back on.

41. What is done with that subsidy?—It remains at interest.

42. It is paid in every year?—I suppose so; it is booked every year.

43. How do you divide the surplus?—The firm takes half as a bonus. We take £30 and the firm takes £30. I do not doubt for a moment, if the money were wanted, the firm would not put a finger to it.

44. The fund is terminable, ending every year?—Not quite so.

45. Except as to a small balance; but as that balance is always carried forward you practically close the accounts every year?—I do not think so. There is always a sum to be carried forward to commence the year with.

46. I understand that; but if there were £8 from last year, and the same sum next year, and the year after, leaving that floating sum in abeyance, the accounts are practically terminated yearly?—Yes.

47. Then, as your fund consists of the subscriptions of the men, *plus* the subsidy of the firm, after deducting from that the amounts paid out in the way of sick-allowances, you arrive at a certain balance?—That is so.

48. Then, of that balance you carry forward a fixed amount as a nucleus for next year's funds, and you divide the remainder?—That is so.

49. You divide it in two moieties, one going to the firm and the other moiety being divided amongst the men *pro rata*?—That is it exactly.

50. You are perfectly sure there is no attempt at control on the part of the firm?—I can swear to that, and the other men will back me up in that.

51. *Mr. Fisher.*] Is it entirely a misconception of the position to say that men are not required to join the society, or that men in the employ can withdraw from the society if they please?—I do not think so; it is a fact, nevertheless.

52. Read your first rule?—I notice that; but it is nevertheless a fact what I state to you. The men can do what they think about it. We have proof of it; men have not joined, and no man has ever been discharged. They can be in the society or out of it.

53. I will put this to you: Is it the practice of the firm to have the men's contributions to the society deducted from their wages every month by the cashier?—That is so.

54. Well, there is nothing voluntary about that?—They can join the society or stop out of it.

55. If they are not members their money is not deducted?—That is so; we have proof of it. We have men in the place who are not members of the society.

56. If that is so, then this rule is entirely nugatory?—Yes; I do not think it is in force. It cannot be in force; but, as I tell you, I have not read these rules, although they have been up for nine years. Everything goes on so quietly; there is the usual monthly meeting, and any one attends. The secretary has to account to the cashier for all moneys taken out. He reads over the balance to the satisfaction of those who choose to be present. If the employés are satisfied the firm is satisfied.

57. However little the interest the firm may take in respect to the affairs of the society themselves, the deduction is made by the cashier?—That is so.

58. *Hon. Major Steward.*] In respect to the men who are members, but not in respect to the men who are not?—Yes.

59. *Mr. Fisher.*] What are the names of the men who do not contribute to the society?—There is Tinnock, storeman; Sunderland, clerk; Hampstead, clerk in the office; Jamieson, the firm's secretary; and there is Macfarlane, a labourer working about the factory. The latter is the man I referred to who wished to withdraw so as not to be a burden on the funds.

60. These five men are mostly clerks, except the storeman and labourer?—I explained why they are not in the society. These men are usually paid when they are off sick; their salaries are not interfered with. But, in the case of Macfarlane, if he is laid up his wages are stopped, and that makes all the difference.

61. Why was the society established?—It is called the mutual benefit society, by which the men assist each other in sickness, and the firm supports it by paying one-half the revenue.

62. I suppose it is useless to ask you if it is any part of the articles of McLeod Brothers' Association to establish a society of this sort?—I do not know. My part of the business is manager of the works, not of the office.

63. *The Chairman.*] Does this society offer better inducements to the men than any ordinary society, such as the Foresters or Druids?—As they get money out again every year, it is a greater inducement, although I may tell you for a fact that the greater number belong to outside societies, such as the Foresters, Temperance, and Oddfellows. I think I may safely say that the majority of them belong to friendly societies independently of our society.

64. Do you belong to any registered society besides?—I do not.

65. To this one only?—It is not for a matter of money that I am in it. If I were ill my salary would go on. It is simply a matter of sociability. I have been laid up, but I have not taken one penny out of the funds.

66. *Mr. Fisher.*] The majority of the men belong to outside friendly societies, but all, except the five in the factory, belong to this private benefit society?—Yes. I am not sure. There may be some more, but these I know of.

67. Can you offer any reason why these men, who belong to outside friendly societies, are compelled—it is compulsory under the rules—to belong to this society?—The rule ought to be smashed up. They are not compelled, as the men will tell you. That rule was made nine years ago.

68. Still, as you say, the deduction is made at the pay-table by the cashier?—Some one must take it. It is easier to take their contributions there than for each man to go to the secretary with his 3d. or 6d. every week.

69. *The Chairman.*] In spite of the Truck Act?—I do not think we bother about the Truck Act.

70. *Hon. Major Steward.*] You say distinctly that, notwithstanding the existence of Rule 1, any person who objected to this amount being deducted could have his wages paid in full, as no man is obliged to be a member of the society?—That is so; nothing is more free in Dunedin either in regard to joining or leaving that society.

71. Then, would it be well to alter Rule 1?—I do not think any one will bother about it, unless you gentlemen do.

72. *The Chairman.*] We are only getting evidence in regard to these societies; we do not alter rules?—I do not think anybody will trouble about altering them, then.

73. *Hon. Major Steward.*] The only thing to be remarked is that you produce a rule which says one thing and your evidence says another?—That is so.

ROBERT MCCONNELL was examined on oath.

74. *The Chairman.*] You are an employé of McLeod Brothers' firm?—Yes.

74A. What is your position?—I am carter at the present time.

74B. How long have you been in the firm's employment?—I think, altogether, about four years, but I have not been carting all that time.

75. You belong to this benefit society?—Yes; I pay into it.

76. How do you pay into the society? Is the amount deducted each week, or do you pay it yourself?—The firm deduct the amount to save the men the bother of having to get change.

77. The amount is 3d. per week?—Yes; and it is deducted by the mutual consent of the men, to save the trouble of change.

78. There is a rule to the effect that all employés of the firm must belong to this society?—No. There may be a rule to that effect, but it is not carried out, because there are two men in the factory who do not belong to the society.

79. I will read the first rule, which is as follows: "Every man and boy employed by the firm to be contributors to the funds of the society to the amount of 3d. per week each man and 1d. per week each first-class boy and $\frac{1}{2}$ d. per week each second-class boy." You see each man and boy employed by the firm has to be a member, although you say that rule has not been carried out?—I know for a fact, because there are two men I know specially who do not pay into the society; and I was told by the secretary twelve months ago that, seeing I had so much to meet—I belong to the Sons of Temperance—if I chose I could draw back out of this society. I said, "No; surely I can manage to pay 3d. per week, and if I do not get any benefit somebody will."

80. *Hon. Major Steward.*] Have you seen any fresh men join the service of the firm during the time you have been employed?—Yes; I have seen men taken on.

81. I notice the following appears at the end of the rules: "The foregoing rules having been passed and adopted at a general meeting held on the 25th July, 1888, we, the undersigned, agree to be bound by the conditions expressed therein." Do you know, as a matter of practice, if new hands are asked to sign the rules?—I do not know of any man who has ever been asked to join the society. I know of one man who heard us talking about the society, and he asked if he could not get into it. We said "Yes," and told him to go to the proper officers, and I think he got into the society.

82. As a matter of fact, are all the employés in the society?—I told you there are two in the factory who I know are not in it.

83. *Mr. Fisher.*] What are the names of the two?—Sutherland, a carter; and Mr. Tinnock.

84. *Hon. Major Steward.*] You heard the first rule read by the Chairman. Can you state, of your own knowledge—you mention two exceptions—whether, with those exceptions, that rule is enforced, or whether membership is purely optional?—I cannot say it is enforced, because I know of those who are not in the society, and I had a chance of withdrawing from it.

85. Could any member go out of it?—Yes, I think so, because the firm have no benefit out of the society. We get a dividend out of it. I have had £1 from it, and once 10s., and another time 5s.

86. How do you arrive at the dividends?—There is a statement usually presented to the men, but I very rarely attend the meetings, as I am on the cart, and have no time. The men have the whole control of the thing, and I have never been at a meeting where I saw any representative of the firm there.

87. You know, as a matter of fact, how they divide the fund?—Well, at the meeting one of the men will propose that there be £1 dividend, and then we find the funds will not run £1, so some one else moves that the dividend be 10s. I understand, if we get 10s., the firm get 10s. too. They get 1s. for 1s., because they pay the same contributions. But the money is in our control, to do what we like with. I think the society is very good myself, and I am very much in favour of it.

88. *The Chairman.*] There is no rule that applies as to age?—Nothing that I ever heard of.

89. Would old men be taken into the society just the same as young men?—Yes. We had one old man who was pretty sick, and we got no bonus that year because of the demands made by him on the sick funds.

90. *Mr. Fisher.*] Would you please give us your own view as to why this society was brought into existence?—Well, as far as I can understand, these boys are in the factory, and the society has been a great help to them, because they do not draw a very great wage, and when laid up on account of sickness it would become very hard on their people to keep these boys were it not for the society. It has been a great help to them; and, as the society terminates once a year, they also get a bonus out of it.

91. Would not the men get equal advantages out of outside friendly societies?—You see, I am in an outside benefit society. I get doctor and medicine and £1 per week out of my benefit society; and I get 15s. a week from this society.

92. If you desired to join two societies, why could you not as well have joined another outside society?—I could not join an outside society for 3d. per week; 1s. per week is the very least, and if I wanted to join another society I would have to pay 1s. 2d. per week.

93. These rules are stuck up in the factory?—There is a copy in the shop, on the walls, but I could not say if they are an exact copy of the rules.

94. *Hon. Major Steward.*] I think you said one reason why you preferred to be a member of this society as against joining an ordinary friendly society was that you get a refund at the end of the year?—Yes; and that I could not afford to join another society.

95. *Mr. Fisher.*] Is there any rule relating to a division of the funds at the end of each year?—It says so in the copy of the rules; there has always been a dividend every year since I have been employed there.

96. You are a member of the society, and surely ought to know?—I have been satisfied with the thing.

97. I want to know if there is a rule relating to the periodical division of the funds?—Not having read the rules, I cannot say. I do not know. I am satisfied with the society, and I think I am voicing the opinions of the men, who all look upon it favourably.

JOHN WILLIAM MILNES was examined on oath.

98. *The Chairman.*] What is your profession?—I am manager of the Phoenix Company (Limited).

99. You have been in the Phoenix Company some time?—Two years.

100. You have, I believe, a benefit society attached to the firm?—We have.

101. Have you a copy of the rules?—Yes. [Exhibit 13.]

102. Speaking generally does this society of yours work successfully?—Yes, quite so.

103. The men do not feel the compulsory clause at all?—I have never heard any objection to it. There has been no objection on the part of any one in the employ at the present time. I think there have at different times been certain cases in which new beginners did not pay, but there is nothing of the kind existing at the present time. There may have been something of the kind at one time, but not now. Some little girl or two did not like to pay the 2d. per week. It may help to give you an idea of the general result if I present this abstract of what the society has done since it commenced. [Exhibit 14.] You will see I have extended the contributions of the employés up to February of this year.

104. *Hon. Major Steward.*] What is the total number of members?—I cannot say. It is the same as the number of employés in the factory, and varies between ninety and a hundred and twenty; it averages about a hundred members.

105. Now, in connection with Rule 5 and Rule 27, which seem to be more stringent, which require every employé to be a member, I just wish to ask one question: Suppose a member, after he has joined the society, refuses to continue his payments—I see that the wages are paid in full, and that the contributions are not deducted—what would follow? Would he be discharged?—I have never been called upon to consider that question seriously.

106. I put the question because the rules seem to me to mean that a law without a penalty is no law?—The rule governs the society; it does not govern the management of the company.

107. I want to get at the force of the rule. If the rule is simply made by the society, and it is optional or otherwise with the employers to enforce it, then the rule ceases to be a rule—it is simply a voluntary agreement. The rule says, "All employés shall be obliged to join." I want to know the extent of that obligation. Would the company go the length of saying, "It is a condition of our employment, and if you do not like that condition you are not obliged to stay here"?—I cannot say.

108. Has any case occurred?—No; no case has occurred in which an employé has been discharged for not belonging to the society, so far as I know. Neither has there been a case in which an employé has persistently refused to join the society, nor has there been a case where the management of the company have had to say, "You shall have to join."

109. *Mr. Fisher.*] Is this not the case: that under these rules such a question cannot arise?—Oh, no; I would not say that.

110. Well, look at Rule 5 and Rule 27: such a question cannot arise as to a man having any option?—According to the constitution of the society, apparently he must join.

111. *Hon. Major Steward.*] I want to get at the case of a man who has joined the society and been in for a year, and who discontinues paying his contributions: the money is not deducted from his wages; what, then, follows?—I am not going to say what will happen. I have never been called upon to judge during my experience as manager of the factory. I cannot say what engagements were entered into between the company and the employés at the time the society was formed. I do not know if the then manager said, "If you do not join the society I will discharge you." The point has never cropped up in my time.

112. You are manager of the company, and you do not know?—The rules do not govern me. I should do as I thought fit under the circumstances. Probably I should look at it from this point of view: that the society is a club of good-fellowship amongst the employés themselves.

113. I am not objecting to the society?—It is a certain club of good-fellowship and common interest amongst the employés themselves, and if any employé persistently refused to join the society, and that were represented to me, I should perhaps feel that the employé, whoever he was, was not making himself cordial with his fellow-employés, and not entering into the *esprit de corps* of the concern, and if it came to a decision as to which of two men should be kept on if times were slack the one who refused to join the society might be the one to suffer. I do not say that would happen.

114. I see by Rule 14 that provision is made for non-benefit members, who can become officers; that is, I suppose, members of committee?—Yes.

115. Suppose they were not members of committee, and there was a considerable number of these non-benefit members, would they be allowed to vote at the ordinary meetings of the society the same as benefit members?—I imagine they would.

116. *Mr. Fisher.*] Where are the non-benefit members to come from?—From the official staff—the clerical staff—although there is no one but myself.

117. *Hon. Major Steward.*] They are not of sufficient number, I presume, to outnumber the working staff?—No.

118. The whole of the office put together would not counteract the others?—No; there are not half-dozen.

119. There is one other rule—Rule 29—which says, “No division of any part of the funds of the society shall be made until such time as the funds amounts to £100. Then it goes on to say, “In the event of a division being made, the reserve shall amount to not less than £100.” That would seem to be not quite explicit. There would appear to be nothing to divide up to £100, because £100 must be retained?—There must be a reserve of £100.

120. It is thought advisable to have this reserve?—Yes.

121. Has there been such a division yet?—No; you have the record there.

122. *The Chairman.*] Are many of your people members of friendly societies as well as this one?—I have no idea.

123. It has never been brought to your notice?—No; I do not know whether one is a member of a friendly society.

124. Are you one yourself?—No.

125. Are you an honorary member of this society?—Yes; it is merely owing to my position in the company that I am its president.

126. Would you not draw sick-pay?—I am not entitled to it; I am not a member. Even if the office staff paid 2d. per week they would not be entitled to sick-pay.

127. Does the company, to your knowledge, exercise any control over the committee in the way of expressing wishes, or take any active part in the management of the society?—During my acquaintance with the society the company, as a company, has taken no part whatever, except the interest I have taken myself.

128. It pays this subsidy, and leaves the society to the men to manage?—Yes. I have not looked up the minutes at the time the society was started to see what authority was given to the then manager.

129. Is there any clause in the company's articles of association relating to the formation of a benefit society?—I do not know; I have not looked to see.

130. You cannot say why the benefit society was instituted?—No. I think in all factories working as we do it is found hard to stop a man's wages when he is off work through sickness and accident, and I think the company would find it a relief to continue the man's pay on a lower scale. It provides that a man could not be destitute while out of work.

131. Then, supposing the firm had a very poor workman injured in their service, they would probably have had in the old times, either from good feeling or from public feeling, to see that their workmen did not starve or die from want of medical attendance, and they would probably have had to pay for that workman?—I think all humane people in that position would act in that way.

132. Now they find it is better to form societies, which, at all events, partially help to pay for it?—I would not exactly put it in that way. I have experienced this difficulty myself. I have managed similar manufacturing businesses before, and I have often found it exceedingly difficult to know what to do in cases of this kind, and where to stop; and I find this society is a great relief to me in that respect.

133. How are the contributions taken or received from the people in the employ of the company?—The treasurer, who is one of the employés, collects the contributions.

134. Does he go round and collect from the foremen?—All hands in each department pay to the foremen, and the treasurer collects from the foremen. I do not go into details, but so far as I know that is the way.

135. Who pays the wages?—The office pays the wages.

136. And does each man receive his money from the office?—Every one; the wages of each man is handed to him in a sealed envelope as he leaves the office, and subscriptions are usually not paid in until the day after. We pay on Friday, and I think the subscriptions of the men to the society are paid on Saturday or Monday.

137. And the foreman of each department collects from the men?—I think so. There are a good many about the place, and the treasurer sees that they are paid in.

138. The offices are purely voluntary?—Yes; entirely so.

139. Do you see any objection to this society being registered under the provisions of the Friendly Societies Act?—I do not know sufficient about the legislation relating to friendly societies to say if it would be any advantage to be registered. But if it were registered, and correspondence with the Registrar of Friendly Societies had to be carried on under the pains and penalties of an Act, I think it would be very much more difficult to find officers to undertake the duties without payment. At the present time they take them in turn without any loss to the society, and it is a good training to the men themselves. If brought under an Act, I think we should have to have a paid secretary, which would be a disadvantage to the society. There has been nearly 20 per cent. more sick benefit paid than has been received in contributions from the employés.

140. Of course, the employers have an offset to their contributions in that they are relieved from special aid?—I do not know of the reasons of others. I know that was found to be a great relief by me. I know I found it to be a very difficult thing to avoid acting either unfairly to the employer or unkindly to the employé.

141. *Hon. Major Steward.*] There is no exception in these rules of those who may be secured against sickness and for a death-allowance in a friendly society?—The question has never cropped up.

142. I suppose the reason why you make membership of your society universal is owing to the small amount of the subscription, and that it is necessary the whole of the employés should join to get sufficient funds?—Yes. In a society of that kind, which is as good as any man can belong to, it is a good investment. None grudge the contribution so far as I know.

143. *Mr. Fisher.*] Is every contributor to the society furnished with a copy of the rules?—Yes; they are given a copy when they begin to pay their contributions.

CHARLES JAMES THOM was examined on oath.

144. *The Chairman.*] What is your profession?—I am a confectioner, in the employ of the Phoenix Company.

145. How long have you been in that employment?—About ten years.

146. Do you remember the formation of the benefit society?—Yes.

147. So far as you know, are the men agreeable to the conditions of the society?—The majority of them, especially the married men; the younger ones do not seem to care for it.

148. Do the sick benefits apply to members' wives and children, so far as obtaining medicine is concerned?—No.

149. And the funeral benefits extend to members only?—Yes.

150. You say you think the younger people object to it?—I do not say object altogether; they do not care whether there is a society or not.

151. The subscription is very small?—Yes; 1d.

152. They grumble at having to pay 1d. towards the sick fund?—They would sooner spend it in cigarettes.

153. *Mr. Fisher.*] But there is a little of this feeling amongst the younger men—that they do not care to contribute to the “sport of others,” as they would call it?—Yes.

154. *The Chairman.*] I could understand that feeling better in another society which we have been investigating, because there the wives and children also received relief in the way of medicine, and so on, and no doubt a single man would object to pay for not only a married man but for his family also; but in the case of your society there is no difference at all between a married and single man?—If a married man was also in a friendly society he would receive two benefits—one from the factory society and one from the friendly society.

155. But he would have to pay for both?—Only 4d. a week for the factory society.

156. Are you a member of a friendly society?—I belong to the Oddfellows.

157. Have you in your mind made any comparison between the values of the two societies as regards their standing, benefits, or security?—I have never made a comparison. I am quite satisfied with the one. I did not care for the factory society; I did not think it was necessary.

158. Would you feel it more safe if it were registered like the Oddfellows?—In my opinion, I do not think registration is necessary.

159. *Mr. Fisher.*] You would be quite satisfied to belong to the Oddfellows only. Is any question put to you when you go into the employ of the company as to whether you will join the benefit society in the factory or not?—No question whatever.

160. You are put on the list, and you contribute right off?—I have never heard any objection to it. They just mention they will have to contribute so much to the society.

161. If a man enters the employ of the company, I take it that the first he knows of the society is when he is called upon for his contribution by the foreman?—Yes.

162. *Hon. Major Steward.*] Are any rules posted up in the factory?—No; a book of rules is issued to each member.

163. Is the membership of persons under age accepted in the Oddfellows?—Eighteen years of age is the limit.

164. Therefore, any employé in your factory who is under eighteen years of age, but for the existence of the factory society, could not insure himself against sickness?—Not in the Oddfellows; there is a provision in our lodge that members' families by contributing so much can obtain benefits.

165. But the sons of Oddfellows cannot join?—No.

166. And those under age in your society whose parents do not belong to the Oddfellows do find this society a benefit?—Yes.

167. The allowance you get as an Oddfellow in case of sickness is £1 per week?—Yes.

168. And your contribution to the Oddfellows at your age would be how much?—1s. per week.

169. And you are entitled to draw from the factory society 15s. per week?—I draw £1 per week.

170. Your contribution to obtain that is 4d. a week?—Yes.

171. So that you get the same benefit for one-third the contribution?—Yes.

172. The difference, I suppose, being made up by the subsidy of the company?—Yes.

173. *Mr. Fisher.*] This benefit society being so much more advantageous in point of contribution than the other, would it not be worth your while to resign from the Oddfellows?—No; because I do not receive any medical attendance or medicine from the factory society.

174. Then, as a benefit society, it exists on really an insolvent basis?—Yes.

175. *Hon. Major Steward.*] How do you mean that it exists on an insolvent basis?—It only exists so long as there are funds in hand.

176. It has been in existence three years?—Yes.

177. And has paid its way?—So far.

178. And has a balance in hand of £45?—Yes.

179. *Mr. Fisher.*] I understand this to be your position: that you are a member of the Oddfellows order, and that you are quite content with belonging to that order, but that you must,

under Rule 5 and Rule 27 of the society, join that society whether you please or not?—I would not exactly say that. A majority of the members wished the society to be formed, and I fell in without any compulsion whatever. They did not compel me to join; I am an old employé of the company.

180. But Rule 5 says it is compulsory to join, and Rule 27 says all people in the employ of the company must belong to the society?—That is quite right; of course, it is compulsory membership.

181. I take it that is the position?—Yes.

ROBERT GEORGE COOK was examined on oath.

182. *The Chairman.*] You are employed in the Phoenix Company?—Yes.

183. How long have you been in their service?—Ever since the company has been in existence—about ten years.

184. Have you been in this benefit society since it was started?—Yes.

185. You know, perhaps, that two of the rules make membership of the society a condition of employment in the Phoenix Company; have you heard any grumbling amongst the employés at having to pay this money?—No. There was a slight murmur when the society was begun, but a ballot was taken amongst all employés over twenty-one, and I think there were only three blackballs.

186. About how many were in the company's service at that time?—At that meeting there were something like thirty over twenty-one years of age.

187. We were told by the manager that there were about a hundred people working for the company, so that thirty people passed a resolution which bound the young people as well as themselves?—Yes; that is how it was done.

188. Did that cause the grumbling?—No. The suggestion in the first place was thrown out by the then manager, and he gave us one or two rules as a guide, and all the older hands—all over twenty-one—were asked to meet to decide whether a society should be formed. We decided to take a ballot, and there were three blackballs. That was all the dissent I ever knew of.

189. Could you tell us approximately how the sexes are divided in your society? Are the majority women?—No; the majority are male members.

190. Do you remember any employé leaving the service of the company and wishing to take away the contributions he had paid into the society, but who had to leave behind any money he had paid in?—Yes, I remember one, and he was the person who had blackballed the society. He said there should be some rule that any member not drawing any relief for some time—after two or three years—should be entitled to a surrender value of the contributions he had paid in. He is away from the firm just now.

191. Have you had any funerals?—One—a lad.

192. Of course, as the employés of the firm become older, you will have more funerals: do you think, therefore, that the contributions you are paying now will be able to bear the burial-expenses and sick-expenses of the future?—We have only had one reverse since we started. At the end of one six months we were £4 over the contributions.

193. Including the employer's contributions?—I think so. We have gained in all the other periods. One six months all the contributions were in; there had been no sickness at all.

194. *Mr. Fisher.*] In the case of sickness you receive no medical advice or attendance?—No.

195. *The Chairman.*] Do you belong to any other society?—To the Oddfellows.

196. Do most of the men belong to friendly societies besides this society?—There are four in the factory besides myself who belong to my lodge.

197. Do you think, if you had quite a free hand, seeing that you belong to a friendly society already, you would like to belong to this one?—Yes.

198. To your thinking, it is a thoroughly good thing?—Yes; it has proved very beneficial to some who have drawn upon it.

199. And it is no very great strain on those who do not get anything from it?—No; the contribution only ranges from 1d. to 4d. per week.

200. Is it your opinion that the company does exercise any pressure directly or indirectly on the management of the society?—No; only, as you see by the rules, they will not let us do what we like with the funds. Of course, the manager is our president, but there is nothing to cause any member to be afraid to say what he wants to say at the meetings. The society is worked amongst the men entirely.

201. Now, suppose it was your lot to have to work for somebody who did not manage the affairs of his workmen in such a kind-hearted way as this firm does, do you not think that a society of this sort, with its compulsory membership, could be made an instrument of oppression?—Yes; that could be the case with any one who liked to exercise their power over the men. Our rules are laid down there, and everything is worked just on the rules.

202. *Mr. Fisher.*] Suppose you left the employ of the company, and you enter the employ of another firm where no such benefit society existed, would you take with you a copy of these rules and advocate the establishment of such a society in that new firm?—Well, if I was disposed to have a society I would like to see these rules used.

203. That is not an answer. Would you, if no such society was in existence in your new employ, take these rules and advocate that such a society should be established?—No; I do not think I would be the means of starting another society when I am in one. In fact, I am in it now, and subscribe to it because it might make other people not in the society join.

204. *Hon. Major Steward.*] If such a thing were possible as that you should be the father of all the employés, would you, in their interest, seek the formation of such a society with such rules?—Yes.

205. Because it is to the benefit of employes who are not members of any other society?—Yes.

206. *Mr. Fisher.*] Being a member of the Oddfellows and a member of this benefit society, I take it, if you had to retire from one or the other, you would retire from the Oddfellows?—No; decidedly not.

DUNEDIN, MONDAY, 31ST MAY, 1897.

ALFRED HENRY BRIDGER was examined on oath.

1. *The Chairman.*] What are you by profession?—I am a warehouseman, and general manager of Sargood, Son, and Ewen's boot-factory.

2. There is, I believe, a private benefit society in connection with the works?—Yes; but the firm have no connection with it whatever.

3. Do they grant any subsidy?—No; they have nothing whatever to do with it. It is only called "Sargood's Benefit Society." If you read through these rules [Exhibit 15] you will see how it is carried on.

4. Can you give us any idea of the financial position of the society during these years from 1887 to 1897?—Well, you can hardly take it from that aspect, from the fact that the funds are divided every year.

5. You can state, perhaps, how much they have had to divide each year?—That, of course, all depends on the amount of sickness. For instance, one year there was an epidemic of influenza, and there was very little to divide at the end of that year. In other years, when there has been but little sickness, there has been a better dividend to each member. With the exception of £10, they do not carry anything forward.

6. *Hon. Major Steward.*] The funds have always been strong enough to meet all disbursements?—Oh, yes.

7. In regard to Rule 3: this appears to be an affair got up by the men quite independent of the employers?—Yes; the origin of it was really to stop subscription-lists.

8. I understand the employers have nothing whatever to do with it?—Nothing whatever.

9. How is Rule 3 enforced?—It is only the men's own method of doing it. They simply agreed amongst themselves to do this.

10. There is no penalty?—None whatever.

11. It does not involve their being dismissed?—Oh, dear, no.

12. Notwithstanding the rule, it is not compulsory?—No; but the men feel that they are in honour bound to pay their subscriptions and to belong to the society.

13. As a matter of fact, how many ever objected?—Only a few.

14. Are they still in the employ?—I could not say; that was some time ago. The matter was put before a meeting some five years ago, as to whether the society should proceed, and it was unanimously carried in the affirmative. There were only three votes against it.

15. Out of how many?—Out of a matter of three hundred employes.

16. Have those three persons continued in the employ of the firm?—The employment does not affect them in any way. It is simply a matter of convenience amongst themselves.

17. Any employe could refuse to join if he chose?—Certainly; it is only a question of his own honour in the matter.

18. Under Rule 12 there are apparently two trustees, and they are mentioned by name. Now, I presume these trustees are not elected for all time, but from time to time?—They are elected for all time as a matter of convenience, because there is no money involved. It is an honorary matter, and they are continued so long as they continue in the positions they hold. The committee is only elected from year to year.

19. *Mr. Fisher.*] Are they employers?—No; they are employes. Mr. Bone is sub-manager of the factory, and Mr. George is one of the employes. They are simply appointed by name as a matter of convenience. The society is controlled by the committee of seven.

20. How did the society originate?—As I said, to prevent subscription-lists, which were so numerous. When anybody fell sick it was always a case of sending the hat round.

21. Suppose all the members of the society were to say, "We do not want it any longer; we want to dissolve it"?—It would be dissolved; or a majority can dissolve it. The members simply control the society amongst themselves.

22. How are the contributions paid?—Well, we collect the subscriptions for them at their own request, to save the men any further trouble, when they are paid.

23. What is the method? Do they receive their wages less the contributions?—Yes.

24. Then, they are not paid their wages in full?—In full, in this way: It is done for their own convenience. The money is sent down in a lump-sum, and it is simply a question of going to their fund straight away.

25. Is this a fact: that a man, upon entering your employ, knows, as a matter of course, that he receives his wages less his contribution to the society?—Exactly. It is simply understood to be a matter of convenience.

26. *Hon. Major Steward.*] In the event of a man who did not wish to join the society entering your employ I suppose the cashier would pay him his wages in full?—Certainly; there is no compulsion anywhere.

27. Now, in the event of legislation being introduced by which all these societies—of course, these societies are under different rules—could be recognised, and supposing that it were possible for you to register with these rules and obtain legal recognition for them, would you see any objection to registration? It would probably only involve an annual report from the society to the Registrar of Friendly Societies setting forth a few details as to the number of members, the amount of contribution, and the amount to be divided, and so on. Is there any reason why the society should not be so

recognised and registered?—Well, it is one of those things to which I have not devoted very much thought, because it has been a purely voluntary affair. For instance, would registration put a stop to their philanthropic idea of assisting a member even outside of their particular rules?

Hon. Major Steward : Not that I can see.

Witness : Well, if it is simply registering these rules as they are, and putting the society on practically the same footing as at present, I do not see why registration should affect it, unless there is something I cannot see at present.

Hon. Major Steward : It is probable, I think, that any such measure would only enable registration of societies the rules of which came within certain prescribed limits, as I suppose yours would, and would not allow of the registration of societies in which there was an objectionable compulsory element.

Witness : This society of ours has operated so far beneficially for the men, and the thing has worked very smoothly, so that unless registration were going to assist the society I do not see how it can help it.

Hon. Major Steward : It might not assist your society, but, while recognising societies such as yours without interfering with them, it would interfere with societies that were objectionable.

Witness : I see; and bring them under a proper basis. I do not think registration would affect our society, which was started from philanthropic motives.

28. *Hon. Major Steward*.] The only trouble you would be put to would be to make a declaration?—Yes. The only point I am in doubt about is as to whether we would have to subscribe to certain rules set forth by the Registrar. I have no objection to registration personally, if it is going to do the society no harm.

29. *The Chairman*.] I suppose there might be as much as £100 in the hands of the trustees at the end of the year?—Possibly there might.

29A. Suppose a defalcation was to occur, how would you proceed at present to recover the money?—As you see, there is no provision; it is a matter of faith and honour.

30. I see you have both a burial fund and a sort of surrender value under the present rules?—Yes; that is looked upon as fair. It is looked upon as a matter of equity that anybody leaving the society should receive back a certain portion of what he has paid in—not the full value, but what would probably be his dividend at the end of the year.

JAMES FREDERICK ARNOLD was examined on oath.

31. *The Chairman*.] What is your business?—I am a boot-clicker in the employ of Sargood, Son, and Ewen.

32. Have you been long in that company's service?—For fifteen years.

33. All the time in New Zealand?—Yes; in Dunedin.

34. Do you remember the start of this benefit society?—Yes.

35. Was it formed with the unanimous consent of the men?—Yes; I believe it was formed with the unanimous consent of the employés.

36. Had all the employés a voice in it?—Yes.

37. Have you heard any grumbling or objection to the society since?—Not to any extent. At the first two annual meetings complaints were made with regard to one of the rules.

38. Which one?—The rule making membership compulsory. Upon the first occasion an amendment was proposed that the membership should not be compulsory, and the matter was put to a vote of all present at the meeting. It was decided by a large majority to leave the rule as at present. Upon the second occasion it was decided to take a ballot during working-hours, so that everybody should vote. The amendment upon that occasion was slightly different—it was that members of other benefit societies should be exempt. That also was lost by a very large majority. I tried to get the number who voted, but I find that the secretary has not kept them.

39. *Hon. Major Steward*.] Do you recollect whether the dissentients were only three in number?—I do not remember. I have asked several, but could not ascertain.

40. *The Chairman*.] Are you a member of any other society?—Yes; I belong to the Oddfellows.

41. Do you know of any cases where the compulsory membership of this benefit society has compelled men to leave their lodges?—No.

42. They continue their subscriptions to both?—Yes.

43. *Hon. Major Steward*.] You see the word "shall" is used in Rule 3: is that the only compulsory rule?—Yes.

44. What would be the result of non-compliance on the part of an employé who refused to contribute?—The result, of course, would be that he would lose his employment.

45. How would that happen? Would the society report him to the employers, and would the employers thereupon dismiss him?—Well, of course, there has not been such a case as far as I am aware. When an employé enters the service he is supplied with a copy of the rules.

46. By whom?—By the secretary of the society, who also is clerk for the firm.

47. Do you mean pay-clerk for the firm?—Yes.

48. What does he do?—He supplies every person employed with a copy of the rules, and any new employé does not become a member until he has been in the employment for a fortnight.

49. And the men are paid weekly?—Yes.

50. Then, according to the rules, the first deduction should not take place until the end of the first two weeks?—That is so.

51. Suppose any employé objects to his contribution being deducted, and says, "I want my wages in full," would his wages be paid in full, and the man thereupon dismissed, or would the deduction be enforced?—I could not say. I presume he would lose his employment. I have never heard of a case, and since being aware that I was to give evidence here I asked the secretary the question, and he said there has never been such a case.

52. How do you know that the employers, who have nothing to do with the society in any way, would enforce Rule 3 to the extent of dismissing a man, as you say they would? Upon what grounds do you form the opinion?—Well, of course, the firm practically has nothing to do with the management, which is in the hands of the members, who also elect their own officers. Nevertheless, from the commencement the society was formed with the consent of the firm. The first meeting was called with their consent, and the manager of the factory has been chairman of the society from the commencement. Practically, it is with the consent of the firm that these rules are in existence.

53. What is the meaning of that consent? Surely the employés of any firm could meet at any place in exercise of their rights as citizens?—Certainly. As a matter of fact, the majority of the meetings of the society are held off the premises.

54. Why was the consent of the firm required by the men to form a society of their own? Was it because the men wanted to get the assistance of the firm to make membership compulsory, and to make all employés comply?—Yes. The society originated, so far as I can remember, in consequence of what I might term the more thrifty employés complaining about subscription-lists coming through the factory. These subscription-lists were in consequence of men who never joined any friendly societies, or cared to provide for a rainy day, becoming ill, and then members of friendly societies and others who tried to provide for themselves were asked almost weekly to subscribe their 2s. or 2s. 6d. Of course, the men complained, and suggested that a society such as this should be formed to prevent subscription-lists, inasmuch as it would compel the unthrifty to provide for themselves. These complaints, then, so far as I remember, were communicated to the head of the firm, Mr. Bone, and he consented to a meeting being called. I would not like to say, but I have no doubt that the first notices were written by the management for the men, and put up in various parts of the factory. I do not think the firm were ever asked to give their consent. This simply came about in a sort of mutual way amongst the employés.

55. What I want to get at exactly is this element of compulsion. You say a man who does not join the society would lose his employment. I presume the co-operation, as it were, of the firm was indirectly sought, as you wanted to insure all employés coming under this rule, and therefore you wanted an element of compulsion. I want to know the extent to which the firm holds itself bound to enforce Rule 3 of the society: upon what grounds do you assume or believe that a man would lose his employment? Have you had any such statement from the firm, or from any one representing the firm?—No one has made such a statement.

56. *Mr. Fisher.*] Nevertheless, the feeling exists in the minds of the men?—Yes; it is believed to be so.

57. The fact of the manager being your leading officer, and taking an active part, gives colour to the belief that he would enforce the rule?—Yes.

58. *The Chairman.*] Have you had any case in which this surrender value has been paid?—Yes; numbers of them.

59. What is your opinion on the question of the society being registered? Supposing legislation were introduced which would enable your society to be registered just as it stands, would you have any objection to it?—Certainly not. My own opinion is that if legislation is passed which will enable societies such as this to exist all other societies and their rules should be registered and brought under the supervision of the Government.

60. *Hon. Major Steward.*] In such a case official recognition of such a society would prove to all employés and the general public that it was framed on proper lines?—Yes.

61. A society not within proper lines would not be allowed to exist?—Yes.

62. Supposing there should be an accumulation of funds at any time, does it not occur to you that there would be the further advantage that your society would be known at law, and would be capable of protecting its interests in these funds much more readily than it can now?—Yes. Of course, our society, as you will notice, divides annually. I think any society such as this which accumulates its funds is objectionable, and also any society that provides rules whereby an employé on leaving the service can continue to be a member of the society.

63. How many members are there in your society?—Two hundred and sixty-one.

64. Suppose there were a firm with a society like this attached to it with a thousand members; in such a case there might be £500 instead of £100 lying at credit, and you know that defalcations are possible amongst all classes of societies. Do you not think there would be considerable temptation in connection with a fund of that kind, and that it would be more secure for members were the society registered?—Yes; and I would even go further than that. I think the time will come when the Government will have to compel societies—not societies such as this—to have all their books audited by an authorised Government auditor.

65. *The Chairman.*] I do not see any provision in the rules as to the auditing of these accounts?—They are audited annually by two employés, who are elected by members.

66. *Hon. Major Steward.*] Where is the money kept?—Under the rules it is banked, in the names of Messrs. Bone and the secretary, in the Savings-bank.

67. Is the account operated upon by cheques in the name of these two?—Yes.

68. Is the money put on fixed deposit for any term?—No.

69. *The Chairman.*] Does your society pay for a doctor?—No; there is only the one benefit.

70. It does not affect the wife and family of any employé?—No; practically it is not antagonistic in any way to an ordinary benefit society.

71. In fact, it is almost necessary for a married man to join this society as well as a friendly society?—Certainly; a benefit of 15s. per week is not sufficient in any way.

72. Do you not think that the consent of the firm might also be influenced by the cessation of subscription-lists, owing to sickness of their employés being brought to them as well as to the employés?—I do not think so. Of course, so far as the manager is concerned, he might have the same feelings as ourselves, but he is one of us practically. I do not think they would go to the head

of the firm with a subscription-list because a man was out of work or suffering from sickness or from an accident. I have a statement here [Exhibit 16] showing the amount of contributions received each year, the expenditure, and the amount divided.

JAMES WARREN PARKINSON was examined on oath.

73. *The Chairman.*] What is your profession?—I am in the warehouse department of the Roslyn Woollen Mills.

74. Have you been long in that service?—Between sixteen and seventeen years.

75. You have a benefit society connected with the works?—Yes.

76. You are the secretary of that society?—Yes; I was one of the promoters of the society, and Mr. Ovens, who has been called to give evidence here, is the other promoter.

77. Have you a copy of the rules?—Yes [Exhibit 17].

78. In your opinion, has the society and its work been satisfactory?—Having had eighteen years' experience in the working of it, I have not the slightest hesitation in saying that it has been successful from beginning to end.

79. Have you brought any statement as to how the funds have worked out, and as to the amount distributed?—You can take a general idea from the last balance-sheet [Exhibit 18]. The society is only in existence for twelve months, and works out at the end of every year; and between the 24th December and the 4th January there is no society. The society is dead and buried at the end of each year.

80. What happens if a member dies on the 25th December?—He would not get his burial-fund.

81. In spite of having paid in for the year?—The dividend has been paid, and the society wound up. Of course, assistance could be given, but it would have to be done by a general vote at a special meeting called for the purpose. We have 364 members, and the amount to be divided at the end of the year has to be apportioned amongst three classes, so to speak. Of course, you cannot exactly divide it to a fraction, so there is always a small balance to carry forward in the event of the society being carried on. In the event of the members deciding not to carry on the society I do not know what would happen to this balance; it would be handed over to some charity perhaps. But it is a very small sum.

82. I presume these two gentlemen who sign are appointed auditors?—Yes. They are members of committee, and, in addition, each member of the committee is bound to audit the accounts at the same time, although they are only signed on behalf of the committee by the two.

83. I notice there is a bonus on behalf of the firm: is that given each year?—There has always been a bonus given by the firm, but they have increased it during the last few years. It was not always as much as £50.

84. *Hon. Major Steward.*] How many members are there in the society, and how many employés in the mills?—I went through my books on Saturday after receiving the summons, and I find there are 364 contributing members.

85. And there is the same number of employés?—Yes.

86. The amount divided was £176: that, I suppose, would not be divided *per capita*, but in proportion to their contributions?—Yes; in proportion to their contributions. There are twenty-five payments of 1s., which is the first class, and twenty-five payments of 6d., and twenty-five payments of 3d. Those in the first class received back at the end of last year £1 1s. 8d., those in the second class half that amount, and those in the third class a fourth.

87. So that the net contributions to the society in respect to the first class were 3s. 4d., in the second class 1s. 8d., and in the third class 10d.?—Yes. This is a good thing for many who are not so thrifty as they might be, for the dividend enables them to carry over the holidays, whereas if the benefit society did not exist the chances are they would not have it—especially the young people.

88. I see Rules 1, 2, and 3 all use the word "shall." I am not at all putting this question in any hostile spirit, but I want to know exactly the scope of that word "shall": what does it mean? Suppose any man declines to pay his contribution, what will happen?—That is a contingency which has never arisen since the society started. As one of the promoters of the society, I may tell you the reasons why I took the thing in hand. Every one was sick of subscription-lists. If it was thought any one was not in a very good pecuniary position—a married man, for instance, with a family—a subscription used to be got up in the mill for him; and it occurred to me that it would be a good thing to start a benefit society. I had known of mills in the Old Country where benefit societies had been established, and I got my idea from that. I thought it would be a good thing for this mill, because it would place the people in an independent position. I wrote a letter to the manager, and I called in the aid of Mr. Ovens, and he signed the letter with me. A meeting of the members in the mills was called, and the society was started by a majority vote. I will not say that at first there was no objection to it. Some half-dozen objected in the first year, but the greatest objectors at first were those most alive to its advantages afterwards, and from that time to this there has never been the slightest question about it, and that "shall" is entirely the result of the members' own vote. I might say the proprietors had nothing whatever to do with the formation of the society; in fact, I believe it was formed before Messrs. Ross and Glendinning really knew anything about it. A voluntary benefit society in connection with the Roslyn Mills would never work at all. I made a calculation before the start with one or two others, and we came to the conclusion that a voluntary society would never answer at all, and therefore the rules were drafted from a copy of a similar society in the Old Country. The members have all along upheld these rules without any dissatisfaction. The money is collected every fortnight without any demur at all. Each member is supplied with a copy of the rules.

89. The members are practically unanimous in supporting it now?—Quite unanimous.

90. How is the money collected?—It is collected by the treasurer, who is the clerk of the mills. Of course, there is another way of collecting it—through the head of each department; but this

would be a great deal of trouble, especially if the department was very busy. When the pay is made up the contribution to the benefit society is taken off and entered in a book, and as soon as the clerk has completed the fortnightly payments he hands the book to me, and I enter it in a book I keep.

91. *The Chairman.*] You say that this word "shall" is used only to make the employés believe they are compelled to join; you do not think the firm would take action on any report of yours to discharge a man?—Certainly not. The firm have nothing to do with it at all. The only thing they see is the money we send down every fortnight; they act as bankers, and allow us 7 per cent.

92. As a business-man, what do you think is their reason for giving the bonus?—I think it is to help the society.

93. *Hon. Major Steward.*] Would it not relieve them of subscription-lists also?—As a firm, they would not be asked under the old *régime* to contribute. The manager might donate something as an employé.

94. Suppose a boy or a girl meets with an accident amongst the machinery; there is a doctor's bill to pay, and they may be laid up three or four weeks. In an ordinary case the firm has to pay their wages; but do they ever now in such a case tell them they are drawing money from the benefit society? What happens in the case of a boy or girl who gets injured?—They get money from the society so long as they are laid up.

95. What would happen to that boy or girl if there were no benefit society?—Well, the only thing to do in case of an accident, or anything of that kind, would be to get up a subscription-list in the mill.

96. Would the employer contribute anything?—I do not know about that.

97. Surely you know what would happen?—I will give you a case in point. I cannot say what the employer would do. A boy after being in the mill a month got his hand caught in the wool-scouring machine. It had to be taken off. He had just qualified for benefit, and the committee met and voted him £10. Messrs. Ross and Glendinning, outside the benefit society, offered to put the lad to school in order to qualify him for work in the warehouse, but the boy was not on for it.

98. He got nothing from Messrs. Ross and Glendinning?—No; Mr. Glendinning gave him the offer, but I could not say if they paid the boy anything over and above his wages.

99. Then, there is a very good reason for paying a bonus to this society; they seem to relieve themselves of the obligation by means of the society, which is surely to their advantage?—Oh, that is a question I have never gone into.

100. *Mr. Fisher.*] What would happen to a recalcitrant man who objected to the compulsory deduction of the contribution from his wages and who objected to belong to the society?—It would not affect his position in the mill as an employé—that I am sure of.

101. What do you think in regard to registration; do you think the society would be better registered or unregistered?—So far as the Roslyn Mills benefit society is concerned, I do not think it would be any better for registration, for this reason: Between the 24th December and the 4th January there is no benefit society. It does not exist then.

102. *The Chairman.*] Why does it not exist for that interval?—That is the holiday season. It is only a yearly benefit society, and was never intended to be anything else. For instance, I would have nothing to do with the society if it were carried on for more than a year.

103. But a balance is carried on till next year?—That is only a proviso, because if the society is not carried on that would have to be dealt with in another way.

104. By whom?—By the members, at a special general meeting. At the annual general meeting, which is held somewhere about the 22nd December, the first business after the adoption of the report is the question as to whether the society is to be carried on. A motion to that effect is regularly moved and seconded, and put to the meeting and carried unanimously; but in the event of an amendment being carried that the society is not to be carried on it would cease. Then that small balance which appears to be carried forward would have to be dealt with by the members.

105. *Mr. Fisher.*] In the event of an employé from any cause suddenly leaving the employ of the firm, does he or she, in accordance with Rule 4, receive his or her proportion of the funds?—Yes; that has been paid over, less his or her proportion of the amount paid for sick or funeral allowance.

106. You are quite sure that happens in every case?—Yes, because I have to impart the information. We have two order-forms, one for sick and funeral allowance and one specially printed for Rule 4.

107. *The Chairman.*] Rule 10 says, "In the event of accidents," &c.: What benefits are supposed to be given to members of this society who meet with an accident in the performance of their duty?—An accident is made a special feature. The committee have power to vote a lump-sum or to allow them to go on as sick members.

108. Supposing, for instance, that a girl employed in the mill was sleeping in a private house, fell downstairs, hurt herself seriously, and was laid up for six weeks, what would happen then?—The committee would have discretionary power.

109. But the rule says, "in the performance of their duties" they shall have discretionary power?—That is the rule as it stands, but I could show where cases have occurred where the weekly allowance has been given in certain cases where the accidents have occurred outside the mill. I know the case of a girl some years ago who broke her ankle in her garden. Her people were not in very good circumstances, and, although she could not really demand it under the rules, the committee, with the consent of members, made her an allowance.

110. Can you tell us why the women pay only half the amount that males pay? Are they not as liable to sickness?—Oh, yes.

111. Is it from a generous feeling on the part of the men towards the women?—If a woman is sick she receives less benefit.

112. And her earnings are less?—Yes; I think 75 per cent. are young persons and women.

113. You tell us that the bonus of the firm was less than £50 at one time?—Yes; at the commencement. They have paid the £50 since—some five or six years ago. The rules have been altered a little since the start of the society.

114. It is not within your knowledge that the firm has attempted in any way to influence the proceedings of the society?—Not in any way. We have a perfectly free hand.

JOHN OVENS was examined on oath.

115. *The Chairman.*] What is your business?—I am a warper in the Roslyn Mills.

116. How long have you been in that employment?—Seventeen years.

117. You are acquainted with the working of the benefit society?—Yes.

118. Have you a favourable opinion of it?—Yes.

119. Are you a member of another benefit society?—Yes; the Independent Order of Odd-fellows.

120. Are there many members of friendly societies in the mill?—Very nearly all the males, I should say.

121. You have not heard any grumbling about having to belong to another benefit society as well as their own friendly society?—I have never heard any complaint.

122. *Mr. Fisher.*] What would happen to a man if he decided, for reasons of his own, not to join your private benefit society?—Nothing that I know of.

123. *The Chairman.*] Why does the rule use the word “shall”; and the money is deducted?—Yes; but it was the wish of the men that the money should be deducted. I was one of the first to petition for the establishment of the society, although I belonged to a friendly society.

124. *Mr. Fisher.*] What was your object in wishing for the formation of the society?—It was to put a stop to subscriptions, which went round when people were laid up; and we thought it would be a good thing to have a society of our own.

125. *Hon. Major Steward.*] As a matter of fact, you divide all the money not wanted at the end of the year?—Yes.

126. It goes back to the contributors?—Yes. We have had as much as £1 3s. out of £1 4s. back.

127. *Mr. Fisher.*] Has a man, to your knowledge, ever been dismissed from the firm for unsatisfactory conduct?—In what way?

128. In any way. Has there ever been a case of dismissal from the employ?—Never to my knowledge.

129. In regard to the question of registration, do you think it would be an advantage or otherwise?—I do not, because the society terminates every year, and there is no society from the 24th December to the 4th January. All we do is to retain a little money to meet any demand for sick payment during that time.

130. By your own rules, it is illegal to pay that money?—But we pay it.

131. Is there any dissatisfaction or complaint amongst the employés?—None whatever. I have asked Oddfellows, Druids, Foresters, Rechabites, and them all.

ARCHIBALD THOMSON McINDOE was examined on oath.

132. *The Chairman.*] What is your business?—I am a cutter in the New Zealand Clothing Factory.

133. Have you been there many years?—Just over twelve years.

134. There is a benefit society, I believe, belonging to the firm?—Yes.

135. Did you bring a copy of the rules?—Yes [Exhibit 19].

136. There is no prescribed benefit or sick-allowance?—You will notice the society was started in 1880, and it was some time afterwards that it took in the doctor and medicine. We do not have any sick-allowance. All the benefits we provide are doctor and medicine for members, and in cases of distress from want of work, where relief is wanted, the matter is brought before the committee, and such members are granted relief according to what the committee allow them up to £10. We have no weekly sick-pay or funeral fund.

137. Were you in the society when it started?—No; it started seventeen years ago.

138. Have you got a balance-sheet, or could you give us any idea as to how the fund stands?—I have not brought a balance-sheet with me, but I could get you a statement of the finances [Exhibit 20]. There are two funds—our own and one with Mr. Hallenstein. At the start of the society Mr. Hallenstein gave a subsidy, I believe, but I do not know that. Mr. Hallenstein gave so much to the fund to start it, but we have not called upon that fund yet; but Mr. Hallenstein pays us interest on it. There has been no need to draw on it yet, because we have enough in our other fund. It is a sort of reserve fund, and, I believe, amounts to some £230. Our own funds at the end of December amounted to £164 odd.

139. So there is about £400 in the hands of the firm belonging to the society?—Yes.

140. Are these the rules at present in force?—Yes; these are the only rules we have, but there is an addition in reference to the doctor and medicine. Nothing is said about that in the rules; the addition is only recorded in the minute-book.

141. You have no other regulations apart from these rules?—Nothing that I know of. There has been another alteration in regard to the date of the general meeting; that has been altered from May to July. There are no other rules that we go by.

142. I should like to know from your own personal knowledge if there has been any grumbling amongst the employés about this society?—I have never heard any serious grumbling.

143. Every employé is bound to join?—Yes; every one joins when they enter the service. I have never heard of any grumbling.

144. *Hon. Major Steward.*] What would happen if they did not join?—I do not know. The question has never cropped up. When I joined I took it as a matter of course.

145. How are the subscriptions paid?—They are deducted from the wages. It would be pretty hard work to collect them all every week; somebody would have to go round to every member. The subscriptions are just deducted in a lump-sum when the wages-book is going in, and the employés are paid 6d. short. The subscription is 1½d. a week, or 6s. 6d. a year.

146. How many employés are there in the factory?—The number varies; but on an average I suppose there are about two hundred and fifty.

147. That is the number of members of the society?—Yes.

148. There appear to be two funds—one originally set aside by Mr. Hallenstein and one which accumulates from the contributions of the employés. Now, all moneys are banked with the firm, and money is withdrawn on cheques signed by the president and secretary. Have these officers the right to operate upon the reserve fund, which represents Mr. Hallenstein's contribution, as well as upon the ordinary funds of the society?—I do not know that we could while we have funds of our own. The committee have power at any time to amalgamate the two funds.

149. But they are kept as two distinct funds, and in the meantime your cheques are only issued as against your own money?—Yes.

150. In the event of that fund not being sufficient to meet the requirements you cannot operate upon the other fund without the sanction of Mr. Hallenstein?—Oh, I think so.

151. *The Chairman.*] Do you see anything in any of the rules that enables you to get your money back if you wanted it? What power have you over the £400?—Only the power to draw if any one were to claim relief. Suppose all the factory were to claim relief, their application would go before the committee, and we could will away the whole of the money.

152. Suppose, owing to distress amongst the members, you drew a cheque for the whole amount that stands to the credit of the funds, being altogether about £400, would that cheque be drawn on Hallenstein and Co., and be payable to bearer?—As our bankers, yes.

153. Suppose they declined to honour the cheque?—I could not say. I do not think we would have power to draw a cheque above £10, because one of the rules says no members shall receive more than £10 in one year.

154. Suppose you wanted to get these funds and distribute them, that you held a meeting and carried a resolution that the funds be withdrawn by the president and secretary, and a cheque was made out for the amount standing to your credit, would Messrs. Hallenstein, as your bankers, honour that cheque?—I do not know.

155. Do you belong to a friendly society?—Yes, I am in the Rechabites; and three of the men on the committee are all in friendly societies.

156. I suppose most of your adult members belong to friendly societies?—Yes.

157. Apart from the temperance element, the Rechabites is a benefit society?—Yes; it is on the same footing as the Foresters and Oddfellows.

158. You get certain benefits from the Rechabites?—Yes; I get doctor and medicine, and in case of sickness I get £1 a week for twelve months, 10s. a week for six months, and 5s. a week for ever, and £30 for funeral benefit.

159. *Hon. Major Steward.*] For which you pay how much?—15s. 3d. a quarter.

160. In this case you pay 1s. 6d. a quarter?—Yes.

161. Now, there is no fixed scale of benefit for that 1s. 6d. a quarter; it simply depends upon the committee?—Of course, there is doctor and medicine.

162. The committee can even give funds for those unemployed, suppose the persons are out of work?—Yes, they can do that. I have only been secretary for about twelve months. I was not on the committee before that.

163. You have attended the annual meetings?—Generally.

164. Do you happen to know if the reserve fund is increasing? Is it larger than five years ago?—During the last five years I think it has been increasing slightly. It all depends whether the year is a bad one or not. Sometimes the relief granted will go pretty high, and sometimes it is low. During the last ten months I think about £17 or £19 have been given in relief. This is outside doctor and medicine.

165. Is it not increasing very largely?—No, not a great deal, and if it was not for the interest given by the firm we would not have enough to keep us going. If membership were not compulsory we could not keep going.

166. *The Chairman.*] What sum has Mr. Hallenstein paid?—There are £230; I cannot say exactly.

167. *Hon. Major Steward.*] How does it come up to that sum now?—He has added to it from time to time.

168. What rate of interest does the firm allow you?—We get 5 per cent. We had 8 per cent. up till 1894, but then interest came down.

169. *The Chairman.*] What does Mr. Hallenstein get for doing this?—He gets nothing. They have nothing to do with the society, apart from being our bankers. We never come in contact with them, except when the president goes with the cheques.

170. *Hon. Major Steward.*] Have you any life-members under Rule 5?—I do not think so.

171. *The Chairman.*] Are there any cases of people getting hurt slightly, and being laid up for several weeks or so?—I do not remember any accident. Unless as a member of the committee, we would not know who was getting relief. Only the committee knows that.

172. Have you been on the committee long?—Only ten months.

173. There have been no cases in that time?—No accidents. There was a girl who dropped dead in coming to work; her people were very badly off, and the committee voted a sum towards her funeral expenses.

174. What did the firm give?—I could not say whether they did anything. Their aid would not go through our fund. Then, there was a girl out of work through illness, who applied and got something. If any one makes an application to the firm, they send it in to the committee, and two of the committee are sent to see how they are off, and relief is allowed, according to their recommendation, up to £10, which is our limit.

175. *Mr. Fisher.*] Why, according to Rule 20, are moneys banked in the name of the firm?—You see, they are our bankers.

176. You mean, they collect the moneys and do all the financial business?—They are our bankers, and pay us interest, just as an ordinary bank would.

ADA FLORENCE WHITEHORN was examined on oath.

177. *The Chairman.*] What is your business?—I am a tailoress in the employ of the New Zealand Clothing Factory.

178. You belong to the benefit society in connection with the factory?—Yes.

179. I want to ask you what is the general tone of feeling amongst the women workers in regard to this society: do they look upon it as a benefit or not?—As a decided benefit.

180. I suppose a great many cases of sickness and poverty have been relieved?—Yes, a great many.

181. How long have you been in the society?—I should think, about seven years.

182. *Mr. Fisher.*] The rules say you must join?—Yes; I believe that is one of the rules.

183. Does there arise out of that any feeling of discontent amongst the employés?—I have never heard any discontent expressed.

184. *The Chairman.*] You do not know what would happen if they said they would not join?—I have never known of any case in point.

185. You belong to the Tailoresses' Union?—I do.

186. Is there any benefit society connected with that?—Yes.

187. So you have two societies to keep up?—Not at all; you do not pay into the union benefit society. There is no charge at all for that.

188. The benefits, according to the rules of the society, seem to be almost left to the benevolence of the committee. I understand from the last witness there is just doctor and medicine?—That is all; but if there is a case of any one in poor circumstances, and they write to the committee, the latter inquire into the case, and if it is a deserving one they give relief to the extent of £10. The funds will not allow us to give very much. The charge is only 1½d. a week.

189. I suppose it does a great deal of good to the women and young people, because men can belong to other societies?—Yes; it has been of great benefit to the girls.

190. You have never heard any grumbling at having to pay the subscription?—I have never heard any discontent about having to pay into it.

191. How is your money paid into this society?—We pay 6d. a month.

192. Do you receive your wages first and then hand the subscription back?—It is deducted before you get paid.

193. *Hon. Major Steward.*] That is by arrangement with the employers?—Yes.

194. In addition to the ordinary fund, there is an endowment or subsidy fund given by the firm?—We draw interest from that.

195. All these moneys are banked with the firm?—Yes.

196. And it appears that cheques can be drawn upon the firm for payments authorised by the committee?—Yes.

197. I asked the previous witness, but he did not seem to be able to answer the question, whether the committee, through the president and secretary, could operate upon the firm's fund, as I will call it, as well as upon their own?—Oh, yes, they can do that. I understand so.

198. Supposing, then, for some reason or other, the whole of the employés should make up their minds to terminate this particular society, and divide the funds that had accumulated, and instructed their president and secretary to draw a cheque for the total amount standing to their credit—suppose the firm differ from the committee as to the expediency of dissolving that society, and would not honour that cheque: what would the members do to carry out their own view?—I could not say. I have never thought about it.

199. *The Chairman.*] I suppose the women workers are not represented on the committee?—Yes; I was a member of the committee for some years. There are three or four women on the committee.

200. That is very necessary when the affairs of women and children have to be investigated?—Yes; it was for that reason women were put on the committee.

201. You never had to overdraw the funds of the society?—No.

JANE ELIZABETH RUNCIMAN was examined on oath.

202. *The Chairman.*] What is your business?—I am a tailoress in the employ of the New Zealand Clothing Factory.

203. How long have you been there?—I was a year last February.

204. You know something about this benefit society; have you been on the committee?—No.

205. When you joined the benefit society were you told you must join?—No.

206. The first thing you knew about it was having a deduction made from your wages?—I knew, of course, about it before. You know there is a benefit society before you go to work there.

207. You were never told officially by Mr. Hallenstein?—No.

208. When you received your first week's pay, was there some small deduction made?—No; it is just made once a month.

209. You go about amongst the girls: do you hear any grumbling about having to pay this money?—No; they all think it is a very cheap benefit.

210. *Hon. Major Steward.*] You get medical attendance if sick?—Yes; I have had attendance.

211. *The Chairman.*] It acts in the same way as a friendly society acts for the men in providing benefits?—Yes; you get a doctor and medicine much cheaper than if you had to pay for them.

212. *Mr. Fisher.*] You are not asked to join the society because, as a matter of course, when you enter the employment the deduction is made from your wages without asking you at all?—Yes.

213. That appears, then, to be a condition of employment in the firm?—They do not state it.

214. *Hon. Major Steward.*] Nobody, as a matter of fact, has objected to the deduction?—Oh, no; they all seem to think it a very good thing.

215. They think it is worth while paying 6s. 6d. a year to insure against risks?—Yes; I think the majority have had the doctor.

216. *The Chairman.*] Do you know at all of any benefit societies amongst women that would answer to the friendly societies amongst men—I mean a society that would give you more than mere medicine and doctor, that would give you sick-pay?—There are the Oddfellows; they admit women; I am a member of them. And there are the Sons and Daughters of Temperance.

217. Are there any of your sister-workers who belong to these societies?—I belong to the Oddfellows, but I am not a full benefit member; that is additional.

218. *Hon. Major Steward.*] You pay a different rate of subscription?—Oh, yes; you pay more. I do not think you would get any society as cheap as the factory benefit society.

219. *The Chairman.*] But they give you more—they give you sick wages?—But you have to pay more. I pay for half-benefits; I pay in for sick-allowance and funeral expenses.

220. Do many others in the factory share this carefulness in looking ahead?—I do not think so, because they have the benefit of our society, which is cheaper and less trouble. You do not have to pay an entrance-fee; and when you join the Oddfellows there is an entrance-fee of 2s. 6d.

ROBERTSON McINDOE was examined on oath.

221. *The Chairman.*] What is your business?—I am a cutter in the New Zealand Clothing Factory.

222. You are president of the benefit society?—Yes.

223. How long have you been in the Clothing Factory's service?—Eighteen years and three months.

224. How long have you been connected with the society?—Since it was formed, seventeen years ago.

225. Were you one of the promoters of it?—I was only a boy then, but I was enrolled as a member.

226. Can you tell us how the society came to be started?—Yes. First of all, Mr. Hallenstein was going Home for a trip to the Old Country for two years, and the employes gathered a certain amount of money to present him with a piece of plate. I do not know the exact amount that was subscribed, but it was close on £100. Mr. Hallenstein made up the deficiency to £100, and said that, with the consent of the employes, he would like to put that sum to form the nucleus of a fund of a society such as the benefit society. That was done, and that was the way the society came to be formed.

227. That is the fund known as Mr. Hallenstein's fund?—Yes.

228. That fund is used, your brother told us, as a sort of reserve?—That is not the full fund.

229. The full fund is what you gather from the members?—No; there were two more donations from the firm. When Mr. Hallenstein's daughter was married he gave another £50 to the fund, and when his second daughter married he gave us another £50. The actual amount of the fund at present is £237, from which we draw interest.

230. How does it amount to £237?—In the first place, we did not have doctor and medicine; it was only a relief society. For the first few years if any one was in distressed circumstances they applied to the committee, and, according to the rules, we could grant relief up to £10 in one year. Well, there was not much distress, and, of course, the interest on the fund, which at the start was 10 per cent., with the subscriptions, soon rose up to a good few pounds in the year. At the end of a few years our own fund was higher than the reserve fund, and I think the odd £37 was transferred as a surplus from the men's subscriptions and added to the reserve fund.

231. Supposing Mr. Hallenstein died, or for some reason or another the firm wound up, do you think you are in a position to distribute the whole of the fund?—Not the whole fund; it is my opinion we could not touch the £237.

232. You think that is Mr. Hallenstein's property?—Yes; the idea at the time was just to draw the interest to give us an income. That is my opinion; it may not be Mr. Hallenstein's opinion.

233. That should not apply to the £37 you have transferred?—I am not certain we transferred it; that is the only way I can account for the £37 10s. being there.

234. Is it accumulated interest?—No; we draw the interest of Mr. Hallenstein's fund up to a penny every year. I can give you the yearly balance-sheet [Exhibit 20]. You will see Mr. Hallenstein's fund is not mentioned there.

235. *Hon. Major Steward.*] Of this reserve fund, nearly £100 represents the contributions of the employes themselves, only it was intended for another purpose?—It was presented to Mr. Hallenstein for a purpose, and instead of doing that he said he would rather, with the consent of the employes, put it on one side for a fund for them.

236. Very well, if he did that, and afterwards voluntarily contributed another £100 to the fund, and has apparently since added £37 to it, surely the whole of the funds should be at the disposal of your society?—Of course, we may be able to use them. I have only stated my opinion.

237. These rules are now in force?—Yes; but there are some of them which have never come into operation.

238. There is no mention of medicine or doctor?—No; when these rules were drawn up there was no thought of doctor and medicine. They were introduced some years after.

239. It was the intention that it should be a relief society administered by a committee?—Purely and simply a relief society. At the time it was the custom, in the case of any employé in bad circumstances, to send a subscription-list round the factory, and collect money for him. In a shop like ours there are some who are in very hard circumstances, and, of course, we had to do something. This came very heavily on the men, some of whom could not afford it, although no man could refuse to put his name down for something.

240. *The Chairman.*] I suppose they were incessant?—I was only a boy at the time, and they did not all come to me, but I contributed towards some of them. Since the fund was started no subscription-list is allowed to go round the factory, according to the rules.

241. *Hon. Major Steward.*] There is a rule—Rule 20—which provides that you, as president, and the secretary shall operate upon the fund by cheque. You do not seem at all clear whether you can operate on that portion of the fund which represents the contributions of Mr. Hallenstein, but you are quite clear you can operate upon the fund contributed by the members. We have it from the previous witness that the fund stands at £167. Now, supposing, for reasons of their own, the employés decided to wind up this society and divide the funds, and you and the secretary were instructed to draw a cheque for the whole amount of the fund; and supposing the opinion of the firm differed from the opinion of the employés, and they thought it was not desirable to wind up the society, and on that ground they declined to honour your cheque, what could you do?—We could do nothing.

242. That being so, do you or do you not think it would be an advantage if a private benefit society such as this could be registered under some Act of Parliament which would enable you to carry out your wishes?—I was not on the committee at the time, but I believe they did write to the Registrar at Wellington to try and register, but I think the Registrar would not accept it on account of the rules.

243. Supposing an Act were passed to enable a society with rules like this to register, would it not be an advantage to enable you to legally enforce your rules?—Of course, it would be so if we could draw our own money. Of course, the contributions are not sufficient to keep the society going—the firm have practically kept the fund going. A large amount of it is firm's money, because they afterwards paid us more than the current interest. You see, we draw interest daily.

244. *Mr. Fisher.*] The point is this: Who controls the fund?—The committee have full control over the fund.

245. *Hon. Major Steward.*] It is evident from a previous answer which you gave that you or the members of your committee desire legal recognition if they can get it with the existing rules?—Yes.

246. I therefore follow that up by asking, if Parliament should devise legislation to enable you to register with these rules, would you not take advantage of it?—Yes; and, in my opinion, the firm would have no objection to it.

247. *The Chairman.*] Do you know who suggested this society?—The committee, with the exception of Mr. Anderson, now dead, who was manager of the factory then, were all workmen, and Mr. Anderson had no connection with the firm. He was the first president, but only held office for one year, and ever since that anybody who stood for the presidentship could get it.

248. During the time you have been in the factory has there been any case of accident which would take an employé three or four weeks from his work?—No accident. The only accident I can remember all the time I have been in the factory was a boy falling down the lift, and that was through carelessness. He broke his leg, and his case came before the society was formed.

249. *Mr. Fisher.*] Is there discontent or not with the existence of compulsory payments in this society?—No; I have never heard any grumbling. In fact, I do not know where it is compulsory. The warehouse at one time were members of it. There are two to my knowledge who have withdrawn from the society, and one is in the employ now.

PATRICK JOSEPH HELEAN was examined on oath.

250. *The Chairman.*] What is your business?—I am manager of the New Zealand Clothing Factory.

251. How long have you been manager?—Two years.

252. How long have you been in the company's service?—Nearly two years.

253. You went there as manager?—Yes.

254. Have you ever heard the reason why this society was started?—Yes; I think it was through Mr. Hallenstein himself. The employés made him a presentation when he was going to England, and he took the money from them, but gave it back to start this relief fund.

255. Can you tell us how he gave it back, because the last witness thought that the fund, although they got interest on it, belonged to the firm?—No.

256. The money belongs to the society?—Yes.

257. *Hon. Major Steward.*] Can you tell us how the additional £37 10s. was arrived at?—It was an additional sum given by the firm.

258. Then, there is also the working account of the society, which arises from the contributions of 1½d. per week, and the amount to the credit of which appears to be something like £176. The president of the society was quite clear that, so far as regards that branch of the fund—the £176—or any portion of it, the money could be withdrawn by cheques signed by himself and the secretary?—Yes.

259. They would be honoured up to the amount standing to the credit of the fund?—Yes.

260. But your president was not at all sure as to the power of himself and the secretary over the other branch—the £237 10s. which represents the contribution of the firm. Can they operate upon that also?—Certainly.

261. Supposing the whole of the employes in the factory, having held a public meeting, and by a majority decided they would terminate this arrangement and join another society, and supposing, in view thereof, they decided to withdraw all the funds then in the hands of the firm, including the two accounts, could they do so?—Yes.

262. It does not say so in the rules?—No; and I will tell you something else: They could now take the £400 and invest it in any other way they liked.

263. The rules say nothing about that?—No; the society is simply worked by the employes themselves. Neither the firm nor myself have anything to do with it. It is left entirely to the control of the men themselves.

264. The rules use the word “shall” all the way through. Then, we have it in evidence—I suppose, for the convenient working of this society—that the contributions of the employes are deducted every month from their wages, and paid over to the fund. Now, supposing an employe objected, would he be dismissed because he wanted payment of his wages in full?—He would.

265. Because you consider the thing ought to be carried out thoroughly?—Yes; in accordance with the wishes of the employes themselves. He joins the factory on the understanding that he pays his 1½d. a week to the funds of the society.

266. As a matter of fact, has anybody ever objected?—Never.

267. There is a general feeling of approval?—Yes.

268. *Mr. Fisher.*] It follows as a condition of employment that they must join?—Yes; they come in on that condition.

TUESDAY, 1ST JUNE, 1897.

JAMES SWANNERTON was examined on oath.

1. *The Chairman.*] What is your business?—I am a carter, on my own account.

2. You wish to make some statements?—Yes; I wish to make a contradiction in connection with the Roslyn Woollen Mills benefit society. I notice in the *Star* last night there was a statement in regard to myself. The evidence was about a young man getting his arm taken off in the mill, and the benefit society giving him £10 out of its funds. But the statement I wish to contradict is that Mr. Glendinning offered to send me to school, and that I would not go. Of course, that is not true. He did not offer to send me to school. He said if I went to school he would give me employment, or if he did not give me employment he would find me employment. I have been to him several times, and he always says, “There is nothing to do.”

3. Did you receive wages from him after you were hurt?—I was only fifteen when I got my arm off. But this letter will tell you what occurred: “Stafford Street, Dunedin, 27th October, 1887.—Mr. T. Swannerton, Mornington.—DEAR SIR,—We desire to express our deep regret for the injury your son has sustained by the recent accident, and our sympathy with you and your family in the sad loss that has resulted. We trust he will soon be restored to health, and that, though unable to continue the same kind of work, he will yet be fit soon for some other suitable employment. He will be more likely to get this if he has a good education, and we think the best thing he can do now is to go back to school, and work diligently at his lessons for a time. We will be glad to assist him by paying 5s. per week for twelve months from this date. We hope he will make a brave start again, and if he perseveres there is no fear of his being able soon to push his way and earn a livelihood. Sympathizing with you in this great misfortune, we are, dear sir, yours faithfully, ROSS AND GLENDINNING.”

4. They did offer to pay 5s. a week for twelve months?—Yes.

5. Do you know whether Ross and Glendinning did pay this 5s. per week?—That I could not say.

6. You would have preferred to remain in the mill with permanent employment after your accident?—Yes. I have been to Mr. Glendinning fifty times to ask for employment, and he has always said, “There is nothing to do.”

7. *Mr. Fisher.*] After you lost your arm they did not want you?—So it appears. I could have done the same work, and fed the wool on the roller that goes round. I simply stood at the end of the roller and spread the wool on the board.

8. *The Chairman.*] Have you a difficulty in obtaining employment in consequence of the loss of your arm?—Yes; I was two years driving a grocer’s cart, and I had to leave him through illness. I have not done anything for nineteen months.

9. Has any one else been hurt?—Yes; a young man named Malone, who had his hand taken right off in a carding-machine.

JAMES SOUNNESS was examined on oath.

10. *The Chairman.*] What is your occupation?—I am a compositor, in the employ of the *Otago Daily Times*.

11. Have you the rules of the *Daily Times* Mutual Provident Society?—Yes [Exhibit 21].

12. *Mr. Fisher.*] Are these the correct rules as existing at the present date?—With the exception of one or two amended alterations, one at the end of the book rescinding a rule; and I see you have a copy of the last alterations, carried in February. The rules have not been printed afresh since those alterations were carried.

13. *The Chairman.*] How long have you been in the service of the *Otago Daily Times*?—About eleven years.

14. How long has this society been in existence?—About eighteen years—before I joined.

15. Have you heard any grumbling on the subject of compulsory joining?—Little or nothing. There have been complaints on one or two occasions from one or two, but these, as a rule, benefited most in case of sickness.

16. What was the ground of their objection?—I have never heard that advanced.

17. Do many members of your society belong to friendly societies?—I should say about twenty at a rough estimate.

18. They make no objection to paying to this as well as to their own society?—No; I have never heard any. I belong to another society myself.

19. *Hon. Major Steward.*] Are any employés at present excused under the rules passed in July on the ground that they are contributing to other societies?—Yes; one has joined another society since this rule came into force. No member of another society has taken advantage to drop out.

20. *The Chairman.*] Does the firm pay any subsidy?—None whatever. They have no say in the management. At present the committee consists of four compositors on the *Witness*, two on the *Daily Times*, one from the jobbing-room, one from the stereo-room, and one canvasser.

21. You say the firm takes no interest in the society, and leaves it entirely to the men?—Yes, the management. Of course, they take an interest in it. They like to see it carried on.

22. How do you explain Rule 31, which provides that when any member falls behind with his contribution, and is eight weeks in arrears, the committee have power to cause the management to stop the money?—That rule is obsolete. I would like to explain that from 1879 to 1883 the membership of the society was purely optional. In 1883 a meeting was held, and members decided by a majority of themselves to make membership compulsory, subject to the approval of the management. The management approved of it, and membership was made compulsory, and that was why that rule was passed.

23. Tell me first what compulsory meant in that case?—Well, so far as I know it was never contested. It was generally understood that if a man did not join he left the office. It was never contested; no man was forced to join, although it was generally understood you had to join. That rule is not in force now, and has not been for some time.

24. Do you know anything of the disposal of the funds?—The funds are purely in the hands of the committee, except at the general meeting.

25. Is it left as a sort of floating balance or on fixed deposit?—£50 is on deposit in the *Otago Daily Times* Company; the rest is floating.

26. *Mr. Fisher.*] Was there a strike in the office about eleven years ago?—Yes.

27. How much of the society's funds was in the hands of the trustees at that date?—I cannot tell you; I was not a member of the society.

28. Was there a sum in the names of the trustees?—I presume there was.

29. Have you no idea what the amount of that sum was?—Not the slightest.

30. You have been a member of the society for eleven years: was there a case in the Court in Dunedin—a hotel case—in which there was a charge of gambling, and some of the *Otago Daily Times* compositors were present, and were examined as witnesses during the hearing of the case in the Resident Magistrate's Court?—Yes.

31. What happened to the compositors in the *Otago Daily Times* office; were they punished or fined for giving their evidence?—No; not for giving their evidence.

32. I will withdraw those words: were they fined?—Yes.

33. How much?—£5 each for gambling.

34. How many?—I do not know the number.

35. Would you not have thought that an arbitrary interference with the outside lives of the men?—No, I would not.

36. *Hon. Major Steward.*] You say Rule 31 is in abeyance?—Yes; the manager of the company will not deduct the money.

37. How long has that been so?—About six months, I suppose.

38. Prior to the last six months the manager of the company, on the representation of the committee, would have deducted the amount?—Yes.

39. Has he given you notice that he would not do it further?—Yes.

40. *Mr. Fisher.*] In whose name or names are the funds of the society banked?—In the names of the treasurer and president.

41. Who are they?—Robert Ferguson, a compositor, is president; and Simon Ballantyne, a machinist, is treasurer.

42. *Hon. Major Steward.*] Is the money banked with the *Otago Daily Times* and *Witness* Company?—£50 on deposit with the company.

43. Is there any advantage in banking the money with them rather than in an ordinary bank?—We receive 6 per cent. on the money. They do it purely to oblige us.

44. Would you not get as much on fixed deposit for twelve months?—No. The advantage in depositing with the *Otago Daily Times* Company is this: that we can get it at any time, and can withdraw it at any time.

45. *Mr. Fisher.*] Is there any person in the employ whom you refused to admit into the society?—Yes; so far as I know, there is one.

46. The reason, please?—Well, because he is not a sober man; that is the principal reason. The man was likely to be on the funds oftener than he had any right to be.

47. Then, the society is not charitable and benevolent?—It is purely so.

48. *The Chairman.*] Would you mind repeating what are the actual benefits?—A member gets £1 5s. per week for the first twelve weeks.

49. A doctor?—No.

50. Medicine?—No; it is purely a monetary grant; and in the event of death the wife or representative receives £10.

51. *Mr. Fisher.*] How are the subscriptions taken? Do the men pay voluntarily or are the amounts deducted?—They are collected once a fortnight, by myself. I might mention that since I have been a member the subscriptions have twice ceased owing to the funds having arrived at the limit mentioned in the rules.

52. Will you tell us how the entrance-fee is paid?—They pay 2s. down and double rates for thirteen weeks.

53. I did not mean that—I meant the exact manner in which it is paid. Supposing a lad was taken on, and he had not the change in his pocket, would that entrance-fee be deducted from his first pay?—No. We would wait until he received his pay, and I would collect it from him. In no case are the subscriptions deducted from the wages. A number of lads in the office who are earning small wages are not members of the benefit society. Those who are earning wages under 12s. 6d. per week are not members. In fact, a senior apprentice is the only boy who is a member of the society.

54. *The Chairman.*] We have been told in regard to other benefit societies, all of the same character as this, that the great benefit is that they took in women and children, but yours does not: what is the cause?—It would be an inducement for the apprentices to stay off because they get more sick-pay than wages. Our lowest scale is 3d. per week and 12s. 6d. benefit.

55. Who is the manager of the company?—Mr. George Fenwick.

56. At the meetings of the society, does he attend?—Very rarely. He used to when he was president of the society. He attends now if a wish is so expressed. I do not think he has been there at the last two general meetings.

57. Will you let me understand the full value of this amendment made at the meeting on the 4th February: formerly it was compulsory for every one to join whether they were members of friendly societies or not?—Yes.

58. The effect of this rule was that members of friendly societies need not join?—That is so; and I would like to point out that since that was carried none have dropped out who were members of other societies.

59. *Mr. Fisher.*] I think you said membership was a condition of employment?—No; not if they are members of other societies.

60. *Hon. Major Steward.*] Suppose a man who was not exempted under this rule refused to join the society, would he be discharged?—I have no power to say what the effect would be; we would simply report it.

61. *The Chairman.*] What would happen supposing a man got heavily in arrears?—I really cannot say. We would get it in some way or another. We would report it to the manager, and leave it to him.

62. *Hon. Major Steward.*] Has any case of the kind ever arisen, and a man been discharged for this?—No. Since the society has been formed we have paid £1,300 away in sick benefit.

63. *The Chairman.*] Can you give us any idea how the fund has stood from year to year: has there been any year when the sick benefit has cost more than the subscriptions?—No; we have always been able to pay our way, so far as I remember. I have not heard any one say that the society has been in arrears, and that a levy has had to be made.

64. What benefit do you consider there is in belonging to a registered friendly society above that of a private benefit society?—Nothing, so far as I can see, but that you get doctor and medicine for your wife and family.

65. You think that alone is enough to make you keep to a friendly society?—I think so. We recognise the benefits of an industrial society as being equal to the benefits of the *Otago Daily Times* society, and any man belonging to that society is exempt from ours.

66. *Hon. Major Steward.*] Have you thought of the desirability or otherwise of giving your society legal status?—I see no benefit in it unless registered under the Unclassified Societies Act.

67. If there were a special Act dealing with these outside societies, do you not think it would be well to have them recognised at law?—I think there would be no harm in dealing with the societies under a Bill like the Unclassified Societies Act, where you have full control over your officers and members. I believe that would be a very good thing.

68. *Mr. Fisher.*] Suppose a man of irreproachable character chose to say, for reasons of his own, "I do not care to join this society," what would happen to him?—Mr. Fenwick would be able to answer that better than I could. We would ask him to join, and if he refused we would report him to the manager. We do not know what steps would be taken. One of the reasons for the constitution of this society was the fact that previous to its inception it was a very common thing for subscription-lists to go round, and in the case of a subscription-list coming round it was not a matter of 6d. or 1s., but a matter of 10s.; whereas in this way you provide for a needy man, and if you fall ill yourself you provide for yourself.

69. *The Chairman.*] In case of sickness or accident, has the firm had to give subscriptions?—I have known the firm to pay wages as well as the sick benefit of the society. I received wages myself for a fortnight. I do not say the company make a practice of it.

70. *Mr. Fisher.*] If I choose not to join your society I am reported to the manager?—Yes. Subsequently, the witness reappeared, and said,—I wish to say, in reference to the amount on deposit, that we wished the company to take another £25, and they would not take it.

71. *The Chairman.*] How do you mean?—In addition to our £100 we have about £40 odd floating, and we wished to invest it instead, and we wished to put it with the company, for the same reason that we invested the other £50, but the company thought they had enough of the society's money, and they refused to take it.

JOSEPH ABERNETHY was examined on oath.

73. *The Chairman.*] What are you?—I am a compositor, in the *Otago Daily Times* office.

74. How long have you been in the service?—Since a boy—about seventeen years.

75. Do you remember the formation of the benefit society?—It was just prior to my taking an interest in things. I do not remember the formation.

76. Now, taking the whole course of that time, do you consider this has been of benefit to the men?—Yes, most decidedly.

77. Has it been grumbled at by any of the men?—There were a few who grumbled occasionally, but very few. I could give you names—I myself, by supposing that we were compelled to join by the management. It was a misunderstanding. What compulsion did exist was brought about by a very large majority—in fact, an almost unanimous vote of the members themselves, that at their request the management should take some steps to make membership compulsory for the benefit of the whole.

78. Now, these men could have gained very nearly the same object by joining a friendly society?—As the society stands at present, that is so. Any one being a member of a friendly society is not required to be a member of our own benefit society.

79. Have you heard why, when other friendly societies were in existence, there was any reason to start a new one unless some distinct advantage was to be gained?—It is this way: In an office such as ours there are a lot of men careless and indifferent of their own interests, and it is necessary that some steps should be taken to make these men look after their own interests. It frequently occurred at the period covered at the formation of this society that these men required financial assistance, and, being unable to join other friendly societies because of their physical disabilities, the present society was started to meet such cases, and to prevent the necessity for subscription-lists going round, as well as to do away with that feeling of charity which always accompanies a subscription-list. This was the primary cause of the formation of the society, and has held it together up to the present day.

80. *Mr. Fisher.*] Those are the improvident and unthrifty; but suppose I, being a good compositor, a sober man, and not unthrifty, am employed in the office, I must become a member of your society: is that so?—Yes, that was so.

81. That is, I should be reduced to the plane of the unthrifty and improvident?—It was the decided opinion of the majority, at a general meeting held to discuss this subject, that unless the thing were unanimous it would be somewhat of a failure, because the very ones whom it was designed to assist would of themselves withdraw. No complaint was made by those who were in the position you mention. The only complaint that might ever have been heard came from those who were in the position of the unthrifty. All felt that rather than have subscription-lists going round—and they always carried with them a feeling of degradation that men were placed in the position of needing assistance—to avoid that, and place every one on the same footing, the men thought the management should be requested to make it compulsory upon every one coming into the employ to become members of the society.

82. *Hon. Major Steward.*] Your society was available to all the members, notwithstanding their physical disabilities?—That was one of the reasons for starting it. At certain periods in the history of the society there have been a goodly number who could not possibly have passed examination by the doctor.

83. *Mr. Fisher.*] Is this the case: that your society gauges all men by the gauge of the unthrifty and degraded?—No, certainly not.

84. Is this the case: that I, not being unthrifty, and not being degraded, refuse to join this society, I cannot get employment in the office?—That is not so now. Will I state exactly the position of the society at present? Some good few months ago a meeting was held at the request more particularly of one member, who felt he was being imposed upon—or, rather, placed in a false position by the somewhat autocratic attitude of the management in compelling him to become a member when he did not wish to join. This brought up a general discussion, and he was shown that whatever compulsion there was was distinctly at the instigation of the members themselves. A very large majority—in fact, an almost unanimous vote—carried that many years ago, and when it was brought up recently it was decided to keep it as before.

85. *The Chairman.*] With the exception that members of other friendly societies were exempt?—Yes. I may tell you that since that resolution was passed not one member has mentioned that he would like to be relieved of his responsibility of membership.

86. Do you remember a certain strike that took place some years ago?—Yes.

87. Were there any accumulated funds in the hands of the management or committee at that time?—I was a junior apprentice at the time, and do not recollect what the funds were.

88. Whatever the amount was, have you any idea what became of it: was it carried to the new society or were the funds distributed?—It was carried on; the society has never been disbanded.

89. Then, the new hands received the benefit of what the old men had paid in?—A lot of new hands received employment.

90. You have never heard of any surrender value?—I am certain there was no surrender value.

91. Then, the men who went out and withdrew from the society left whatever funds there were in the hands of the management?—Yes.

92. Is that the case now?—Yes. In case of a misunderstanding, I could explain the reason for that. It is the custom with some societies, I believe, to have an arrangement for a surrender value according to some scale; instead of doing that we have no accumulated funds. There is a rule specifying that when the funds reach the sum of £100 the payment of subscriptions shall cease until, by ordinary expenditure, the balance is reduced to the sum of £75.

93. I can well understand that. Was the rule in force at the time we speak of—the strike time?—I am not aware that it was.

94. You were a member of the society?—I was a member at that time, but, being a junior apprentice, I do not remember all the details.

95. *Hon. Major Steward.*] The society, I see, was established in September, 1879, and this particular copy of rules was published in 1891: can you tell me whether the rules printed in 1891 are the same as the rules that were in existence for the period between 1879 and 1891, or whether they differed?—Not on essential points. So far as my memory serves me, they are the same.

96. Then, I should regard this rule we have just been referring to in connection with the accumulated funds never being permitted to go beyond £100 as an essential rule: would you not also so regard it?—Yes.

97. I want to know, therefore, whether that rule was in force prior to 1891: do you know that?—I have an impression that it was not, but that at a general meeting preceding the formation of the present rules the question of surrender value was brought up for discussion, and, trusting to my memory, I believe that rule was the outcome.

98. When did the strike take place?—It must have been about 1887 or 1886.

99. Then, as you think this Rule 34, which limits the amount of the funds to £100, was passed at or about the time these rules were published, it follows, does it not, that it was not in operation at the time of the strike?—So far as my memory serves me, it was not.

100. Therefore, it might have been the position that the accumulated funds were much larger at the time of the strike?—That is so.

101. *The Chairman.*] I see Rule 22 deals with defaulting officers and their expulsion from the society. I presume that does not mean that an officer will escape criminal prosecution and just be expelled from the society?—So far as we understand, we would have no legal claim upon a man. We are safeguarded by the fact that the sum in the hands of an officer is very small, and not sufficient to give any man a reason for risking his position of permanent employment.

102. *Mr. Fisher.*] When I was a compositor we did our work and got our money and pleased ourselves. Do you feel that, by the existence of these rules and regulations, there is a grip on the men by the company?—No; I feel there is no grip.

GEORGE FENWICK was examined on oath.

103. *The Chairman.*] What is your profession?—I am a journalist on the *Otago Daily Times*.

104. How long have you been in that service?—I have been with the present company since it started in 1878.

105. *Mr. Fisher.*] What is your exact official position?—I am managing director, and also editor.

106. *The Chairman.*] You remember the formation of the benefit society?—Yes.

107. We have been told in evidence that this was a movement made spontaneously by the men themselves: is that so?—It was in a measure spontaneous. I immediately associated myself with the movement, but its origin was purely from the men. I immediately joined with them because I saw the great benefits to be derived from the institution of such a society.

108. You joined with the men to facilitate and help?—Quite so.

109. You are certain the company partook of no particular direct or indirect pecuniary benefit by this?—Not the slightest.

110. Since the formation of the society, have you heard any complaints from the men about the compulsory membership?—Yes; there have been complaints on the part of a very limited number.

111. What form did the complaints take?—Well, one man in particular objected on principle to being coerced into joining the society. Perhaps I should explain that at the origin of the society it was a purely voluntary one. It remained so for, I should think, three years, or something like that, and did not work quite satisfactorily. There were some men in the office who, owing to the society being purely voluntary, would not join; and it was the case in our office, as with other employers, that the very men most benefited by it were the most difficult to induce to become members. The society was not satisfactory to a large number of other members, and a general meeting was held, and it was then decided that membership should be made compulsory. I may say the company took no part in directing that decision. It was entirely from the men themselves.

112. As a member of the society, will you tell us what was meant by "compulsory": did it mean that if a man did not choose to pay his contribution he would be sent away by the firm?—That was the wish of the men, decidedly.

113. Was there any case of such a thing happening?—None during the whole time. The position the company took up was this: While wishing to aid the society in every way they could, they would not go the length of dismissing a man because of his refusal to join.

114. A former witness stated that he could not give us any opinion as to what would happen to a man who got into arrears, or refused to pay?—The present position is simply this: that it has been made compulsory on every person in the company's employment by the society itself, and with the consent of the company, unless members of some other friendly society of standing.

115. Supposing a man who is not a member of a friendly society refused?—I have been asked on one or two occasions, in the cases of men who were not members of another society, and who would not join the benefit society, to deduct from their wages their weekly subscription, but that the company has declined to do. There has never been a case in which any extreme steps have been taken. I have pointed out on more than one occasion to men who wished to be relieved from joining that this society was really in their own interest, and have urged them in as nice a way as I could not to put obstructions in the way of the society.

116. Supposing anything happened, and this society had to be dissolved, is there any possible obstacle in your mind to the distribution of the money amongst the men?—None whatever. The rules provide that if any alteration or addition to the rules is considered desirable a meeting of members shall be called, and they have power to deal with any alteration.

117. Was that rule in force at the time of a certain strike that took place?—It was; so far as I know, that rule has been in existence since the formation of the society.

118. Were there any funds in the hands of the society at the time of the strike?—Simply the current account in the hands of the bankers.

119. The men who left the company's employment got no benefit whatever?—None whatever.

120. Can you tell us the amount of the fund at that time?—I have no idea.

121. At present the fund cannot reach more than £100?—That has been the case since the society started.

122. There could not have been more then?—There could have been more. The particular rule that governs that provides that as soon as the funds reach £100 the subscriptions shall then cease. Well, there may not be any payments on account of sickness, and the fund would increase beyond £100 by the payment of interest. It could not increase much.

123. It could not possibly be £400?—No, and never has been. It could not possibly have been like that at that time. The treasurer or secretary would be able to say exactly what the amount of the fund was at that time.

124. If legislation could provide for registering private benefit societies like this on something of the same lines, do you see any objection?—I can see no possible benefit from it.

125. At present your society has to trust its officers: it is a matter of faith?—Any registered society has to trust its officers. There is nothing to hinder the treasurer from embezzling.

126. A Private Benefit Societies Act would provide simple machinery for proceeding against that man?—Our society provides for the removal of any one found guilty of any wrongdoing. I may say I did not fully answer your question in regard to a man positively refusing to join. I do not think the company would ever go to the extreme step of dismissing a man. It is not usual for a man to fly in the teeth of the wish of all the men, and against the wish of the company too. I do not think the company or the other directors would go to the extreme step of dismissing a man; in fact, I have already declined to deduct the subscriptions from the men's wages.

127. You know it would be an improper proceeding to deduct money from a man's wages without his consent?—Of course, I have never studied the legal aspect of the question much. It might go in favour of the plaintiff if he sued to recover.

128. *Hon. Major Steward.*] The point has never arisen?—No; in fact, we have declined to do so.

WILLIAM PROUDFOOT WATSON was examined on oath.

129. *The Chairman.*] What are you by profession?—I am general manager of the Kaitangata Coal Company, and have been for the last twenty years.

130. There is a benefit society connected with the Coal Company?—Yes, in connection with the men.

131. Have you got a copy of the rules?—No; but I can get you a copy. [Exhibit 22.] We have no voice in the thing at all.

132. You could give us a general idea of the position?—All I know is that the men subscribe so much a week, and they have a committee amongst themselves. There are a few employés belonging to other societies who do not subscribe to it, but the thing is evidently taken up very unanimously amongst the men. We have not the slightest knowledge of what position they are in. They never ask the company for any assistance; the thing is entirely away from our office.

133. *Hon. Major Steward.*] You have never heard of membership being enforced?—Nothing whatever; I do not think membership is enforced. I know some of the members subscribe to the Foresters only, and not to ours.

134. *The Chairman.*] How are the subscriptions paid—by deduction?—Yes. At one time they were collected at the pay-table as the men were paid, but some years ago they asked us if we would make a column in our pay-sheets, and deduct the amount, and we do so now, and simply send a cheque to the secretary of the society on pay-day.

135. *Hon. Major Steward.*] Did any one ever object to that deduction?—Not that I am aware of.

136. If any objected, would you continue to deduct?—I do not think so. I should be very sorry to do so. Some must have objected, because some are not members, and belong to other friendly societies. I do not think there has been the slightest whisper of complaint at any time.

137. There has been no agreement on the part of the company to enforce the deduction whether the men like it or not?—None whatever; that is a thing I certainly should know. The company has never been approached either by the manager or the employés except when they found it awkward to collect subscriptions every week, and then they asked me to provide a separate column in the pay-sheets, and I said, "Certainly."

138. You know, as a matter of fact, that the deduction is not made with regard to some employés who are members of friendly societies?—I know that as a matter of fact.

139. Do you know if all those from whom no deduction is made are members of other societies?—I believe they are.

140. Do you happen to know if there are any employés who belong to both?—I do not know.

141. Who furnishes to you a list of the names of persons from whom deductions are not to be made?—The pay-sheet is there, and it is returned to us with the columns duly filled up. The company knows nothing of it.

142. *The Chairman.*] Have you any knowledge of how the funds are kept?—They have a treasurer and secretary, and when a person is laid up they give him £1 a week, and when death occurs they pay so much.

143. Do they bank the account?—Yes, in the National Bank; and I believe they have gone so far as having a fixed deposit.

144. *Hon. Major Steward.*] Does the company subsidise the fund in any way?—No.

145. *The Chairman.*] It does not hold these funds and pay interest?—No; they do not bank with us.

146. *Hon. Major Steward.*] Suppose the society were to report to you, as manager, that one of their fellow-employés was not a member of a friendly society, nor of this benefit society, and declined to join the society, and they wanted to compel him to do so, would you assist their view in any way by discharging that man?—No; we have been very careful in matters of that kind. We have never been put in that position yet. I know my board would not do so. We have never interfered with matters of that kind.

147. Then, you look upon the thing as a purely voluntary matter on the part of the men?—Quite so.

148. Except that you look upon it as a benefit to them?—Oh, yes.

149. *The Chairman.*] Perhaps it has been very beneficial to the company, inasmuch as subscription-lists do not go round now?—We have never been asked for subscriptions; but, in the event of a man being hurt in the mine, I always visit the person, and we give him a cheque for £5 or £10, independent of the money they receive from the funds of the society. We have given as much as £25—never more, and never under £5. I think the society is more for cases of ordinary sickness.

150. *Hon. Major Steward.*] In cases of ordinary sickness, you know these men are getting the ordinary allowance: do you take that into consideration, and give them nothing yourselves?—If a man is laid up with ordinary sickness we do not visit him with a view to helping him, but if the mine-manager knows that his circumstances are such as require help he mentions it; but I have seldom visited any one under such circumstances.

151. Do you know the amount of subscription in this society?—I think it is 9d. per week.

152. For all adults?—Yes.

153. Are there any younger members?—Oh, yes; there are a lot of young lads, and they pay half.

154. Do you know what is the amount of the benefit they receive when on the sick fund?—I think it is £1 a week for adults, and half that for young members.

155. And limited to a certain time?—We have a man in the hospital at the present time whom we have been helping for two years.

156. That would come from the benevolent fund; the society would hardly pay full sick-allowance all that time, but they pay half?—Yes; it was a very bad case.

157. Do they pay funeral-allowances as well as sick-pay?—Yes.

158. And provide doctor and medicine?—No; that is another arrangement. There is a doctor to whom the men subscribe in addition.

159. *The Chairman.*] You think one good point about this society is that it includes young people who could not possibly join a friendly society?—Quite so; that is a special feature in this society.

160. *Hon. Major Steward.*] How many employés have you?—I think, 180 just now.

161. And how many of these do the pay-sheets show are not members of the benefit society?—I do not think there are ten or a dozen.

162. Therefore the society really represents the whole of the employés, less a very small percentage?—I think you may safely say so, so far as my memory goes.

CHRISTCHURCH.

TUESDAY, 8TH JUNE, 1897.

WILLIAM ROWE was examined on oath.

1. *The Chairman.*] What is your business?—I am a clicker in the “Zealandia” Boot-factory.

2. How long have you been in that employment?—Somewhere about twelve or fourteen years.

3. There is a benefit society connected with the firm?—Yes.

4. Can you tell us how long ago it started?—I cannot tell you the exact year, but it was about eight years ago.

5. You remember its formation?—I do; I was a member at the time.

6. Can you tell us with what object the society was started?—In the first place, there were a great number of our men who did not belong to any friendly society whatever, and as soon as sickness overtook any of them, and they were laid up for any length of time—six weeks or more—it was a frequent thing to have subscription-lists going round the factory. They became so numerous that at last we got sick and tired of them, and we decided amongst ourselves to form a private society, with the object of doing away with subscription-lists altogether. That was really the cause of the formation of the benefit society.

7. Have you a copy of the rules with you?—Yes [Exhibit 25].

8. Do you consider this society compulsory in any way?—Certainly not.

9. Is any preference offered by the firm to people who join the society?—None whatever.

10. Does the firm contribute any subsidy towards the society?—It has done so; for a number of years they were in the habit of giving us £5 at the end of every year. But that was not used for sick-pay. The firm built up the funeral fund, or the greater part of it, by these annual contributions. We have contributed somewhere about £8 at one time and £5 at another time.

11. Have you had any claims on the funeral funds?—Yes.

12. £8 or £5 would not go very far with funerals?—At present the value of the fund is £52. I think there have been four claims on the funeral fund since it was organized.

13. Is there any inducement held out to other members?—No; they are never asked to join. If a person wishes to become a member of the society he makes application to the secretary of his

own free-will. We consider his case, and we accept or reject him just as we think proper. The firm has nothing whatever to do with it.

14. Who are the honorary members?—They are the bosses, who do not care about belonging to the society.

15. Do the honorary members share in the benefits?—No.

16. Do they share in the voting?—No.

17. Are women and girls accepted as well as men?—Yes.

18. Without medical examination?—Yes.

19. Without any restriction as to age?—Yes; the society is open to all, from the youngest to the eldest in the factory.

20. A member of the society goes round and collects these amounts?—Yes.

21. They are never collected by the clerk of the firm?—Never.

22. I notice that if a man leaves the society but does not leave the firm he gets nothing from the society: what happens to him if he leaves the society and the firm together? Is he able to draw any surrender value?—No.

23. *Hon. Major Steward.*] Do you divide at the end of the year?—No. We have done so up to the present year, but at the last meeting we thought it advisable to build the fund up, and pay out no more dividends.

24. *The Chairman.*] So you carry the balance forward?—We intend to do so next year.

25. *Hon. Major Steward.*] There is a limit to prospective members; you are not obliged to accept all?—If their case is considered satisfactory we accept them. If we had an application from a very drunken man or immoral man we would please ourselves whether we accepted that man or rejected him.

26. Subject to that—that is, if the applicants for membership were of good character—you would not reject them?—No.

27. You do not take into consideration their state of health, or possible state of health; you do not debar them on medical grounds?—No; we established the society for the very purpose of assisting those people.

28. What is the number of employés in the factory altogether?—I suppose, between two hundred and fifty and three hundred.

29. How many members of the society have you?—I think we have just over two hundred.

30. So about four-fifths of the employés are members of the society?—Yes.

31. I suppose those who are not members have stayed voluntarily outside the society; they have not been rejected?—They have never made application.

32. You would know if you had rejected them?—Certainly.

33. The firm does not interfere in any way with regard to the funds?—None whatever.

34. Have you ever considered the question as to whether it would be to your advantage to be registered under any special Act or anything of that sort?—Yes, I have thought of it.

35. What do you think of it? Supposing an Act was passed which would recognise the existence of a number of these societies in New Zealand—I mean societies outside the ordinary friendly societies—and enable them to register with such rules as you have, would you not consider it an advantage to be recognised so as to be able to enforce your rules?—Most decidedly. I think we should have some claim over the men who hold our funds.

36. *The Chairman.*] Do many members of your society already belong to friendly societies?—Yes, a number of them do. I do myself.

37. What benefit do you see you get from this society that you would not get from a society like the Druids or Foresters?—Well, we only receive our sick-pay, and if a man was in the Druids, Foresters, or any other friendly society he would receive medical attendance and medicine besides sick-pay.

38. *Hon. Major Steward.*] But his contribution would be very much larger?—As much again.

39. There is also the fact that you accept persons quite irrespective of age and constitution: some of these persons, by reason of their being too young or being unable to pass the doctor, would not be accepted by a friendly society?—Yes; and, again, we have members in our society who, if they left us to-morrow, would never join an ordinary friendly society.

40. Are there members of friendly societies among those who are not members of your society?—Yes.

41. Have all the members votes, irrespective of age?—Every financial member has a vote.

42. *The Chairman.*] How is it that when friendly societies base their benefits upon a certain scale of contribution you are able to give larger benefits, with smaller contributions—I mean, funeral grants?—A friendly society cuts up its funds, and I do not think there is any more paid into the separate fund—that is, sick-pay fund—than we pay. There are doctors' fees to be paid out of it, and funeral grants, and some have a benevolent fund set aside, so when sick-pay money is taken from your ordinary contributions I do not think they would amount to any more than ours.

43. *Hon. Major Steward.*] Is not the Chairman under a misapprehension in assuming that your benefits are larger than those of friendly societies—the funeral benefits in the case of the Oddfellows go as high as £10 and £20, and yours only go to £6?—Just so.

44. Then, it is not correct to say that the benefits given by you are larger than in an ordinary friendly society?—No.

45. Your maximum sick-allowance would be £1 for nine weeks?—Yes.

46. And half of that for the next nine weeks?—Not quite; about two-thirds.

47. That, again, is smaller than what is paid out by a friendly society?—Yes.

48. *Mr. Fisher.*] It is not, then, a condition of employment that a man shall join the society?—Oh, no.

49. It is a fact that on leaving the employ he forfeits whatever he has paid into the society?—Yes. At one time we allowed them to remain in the society until the end of the year should they

leave the employ of the firm. We found that several cases of sickness occurred quite beyond our control. We had no means of finding out whether they were sick or otherwise, and we thought we should make it a rule that when they dropped out of the employ of the firm they should drop out of the society also.

50. *Hon. Major Steward.*] Should not Rule 13 be repealed or altered, then?—That is an error on my part. I will forward you a correct copy with the amendment.

51. Is the fund is now continuous, it is very necessary that it should be audited from time to time: is it audited?—It is audited at the close of every year.

52. Are the auditors elected by the members?—Yes.

53. From among members or from outside the society?—From the members. I believe at the present time one of the auditors is outside the society.

54. If you get an outside auditor, do you pay him anything, or is it a labour of love?—A labour of love, as a rule; it is optional whether we pay him or otherwise.

55. You might be able, under these rules, to fine a member for neglect of duty as auditor, but I do not see how you could fine an outside auditor, who is doing the work for nothing?—As a matter of fact, we cannot fine any man at all. Suppose we fine a man, and he says, "I do not intend to pay the fine," the only thing left open to us is to expel the man; but what does he care?

56. You see, then, that one advantage of registration would be that you would be able to enforce your rules?—Yes.

57. *Mr. Fisher.*] Two witnesses in Dunedin said—one that if a man refused to join the society he would be reported to the manager or managing director, and the other that if a man fell in arrears with his subscription he would be reported: is there anything of that kind in your case?—None whatever. If any reporting is to be done it is reported to the secretary of the society, and he calls the committee together, and the committee deal with the case themselves.

58. *Hon. Major Steward.*] As a matter of fact, there is absolutely no connection between the firm as such and the society?—None whatever.

59. Only I suppose you may call it a connection if they give you a voluntary contribution from time to time?—Yes; they are in the habit of making us a present every year of £5.

60. That is merely at their own option?—Yes.

61. *Mr. Fisher.*] Have you ever heard any complaint amongst the men in the employ of the firm about being called upon to contribute?—They are not called upon.

62. Has there been a complaint on that score?—If a man becomes a member this week he can leave next week, and he is only asked to pay that week's contribution. Of course, he can refuse to pay it if he likes, and there is an end.

63. *The Chairman.*] You were speaking of subscription-lists continually going round as a great cause for the formation of this society: do societies like this, in your opinion, relieve employers of great responsibility in regard to sickness or accident to men in their service—I mean that, whereas formerly they were continually called upon for subscriptions, now the men keep themselves?—That is true, but in place of that they give us £5 a year. If any employés of the firm were to fall sick, of course the boss would not be called upon to contribute anything; they keep themselves. Of course, formerly we would pay more in the year in subscriptions than in keeping up this society.

RICHARD HALL TURNER was examined on oath.

64. *The Chairman.*] What is your business?—I am general foreman in Skelton and Frostick's boot-factory.

65. How long have you been there?—Ever since they commenced business there, about nine or ten years ago. I have been connected with the firm over twenty years.

66. Do you remember the formation of the benefit society?—I do.

67. Can you tell us why the society was started?—One reason for starting the society was to do away with the frequent subscription-lists which were taken round the different departments.

68. That was the main reason?—I think that was one of the main reasons.

69. You do not see any reason why an ordinary friendly society, such as the Druids or Foresters, could not meet the difficulty in this case?—There was no reason why they could not; in fact, several connected with our society are connected with other societies. I was a member of the Druids, and there are several in our employ who are connected and take a prominent part in other societies, such as the Druids, Foresters, and so on.

70. What was the reason, when these friendly societies were already in existence, for starting another one?—I know of no reason given at the time. I really do not think the matter was suggested. Membership in our society has always been voluntary, and it was optional whether those in friendly societies joined our society or not. There was no reason why other friendly societies could not meet the case, but I believe a number joined our society who were not in any other society.

71. Because they considered your society offered special advantages?—I do not think so; we have offered no special advantages.

72. *Hon. Major Steward.*] Would not one reason be that the subscription in your case is smaller than in an ordinary friendly society?—Our limit is 6d. per week for four shares. So far as my memory serves me, it was supposed to be a smaller and more insignificant affair altogether than an ordinary friendly society.

73. Then, again, you take members of all ages and without the necessity of passing the doctor?—Yes, if they are in the employ.

74. A man cannot join a friendly society under a certain age and without passing the doctor?—No; I suppose that would be the case. However, none of these things were put forward, although they might have been in the minds of the men.

75. *The Chairman.*] I suppose a friendly society makes this stipulation as to age and as to examination by a medical authority for some reason?—They must have some reason.

76. I suppose you also had some reason when you included these people?—No; I do not think those things entered into consideration when the society was formed. There was a certain amount of sickness, as there always is where three hundred hands are employed, and we just formed the society to meet it.

77. It has been a successful society?—It has done a lot of good, but we have not made much. We have just carried on and made ends meet since we started.

78. Have you a balance-sheet?—Yes [Exhibit 26].

79. How is the funeral fund arrived at?—We have no source of income towards that fund. It has been built up by donations from the firm.

80. *Hon. Major Steward.*] Is there any balance left over from the society's operations?—No; it was always the rule to divide any profit over a reserve of £25 *pro rata*, but for the last two years there has been no balance and no division. The reason for that is that our society is not like a friendly society, because if you join the latter you can remain in it for all time, but in this case if they leave the employ they go out of the benefit society.

81. You have power to make a levy?—Yes, so much per share, and it was thought that would be so unpopular as to cause the society to collapse.

82. *The Chairman.*] You have no legal power to make such a levy?—No; it is simply a matter of honour between the members of the society.

83. Have you had an epidemic lately?—The influenza has troubled us more than anything.

84. How do you stand at the present moment?—We are £3 in hand.

85. How many sick members have you?—There are two at present. I hear another has gone on to sick-pay to-day.

86. So you actually have not the funds to meet them?—Hardly; in fact, I think if things do not improve the society will collapse at the end of the year.

87. *Hon. Major Steward.*] You mean, there is hardly sufficient margin between the rate of subscription and the sick benefits?—No.

88. *Mr. Fisher.*] Do you think the existence of this private benefit society is an improvement on the former state of things, when there was no benefit society?—I do not know that it is any improvement on existing societies.

89. That is not the point: do you consider the existence of these private benefit societies carried on by firms or companies an improvement on the former state of things, when there were no private benefit societies?—I speak for our own; it has certainly been an improvement on the former state of things.

90. *Hon. Major Steward.*] Up till now the society has been able to meet its engagements and pay its way?—Yes.

91. It is now solvent?—Yes; and I have no doubt it will continue so till the end of the year. Whether we shall go on or not I do not know.

92. But for the pressure brought upon your funds by this influenza epidemic you would have been in a pretty good position?—In a very fair position for a small society.

93. Is it a fact that there are some of your employés who have joined your society, and who but for its existence would not have been insured against sickness at all?—That is so.

94. That is to say, they had not joined and would not have joined other existing organizations?—Most of them are young people, and would not.

95. Such societies fill a gap, as it were?—Yes; it has done a wonderful amount of good in our place.

96. Do you think it would be a good thing for legislative provision to be made to recognise such societies as yours, and to put them on a legal basis, so that you could enforce your rules?—I cannot see any objection. I do not think there could be any objection.

JOHN MESSITER was examined on oath.

97. *The Chairman.*] What is your business?—I am a boot-finisher in Skelton, Frosiek, and Company's factory.

98. Do you belong to the benefit society?—Yes.

99. How long have you been in it?—About two years.

100. We are led to understand that this society is purely voluntary?—Yes.

101. The firm does not interfere in any way?—Not in the slightest.

102. But they contribute a small sum now and again to the funeral fund?—To the funeral fund only.

103. Is it your opinion that the society has been a good thing for the men?—Yes; and in several cases it certainly has been of great benefit.

104. The feeling being general (in your opinion) that it allows young people and women who would not join ordinary friendly societies to fall back upon this society in case of sickness?—Yes.

105. Do you remember any case of accident in the firm since you have been there?—I cannot say that I do; I do not remember any in connection with the business.

106. The treasurer has informed us that the society is not in a very good position financially?—Not just now.

107. Do you consider, if the subscription were raised a little, so as to leave a wider margin, it would be wise to keep the society on, as your opinion is generally that it has been good?—Yes.

108. So if you saw your way to keep it on a good financial basis you would like to see the society kept up?—Yes; and at a meeting of the committee a resolution was passed to hold a concert to augment the funds of the society instead of striking a levy, as levies sometimes are objectionable, although there is a rule giving us that power.

109. There is a rule, but you could not enforce the levy if any one objected to pay it?—No; and that is the reason we did not like to make a levy.

110. *Hon. Major Steward.*] Up to this year the contributions have proved sufficient to meet the demands?—Yes. I think the society has been in existence for eight years, and up to this year there has always been a small bonus to give back. This year there has been a lot of sickness, and a lot of money has been paid out; it has been an unusually bad half-year.

111. So if, in the period of seven or eight years, the scale of contribution has been high enough to meet the demand for sick relief, and so on, it would be arguable that this present year has been an exceptional case, and that presently the position will retrieve itself?—Yes.

112. Then, you do not think it necessary to increase the scale of contribution?—I do not think so.

113. It could not be increased without the consent of the present members?—No; not without a general resolution.

114. Thus, it would be optional whether they continued in the society or not?—Yes.

115. And you think a number of them would fall out?—I think so.

116. *The Chairman.*] Do you think that business firms should encourage these private benefit societies?—I think so. Where old men are employed I think it would be an advantage if some means could be adopted to require each employé to contribute to such societies.

117. You think that the firm would look with favourable eyes on this society?—I would sooner see it like ours, a perfectly voluntary thing, than compulsory for the firm to collect the money.

118. *Hon. Major Steward.*] I suppose, as a matter of fact, the existence of the society not only relieves you as employés from having to contribute by way of subscriptions, but it would also relieve the firm?—That would be a matter of private charity on the part of the firm.

119. That would not arise while this society exists at all?—No.

JOHN JACKMAN was examined on oath.

120. *The Chairman.*] What is your business?—I am a clerk in the *Lyttelton Times* office.

121. How long have you been in that service?—About fourteen years.

122. Are you an official of the benefit society?—I am secretary.

123. Have you a copy of the rules with you?—Yes [Exhibit 27].

124. *Mr. Fisher.*] Who is the present patron?—Mr. J. C. Wilkin.

125. And president?—Mr. Sugden, chief printer in the *Star* department.

126. And treasurer?—Mr. Hyman, accountant.

127. Who are the trustees?—Messrs. Wilkin and Saunders.

128. *The Chairman.*] Have you got a balance-sheet?—Yes; I have a copy of last year's balance-sheet and report [Exhibit 28].

129. Do you know how many are employed in the *Lyttelton Times* Company altogether?—I think, about 130 or 135.

130. How many who are not members of this benefit society?—There are about twenty who are not members—not as many as thirty. We have a membership of about 112 or 114.

131. Are the non-members young people?—A great number are boys.

132. Have they ever been asked to join?—Some of them have, and others have not.

133. They have never been told in any way that it is compulsory?—It is not compulsory at all.

134. *Hon. Major Steward.*] In fact, an employé cannot join unless he is proposed and elected?—He must be proposed, and must be in the office one month.

135. *The Chairman.*] I see a man is able to get a surrender value of 25 per cent.: have there been many such payments?—Yes, a great number. It is only conditional on a man not drawing sick-allowance. If a man has been in the society for a number of years, and had not drawn sick-allowance, he is entitled to 25 per cent. of his total contributions.

136. *Hon. Major Steward.*] Suppose he drew a small amount of sick-allowance, and his 25 per cent. came to a great deal more than that, would he get the difference?—Yes.

137. *The Chairman.*] Have these large funds come from the contributions?—Oh, no; we have had many sources of income, and we built up the fund.

138. Did the company give anything towards it?—That I do not remember.

139. They do not give any annual subsidy?—Nothing at all.

140. Do they take any lively interest in the management, or is it left entirely to the employés?—It is left entirely to the employés; they run the whole show.

141. *Mr. Fisher.*] All the officers of the society appear to be drawn from what one might call the official staff of the paper; what is the reason of that?—I cannot say. They seem to be drawn from the management of each department. Of course, we have a committee from the different departments.

142. *Hon. Major Steward.*] One officer is from the editorial side and one from the managing department?—Mr. Wilkin is manager and patron, and Mr. Saunders is editor. But he is only a trustee, and takes no part in the management of the society.

143. *The Chairman.*] There seems one part in which the firm has some active interest, because when a man is not paying the interest on his loan the manager is requested to deduct it from his salary?—They give us an order to allow the manager to deduct it each week, and the money is deducted from their salary.

144. *Mr. Fisher.*] A member is struck off the roll in accordance with Rule 15 for being in arrears with his contribution for eight weeks: can you say from your own knowledge how many have been reinstated under Rule 16?—So far as I know, during the last eight or nine years none have been struck off. They generally pay very well.

145. *The Chairman.*] They pay very well, believing the society to be a good thing for them?—Yes.

146. You have heard no grumbling about it?—None at all.
147. *Hon. Major Steward.*] In fact, if a man does not approve of the society he need not join?—He can resign immediately.
148. And there would be no consequence—he would not be dismissed because of it?—Not at all.
149. *The Chairman.*] Who are the auditors? Are they members of the society?—No; Mr. Gundry is a public auditor.
150. I understand that the real benefits of the society are sick-pay, funeral grant at death, and a surrender value?—Yes.
151. It does not include medical attendance?—No.
152. *Hon. Major Steward.*] And, further, an opportunity of obtaining money on loan?—Yes.
153. *The Chairman.*] What security do they ask?—They get any member of the society to indorse a promissory note.
154. It is personal security?—Yes.
155. *Mr. Fisher.*] Have these rules, which are very elaborate, been designed, in your opinion, in the interests of the men?—I think so.
156. *Hon. Major Steward.*] The society, as I understand, was designed by the men themselves?—Yes.
157. Presumably, then, they would draw up their own rules?—Yes, they drew them up.
158. Have you always found the income sufficient to overtake all demands?—On one or two occasions we paid away more sick-allowance. At the time of the influenza we paid over £300 in one year. We would have to encroach upon our reserve fund, which is a very good one.
159. That reserve appears to be steadily increasing?—Yes; during the last four years it has been increasing. We transferred £81.
160. *The Chairman.*] Suppose legislation were enacted which would allow a society such as yours to be registered with the same rules as now, would there be any objection, so far as you know, to registration?—I do not think so. They have spoken about it at some of the annual meetings, but they would not register it because our subscriptions were not sufficient—the subscription was too small at 6d. per week.
161. Evidently it would be too small were it not for that reserve fund of yours?—Yes.
162. *Hon. Major Steward.*] Yet, on the total of the years the society has been in operation, the contributions have considerably exceeded the allowances?—Yes. A good deal goes in working-expenses; our library costs us about £30 a year.
163. In this total the funeral-allowances do not come in?—No.
164. I suppose there are not a great number of them?—One this year, I believe, and two the year before last.
165. But, as a matter of fact, after paying all working-expenses and all benefits, you have been able to increase your reserve fund this year?—Yes.
166. *Mr. Fisher.*] Would you or would you not think it better if these rules were placed under some legal form of registration?—I cannot say.
167. *The Chairman.*] Have you any idea as to why the society was started?—No; it was before my time. It was inaugurated in 1878.
168. *Hon. Major Steward.*] Are any members of the society members of friendly societies?—Yes; a good number.
169. No doubt there are members of this society who could not be members of friendly societies by reason of age or unsound constitution?—Very likely.
170. You do not make it necessary to pass a doctor?—Not at all.
171. You have no limit of age?—None at all.
172. In fact, the society is available to all employés without distinction?—To every one.
173. The committee always reserving the right, I suppose, to object to persons for reasons that need not be explained?—Exactly.
174. I suppose there are very few refusals?—Very few.
175. *Mr. Fisher.*] The principal point is this, and it does not apply particularly to this society here: The funds of this society are invested in the names of two trustees—Mr. Wilkin and Mr. Saunders. In the event of any crucial question arising between the trustees and the men who form this society, and suppose that the men were to demand that that sum of £812 4s. 4d. should be distributed amongst them in accordance with the rules, do you think they would have any difficulty in obtaining that money from out of the possession of the trustees?—They would have to call a general meeting, and it would require a three-fifths majority, I think.
176. Suppose the trustees did not respond to the expressed wish of the meeting?—Then, I do not know how they would manage; there is nothing in the rules.

FREDERICK CHARLES GERARD was examined on oath.

177. *The Chairman.*] What is your business?—I am a compositor in the employ of the *Lyttelton Times* Company.
178. You have some official position in connection with the society?—No.
179. You are simply a member?—Yes.
180. Have you been long in the society?—I was one of the original members. I left the office for two or three years, and rejoined the society on entering the service again.
181. Can you tell us for what reason the society was started?—I do not know any particular reason. I know that the late proprietor, the Hon. Mr. Reeves, gave a donation of £100.
182. Of his own motion?—Yes.
183. It was he, then, who suggested the society to the men?—I believe it was, so far as my recollection serves.
184. The men did not evolve it from within their own consciousness?—No.

185. Can you give any reason why the men should wish for such a society when they already had the chance of joining friendly societies? Was there supposed to be some particular advantage in joining this society as against the Druids or Foresters?—I do not know that any advantage was considered at all in that way. I know a great many men embraced the idea directly it was proposed, because they thought it would be a good thing in many ways.

186. From that time to this the society has been a purely voluntary one?—Yes.

187. No pressure is put upon the men?—None whatever.

188. When you left, did you get any surrender value?—I do not think so. I never applied for it.

189. You understood such a thing existed?—Yes.

190. What is your opinion as to the value of the society?—I think it is a very great help to the men employed in the office in many ways. For instance, before the society was started we were continually having subscription-lists going round the office for the relief of men taken sick who had made no provision for such a thing by joining a friendly society. Since the society has been in existence that has been done away with to a very large extent.

191. Have they had much benefit from these temporary loans which they are able to get from the society?—Yes; I think that has been a very great convenience to many members.

192. *Hon. Major Steward.*] It would be a help to a young man getting married, for instance?—Yes.

193. *The Chairman.*] There have been very few failures to pay, I suppose?—I do not know of one myself.

194. *Mr. Fisher.*] Have you ever heard any complaint or objection to compliance with these rules?—No.

195. I mean, supposing a man who, admitting to himself and others that the rules and the society itself are good, says "I do not want to join"; what would happen in such a case?—Nothing at all; he would simply be left to his own devices.

196. Would he also be left in the office?—Yes; there is not the slightest compulsion or pressure in any way. There are men employed in the office now who are not members of the society—both men and boys.

197. *The Chairman.*] Suppose a man has a loan on which the interest is overdue, and the manager is applied to to stop the amount out of his wages, and suppose that man would not give an order for it, would the manager still stop it?—Any man has to give an order before he gets the loan.

198. *Mr. Fisher.*] Who collects the contributions?—The secretary.

199. *The Chairman.*] It is never stopped from a man's pay?—The pay is given in full. A loan is stopped from the pay on a man's order.

200. So far as you know, all the men employed in the office are satisfied with the existence of the society, and with the rules under which it exists?—So far as I know, yes.

201. If the society could be registered, like the Oddfellows and so on, under the rules as they stand at present, would you have any objection to registration?—I think it would be a very good thing if the society could be registered under some special Act—something like the Act under which athletic bodies are registered.

JAMES RALPH DAVIDSON was examined on oath.

202. *The Chairman.*] What is your business?—I am a jobbing compositor in the *Lyttelton Times* office.

203. How long have you been in that service?—For twenty-two years.

204. Do you remember the formation of the benefit society?—Yes.

205. Can you tell us something about its origin, and the reason for starting it?—Well, I think, as my memory goes back, that the idea was to try and help our workmen, and that sort of thing, engendered for the benefit of our own class of workers.

206. Engendered by whom?—By the combination of workers, and started by the firm.

207. In what way by the firm?—They gave their recognition, and that sort of thing.

208. Did they give any subsidy to start it?—Certainly.

209. Was that continued, or was it just a gift sum at first?—It was started, and, like a lot of good institutions that are started, when it got on a working basis it worked itself.

210. The society has no subsidy now from the firm?—Not in the slightest, to my knowledge.

211. Do you find the society helps you as you expected when you formed it?—Yes. I feel this, and I speak as God is my witness: that this is one of the very best societies that could be instituted as a private benefit society.

212. Has it been of any help to the firm in the way of keeping the men more steady and more likely to remain in employment?—So far as the firm is concerned, I do not suppose it has done any good at all—not the slightest good. It is only the men who belong to the society who get the benefit of it.

213. *Mr. Fisher.*] It is your opinion that the society was established from charitable and philanthropic motives?—Yes; entirely my opinion.

214. *The Chairman.*] What is your opinion of the loan branch: do you consider that a valuable branch of the society?—Yes; it is a very assisting branch of the fund if properly conducted and properly supervised.

215. You say it is valuable for the men who get the loans; the society gets interest?—I will say it is a convenience to the men.

216. I suppose if a young man is getting married, and wanting to build a house, it would be convenient to him?—Yes.

217. Well, now, the very essence of such loan societies must be the proper investment of funds; you agree with me?—Yes; I have been a past officer of the Foresters, and I understand you.

218. Supposing, then, that legislation could be devised that would allow your society to be put in a proper legal position in regard to these funds, and so on, do you not think that would be a great advantage?—I quite agree with it.

219. Excepting that, can you see any way in which the society could be benefited?—It would depend upon its own individual results, and what we could do to keep up the management.

220. But you cannot suggest anything further?—Nothing that I can see, but that we might help ourselves. The society is working itself in an entirely successful way. I may say there has been no coercion. I have been a member now, I suppose, for eighteen or nineteen years. I may say that there has never been the slightest coercion in regard to anybody who would not join the society. Only once did our worthy chief, who is now dead, address them by letter, saying he wished every worker would take the advantages that would be gained by working together, because it was only by working together that we could make the thing work. There was no coercion at all. I myself, as a member of a friendly society, thought at first, "Well, is this right or is it wrong?" and I watched for years, and I ask the same question now. I say there is nothing derogatory or harmful to a friendly society through membership of that simple little benefit society.

221. On the other hand, as a Forester, you must know that a working-man cannot pay into too many societies?—I quite recognise that; and I have recognised all my life that if you go into too many things you come down.

222. *Hon. Major Steward.*] The men are at liberty to join as they please?—As they please. It has not done any harm to friendly societies, because I have asked members according to their age if they like benefit societies. I always say it is the very best thing they can do.

223. *The Chairman.*] It does not prevent a man from joining the Foresters?—I am quite of that opinion.

224. *Hon. Major Steward.*] Have any men who were formerly Oddfellows or Foresters left those societies in order to join yours?—To my knowledge, never.

225. Some of the men pay subscriptions to both?—Yes.

FREDERICK CHARLES EAST was examined on oath.

226. *The Chairman.*] What is your occupation?—I am a lithographer in the *Lyttelton Times* office.

227. Are you an officer of the benefit society?—No.

228. You are a member?—Yes.

229. Are you a member of any other friendly society?—No.

230. How long have you been a member of this society?—Since the commencement.

231. This society was formed amongst the men?—Yes.

232. At the desire of the men themselves?—Well, yes.

233. It was not instigated in any manner by the firm?—The Hon. Mr. Reeves, I think it was, wished that there should be such a society, and he gave a donation.

234. Did the firm in any way take an active interest in the management, or leave it entirely to the workers?—Left it entirely to the employés—to the representatives from the respective departments.

235. You saw no direct interest to the firm in establishing this?—None whatever.

236. You have seen none since?—None at all.

237. Have you heard any case of a member of a friendly society leaving his friendly society, such as the Oddfellows or Druids, because he had joined this benefit society?—No, not to my knowledge.

238. *Hon. Major Steward.*] I suppose you have seen the working of the society, and you know it has been a benefit to a good many employés at different times?—Yes.

239. And, also, I see there is a very considerable accumulated fund from which the men get benefit by way of loans?—That is correct.

240. I suppose this has been a useful thing to a number of employés at different times?—Yes.

241. As a matter of fact, all these loans have been repaid so far?—So far as my knowledge goes. There has been no loss.

242. You have heard no objection from any employés as to the constitution of the society or the working of the rules?—None whatever.

243. Even if there were, they have it in their own power to alter the rules if they think fit?—Quite so.

244. I believe, also, that members can join quite irrespective of age or their physical condition?—Yes; every one in the employ can join.

245. From that point of view this society offers opportunities to a certain number of employés that they could not get elsewhere?—Yes.

246. Supposing that, as an outcome of this inquiry into these societies, a measure is proposed to Parliament under which societies such as the *Lyttelton Times* society could be registered with their present rules and constitution, do you or do you not think it would be an advantage?—Well, I think it would.

JAMES CLUNIE WILKIN was examined on oath.

247. *The Chairman.*] What is your position?—I am manager of the *Lyttelton Times* Company.

248. Have you any official position in regard to the benefit society?—I am a trustee and patron of the society.

249. Do you remember the formation of this society?—Yes.

250. Was it formed at the instigation of the firm, or was it entirely a movement amongst the men?—It was entirely a movement amongst the men. It was first organized by a man named Hebden, who conceived the idea that it would be a good thing to have a benefit society in connection with the office. He was encouraged, and started the society. The firm helped it in its infancy by subscribing—I am speaking from memory—£100.

251. In all probability, Mr. Hebden approached Mr. Reeves at the time, and told him what was going on, and obtained Mr. Reeves's assistance?—Yes; Mr. Reeves gave a very handsome donation to make the thing a success, and from that time it has been a very marked success.

252. Was the society then in its present form with the loan branch?—The loan branch was not a part of it at the very early period. It was probably three or four years afterwards when the loan business started—after they commenced to get a reserve fund.

253. Was that instead of investing the funds—they simply lent the funds amongst members?—We had and have a certain amount of funds invested, but there were surpluses which we put into the Post-Office Savings-Bank. But there were repeated applications from the men for loans, and this idea of lending was conceived.

254. It has been a very successful branch of the business?—Well, I believe it has been a very profitable branch of the business, so far as the society is concerned; but the society scarcely started originally with the idea of making a profit out of it. It was more for the convenience of the men who have managed the society, and who urged it strongly.

255. *Hon. Major Steward.*] Does the society make as much interest out of it as it would by outside investment?—More.

256. And it gives loans when the men could not possibly get them elsewhere?—Not without paying higher interest.

257. I would like to get your opinion upon the question I put to the last witness: whether, if Parliament legislates with regard to these private benefit societies, and a special Act is brought in so framed as to admit of a society like yours being registered, without in any way being crippled in its operations, do you or do you not think it would be an advantage to have legal recognition in that way?—I do not see what advantage there would be in it. The society, as a society, has worked very well; there have been no acrimonious feelings in regard to it so far.

258. *The Chairman.*] Supposing both the trustees were suddenly to die, and the heirs refused to give up the money of the society, what position would the society be in?—I scarcely know the legal position, but I should think there would be no difficulty in getting possession of the funds. I suppose an order from the Court could be obtained to take possession of the money.

259. What Court?—The Supreme Court. I do not know what position the society would be in in the case of the trustees refusing to disgorge the money they held, but it occurs to me there would be a remedy.

260. But the remedy is very expensive. You never heard of any grumbling amongst the men in regard to the society?—I cannot say that I have. There have been differences amongst the men in regard to the internal management, but they have it in their own hands entirely. At the yearly meetings there always is, as in all associations, differences of opinion, but no open bad feeling, or anything approaching it, so far as that goes. I do not know a society anywhere that has worked more amicably than the *Lyttelton Times* society has.

WEDNESDAY, 9TH JUNE, 1897.

WILLIAM WILCOX TANNER was examined on oath.

1. *The Chairman.*] You are a member of the House of Representatives?—Yes; for the electoral district of Avon.

2. You wish to make a statement before the Commission as to Messrs. Frostick and Company?—With regard to the “*Zealandia*” sick benefit society. I may say I was an operative working in the factory in which that organization was started for about a dozen years, during which time the organization was first founded. I was a member of it for some years, and at one time an officer of it—secretary, I believe, if I remember rightly—and I wish to testify to the useful functions that it filled, and also to confirm the statements which I see were made yesterday to the effect that the society was absolutely under the control of the contributors; that no pressure was, to my knowledge, at any time brought to bear on any man to compel him to join; that, so far as my knowledge went, no preference was ever shown to a man who was a member of the society as against one who was not a member; that membership was perfectly optional from the beginning; and that the society was founded—I cannot say who was the first originator of it—most decidedly at the wish of the men themselves, and in the interests of the men, and has been always solely under the management of the men. I have never known any attempt whatever at interference on the part of the proprietors of the factory, though the society always received their cordial support.

3. *Hon. Major Steward.*] Did it receive any financial support from them in your time?—I am half inclined to think that they have given subscriptions. I almost think a subscription was given to assist the men to start the society, but whether that practice was continued I am not aware. I wish also to say that, generally speaking, these small societies in industrial establishments fulfil a very useful function. As far as I know—my knowledge cannot be complete in regard to the whole of them in the colony—they are generally formed at the wish of the employés, and I think the main reason for starting them arises in this way: that amongst working people, as amongst all other classes in the community, there is a percentage of men who are generally improvident, thoughtless, thriftless, and careless. Friendly societies have a tolerably good membership in the colony, and these men are often remonstrated with, when working with those who are members of friendly societies, and urged to join some society. They are usually indifferent, even resentful; but it frequently happens that these men meet with accidents and illnesses, and then some good-natured person, I think with more sympathy than judgment, originates a subscription, and the list is taken round among his fellow-workmen. I may say in the factory I am referring to, some years ago, these lists were so frequent, and they were generally responded to, for no man cared to stand out of them, and if he did his conduct was ascribed to some other motive than the proper one—these lists were so frequent, and subscriptions succeeded one another so rapidly, that I have heard

men complain of lists coming round six or seven times in the course of a single week. In this way they constituted a formidable tax on the earnings of the more thoughtful men who were trying, honestly, to keep themselves afloat, and yet were called upon to assist and keep others whose advantages were equal to their own, and whose thoughtlessness was proverbial. This system was found at last to be such a drag on the men that I believe it formed the real reason why the society was first formed. I think a similar reason may account for the formation of a number of kindred societies. I think so long as the funds of the societies are administered entirely by the contributors, and they are not interfered with in the management, they are not only not objectionable, but in a great degree laudable, and that they act as a useful auxiliary to the proper benefit societies. If only 10 per cent. of the men afterwards join the proper benefit societies these little organizations cannot be said to exist in vain. I would like to call the attention of the Commission to this: that if any attempt is made to bring these societies under the cumbersome machinery of the present Friendly Societies Acts, which are clumsy, dilatory, and horribly vexatious, the probability is that the bulk of them will go out of existence. It is something more than absurd that a little organization which receives perhaps thirty or forty sixpences a week and a few smaller sums, which seldom has £20 in hand, and which generally distributes all this money in sick-pay almost as rapidly as it receives it, and at the end of the twelve months if there is any balance divides it, should be called upon to furnish elaborate reports, to go through all the formality and delay which attend the registration of the rules, and to be continually called to order whenever it is necessary to make some slight alteration, because it is only when the society gets into working-order that little matters are found out which require amendment. I am perfectly satisfied that the extinction of the societies will not be in the interests of the parties themselves.

4. *The Chairman.*] You would, however, draw a strict line between societies such as you speak of and those in which men are either compelled to join or in which the employers take a decided position of influence?—Most certainly. I have not met with any societies of that kind except, of course, the cases of the Union Company, the Sugar Company, and others, of which I have read, but of which I have no actual personal knowledge. I have not met with any case in Christchurch in which pressure has been brought to bear upon people to compel them to join. It has been reported to me that in one establishment the membership was compulsory some years ago, but I am satisfied that it is not now, and has not been for some years. I do not know that there is any particular advantage in raking over the past.

5. *Hon. Major Steward.*] There have been instances in which membership has been made compulsory at the request of the men themselves?—There has been a similar feeling amongst the men working in large establishments when the more thoughtless of their comrades persisted in the course they were following, and I have heard suggestions made that membership ought to be compulsory. I remember some proposals being made, not in the formal and proper way, but in informal conversation, amongst the men in the “Zealandia” Factory. I always opposed it.

6. *The Chairman.*] If legislative enactment could be brought into being which would allow these societies to be registered very nearly on the lines they now are, so as to put them in a position in which they would have more control over the funds, specially where the funds are allowed to accumulate, do you see any objection to such legislation?—No, provided it was made easy of application and adaptable and rapid in its action. The action of the present Friendly Societies Office is frightfully slow. I have known a case in Christchurch where a society has been formed, has applied for registration of its rules, has waited and waited in vain for eighteen months, and afterwards dissolved without ever receiving an answer as to whether their rules were to be allowed or otherwise.

7. *Hon. Major Steward.*] I think it ought to be provided in this way: If a society applies to be registered, and submits its rules, it ought to be allowed to go on until the department has something to say to the contrary. Do you concur that that should be so?—Yes, provisionally. But if any attempt is made to register these societies the system must be inexpensive, rapid, and easy.

8. *Mr. Fisher.*] The Chairman put the only question I wished to put—that was, as to the distinction to be drawn between societies like the “Zealandia” sick benefit society, where the members exercise the whole control over the operations of the society and its funds, and those where the company or firm exercise the largest share of the control over the society and its funds?—Yes, there must be a very wide line of distinction drawn there. There are no features in common between the Union Company’s benefit society as I know it and the “Zealandia” society. They are totally dissimilar. It would be well, I should suggest, in any draft rules and regulations made regarding these societies to take particular care that the preponderance of representation falls into the hands of the actual workers themselves, and that the official staff, though they might be represented, and probably have a reasonable claim to be represented, are not represented in such numbers as to outweigh the representation of the members of the society.

THOMAS TITUS ROBINSON was examined on oath.

9. *The Chairman.*] What is your business?—I am a compositor in the Christchurch Press Company.

10. There is a benefit society attached to the business, I believe?—Yes.

11. Are you an official?—I am secretary.

12. Have you a copy of the rules?—Yes; these are the rules as first framed [Exhibit 29].

13. Are they still in force, without any material alteration?—There have been one or two alterations—one rule has been struck out.

14. *Hon. Major Steward.*] It does not state the amount of funeral benefit?—A resolution has been passed that it should be £10. The number of members has increased during the last three or four years, so they have made a limit of £10, and each one has to pay in proportion, and the amount, of course, is supplemented by the Press Company.

15. Then, £10 is the maximum sum granted, and the committee have discretion to vote any sum up to that amount?—No; every member gets the full amount, and the juniors get an amount in proportion to that.

16. Then, membership in the society is purely voluntary?—Yes; all in the office do not belong to it, only those who wish to.

17. *The Chairman.*] Is there any regular weekly payment to the society, or is it that when a member falls sick a levy is made to the extent of 2s. 6d. per week during illness?—Yes. Supposing a member is sick, and entitled to £2 per week, that would mean 4d. or 5d. per week to the senior members, and perhaps 1d. or 2d. per week to the junior members, which would come to somewhere about £1 14s.; and that amount would be supplemented by the *Press Company* to make it up to £2. There are no weekly contributions, or anything of that kind.

18. As soon as a member recovers the levy ceases?—Yes.

19. And there is really nothing in hand?—No; we never have a penny in hand.

20. *Hon. Major Steward.*] About how many employés are there in the office?—I cannot say—a large number. There are seventy senior and twenty-two junior members in the sick fund.

21. What proportion of the employés become members voluntarily; no doubt there are some who did not join; what proportion does that number represent?—I should think, fully a third; about a third are not members.

22. *The Chairman.*] We have been told that in many cases these societies have been started because of the eternal subscription-lists going round. Now, as some of the employés are not members of the society, of course the subscription-lists will still go round for them?—They are not allowed to go round unless for some very extreme case. In a case of necessity I have no doubt the men in the office would be only too willing to assist.

23. *Hon. Major Steward.*] We will divide the men into members and non-members: suppose a non-member becomes sick, is any voluntary levy made by the members for his case?—No.

24. The benefits of the fund are only for those persons who are contributors?—Yes.

25. Then, the only result of membership falling from two-thirds to one-third would be that the levy would have to be raised in proportion in case of sickness?—The levy is not allowed to exceed 2s. 6d. per week.

26. But it is a varying levy, according to the number of members?—Yes.

27. *The Chairman.*] I notice that the cashier of the company collects the money and pays it to the account?—He pays it to the secretary, and I pay it to the men who are sick.

28. *Mr. Fisher.*] I do not see anything in the least degree objectionable in these rules. The society seems to me to be a purely provident society?—Yes.

30. *Hon. Major Steward.*] Also a purely voluntary society?—No one is asked to join. If a stranger comes into the office no one goes round and asks him to join.

31. The society was initiated by the men themselves?—Yes.

32. The *Press Company* had nothing to do with the matter?—No.

33. *The Chairman.*] Has there ever been any attempt on the part of the company to interfere as to the election of the committee, or anything like that?—None whatever.

34. Can you see any benefit in legislation? Should you think, for instance, it would be a good thing to make it compulsory if the employés of the *Christchurch Press* considered it would be good, so as to bring all in?—I do not know. This seems to work so well in the office, and to give so much satisfaction. Sometimes there may be more members and sometimes less. In an office like the *Press* office there are always some coming and going, and of course the men who come on casually would not think of joining the society.

35. I suppose you have no statement at all as to the amount of levy, so as to give us an idea of what calls have been made on the society?—I have not with me. I get a receipt from each sick member to show the society that I have paid the money over.

36. Can you not oblige us with a statement showing how much has been raised by way of levy?—I cannot state from the time the society has started. I have only been secretary two years.

ALBERT THOMAS WALKER BRADWILL was examined on oath.

37. *The Chairman.*] What is your business?—I am a compositor in the *Christchurch Press Company*

38. Are you an officer of the benefit society?—I am one of the committee.

39. Have you been in that position for any time?—I think I may say almost since the foundation of the society, about 1883 as it is at present, but it originated before that.

40. Had it a different constitution before that?—No; somewhat similar. I have heard Mr. Robinson's evidence, and perhaps I could give you a better idea of the position. In the department to which I belong, of course there were times when some people fell sick who really could not afford to be out of work, and it was a question of making a levy to help them or going round with a subscription-list. The companionship working in the room then made an agreement amongst themselves to collect 1s. each week from every member, and the "chapel" fund was to supplement it, and give them £1 10s. a week. This went on for several years, and by-and-by the company heard of it, and suggested that the thing should be carried throughout the establishment, and that if it was carried on as they suggested they would be willing to supplement the amount collected by 25 per cent. It began in the composing-room, and we were quite willing to let our affair go, and merge it into one for the establishment. Mr. Robinson told you we can levy up to 2s. 6d. There have been two occasions, I think, when we have levied up to 2s. 6d., and of course it necessarily follows, if the levy is 2s. 6d., and there is not sufficient to pay £2 per week, the sick member gets a *pro rata* share of the levy. The allowance has to be adjusted. Of course, there is nothing compulsory at all, and the employés of the *Press Company* appreciate the liberality of the company in this respect; it is not usual for a firm to make allowances to hands working piecework when they are ill, although they usually do so to those with fixed wages.

41. Would it, in your opinion, be better if membership were made compulsory—I mean, at the instance of the men—so that all working for the firm should join?—I do not know. I think we prefer it should be free. There are some people who have scruples about taking the money; they look upon it in the light of charity, and they do not like the idea of accepting charity; and I would not force anybody into a position they did not want to take up.

42. It could hardly be looked upon as charity when they would be subject to a levy for somebody else?—I know there are one or two who do not like the idea of taking it, and therefore they would not contribute. Of course, there are no accumulated funds at all. The levy is merely made when any one is sick.

43. *Hon. Major Steward.*] It is simply a temporary fund raised to meet temporary emergencies?—Yes.

44. *The Chairman.*] Have there been any accidents during the time you have been in the *Press* office?—No. We had a rule at one time that we would not pay to those who met with accidents at football or any other risky games, but we have done away with that rule.

HENRY OWEN was examined on oath.

45. *The Chairman.*] What is your business?—I am in the car and wagon department of the Government railways.

46. Are you an official of the benefit society connected with the works?—I am secretary.

47. Have you held that office for some time?—Since 1893.

48. Have you a copy of the rules?—Yes [Exhibit 30]. I may say before we go any further that the rules are under revision, and we have renamed the society. It is now called the Christchurch Railway Annual Sick Benefit Society.

49. Has the working of this society been a success, in your opinion?—Yes, quite a success.

50. Has there been any grumbling amongst the men about it?—No. It is a similar society to those in existence in Dunedin, Invercargill, and Wanganui, with which we are affiliated. What I mean is that we transfer from one to the other.

51. How long has this society been in existence?—About fourteen years.

52. I see Rule 10 provides that no person shall be admitted to the society who is not employed in the Railway Service, or who is receiving less than £1 per week, or who is over forty-five years of age, or who cannot furnish a declaration that he is in good bodily health. In many of the societies with which we have had to deal those were reasons for starting these benefit societies, as they admitted all people without any question of age or question of medical examination, whereas a friendly society would not do so. What, in your opinion, was the reason for starting this society when friendly societies would have given the same advantages?—Previous to this society there had always been a society of some sort between the workshops and the general working railways, and it has been in existence practically since earlier than 1870.

53. Do many of your men, so far as you know, belong to other friendly societies?—A good few of them do. Our sick-allowance is not much—only £1 per week.

54. Do you think your society in any way has prevented people from joining a friendly society, as perhaps they could not keep up two societies?—That I cannot say. It would not in my own individual case.

55. You are a member of another society?—Yes.

56. And when sick you get a weekly payment and doctor and medicine?—Yes.

57. I notice here you have a funeral benefit, but it is from a levy?—Yes; it is a separate fund, and is only raised from time to time. It does not come out of the ordinary contributions.

58. Rule 15 provides that at the end of the financial year the accounts shall be balanced, and any surplus divided amongst the members. Supposing, for instance, at the end of the year some people fell sick, what would you do?—I have a statement for the period I have held office, giving the total receipts and expenditure, and what has been divided [Exhibit 31]. We commence the year always in December, and before we make a division we have the December payments in hand. I have never known the society to be stuck for funds.

59. *Hon. Major Steward.*] The levy on the total number of members would, roughly, be 1s. a member?—Yes; of course, they fluctuate.

60. Are there many permanent employés who do not belong to your society?—Yes, a great many.

61. If it could be made compulsory for all to join such a society, do you think that would be a benefit?—It would be a benefit, but rather hard on some who were in other societies and could not afford it.

62. *The Chairman.*] How is the money paid: is there any deduction from wages?—No.

63. Does the secretary go round and collect it?—We have collectors from each department.

64. *Hon. Major Steward.*] It is a purely voluntary society, originated by the men and administered by the men?—Yes, without any interference by the Government or Commissioners. I may state that every facility is offered by the Government and by the Commissioners.

65. There is no subsidy of any kind?—No.

66. *The Chairman.*] You have always found the contributions sufficient to meet the expenses?—Yes.

WILLIAM HENRY WILLIAMS was examined on oath.

67. *The Chairman.*] What are you?—Parcels porter in the New Zealand Government railways.

68. Are you a member of the benefit society?—Yes.

69. How long have you been a member?—For fourteen or fifteen years.

70. Do you consider the society a benefit to the men?—Yes, very much so.

71. Have you ever heard any grumbling or expressions of disapproval of any kind?—Not the slightest.

72. Can you offer any suggestion as to how the society could be improved?—No; I think it is working very satisfactorily at the present time as it is.

THOMAS OLIVER JOHNSON was examined on oath.

73. *The Chairman.*] What is your occupation?—I am pay-clerk at the Kaiapoi Clothing Factory.

74. There is a benefit society connected with the factory?—Yes.

75. Are you an official of that society?—I am secretary.

76. Have you brought a copy of the rules?—Yes [Exhibit 32].

77. How is the funeral fund called up—by levy?—No, by weekly subscription; but we resolved to abandon it during last year, as it was not self-supporting.

78. Then, this is a purely voluntary society?—It is purely voluntary.

79. How many employés are there in the factory?—440.

80. How many are in the society?—150—about one-third.

81. *Hon. Major Steward.*] Does the society, in your case, give any subsidy or assistance?—Not now. When the society was started in 1883 they gave £30 per annum, but that only lasted four years. They found the society in such a flourishing condition that they withdrew that £30.

82. *The Chairman.*] Have you a balance-sheet?—Yes [Exhibit 33]. I would like to say, in regard to the falling-off in membership, that it was compulsory, but two years ago the compulsory clauses were done away with at the directors' desire, and consequently the membership has fallen off considerably.

83. Explain "consequently"?—That the compulsory clauses have been taken away.

84. But, if the society is a benefit, why should members fall off?—That is one thing I cannot exactly understand. I do not know, myself, why the people do not contribute more towards the funds, but the fact remains that they do not. I have a rough statement here as to the position of the society since it started [Exhibit 34]. You see there at once the falling-off that took place after the compulsory clause was removed.

85. In your opinion, was it a mistake to withdraw the compulsory clause?—I think it would be better if the compulsory clause had remained.

86. We have been informed that one of the great benefits of these societies is that they take in as members persons who are too young or too old for ordinary friendly societies, and have consequently been a good thing for them when they fell sick?—Yes; it has been a good thing for them in many instances.

87. If the numbers should still fall off, will this rate of contribution be sufficient to keep the society going?—It has been self-supporting so far. Of course, when the compulsory clause was taken away the majority of people liable to be sick remained in the society. Those healthy and strong, of course, did not want to remain, and consequently the amount of sick-pay is heavier in proportion, because the rate of sickness is greater.

88. *Mr. Fisher.*] What generally is the mental character of your employés: are they either very wise or very ignorant?—I think you will find them the average of the general body of people assembled together—you will find them both wise and the reverse. I may just say there are a good many hands earning fairly good money. Of course, they have comfortable homes; they are nearly all girls, and I suppose they feel that this 3d. per week comes out of their own pockets, and that if they are sick their parents will keep them. That has been my experience.

89. *The Chairman.*] Of what nature was the compulsion before the compulsory clauses were abolished?—It said every person employed in the factory must be a member of the society, provided they were in good health.

90. What did "must" mean?—They were compelled. Of course, they were led to understand they must be members of the society. I do not suppose they would have been discharged if not members, but they would have been, as the saying is, called over the coals for not joining. Of course, the old rules simply said any person not joining within a certain period would be reported to the manager of the factory—that was, the management of the factory would simply deal with that member as they thought fit.

91. What reason had the management of the factory for interfering in this business?—Because they thought the society beneficial to their employés, and prevented subscription-lists being handed round the factory when people became sick and were not able to keep things going.

92. Have any accidents happened in your time in the factory?—Nothing worth speaking of; nothing of a serious nature.

93. Are you quite sure?—I cannot remember for the moment. I do not think we have had any accident worth reporting.

94. Were the employers annoyed at the compulsory clause being withdrawn?—It was their desire that membership should be made voluntary. I think it was about twelve months ago when the Private Benefit Societies Bill was being introduced. They thought to save any further annoyance they would have the compulsory clauses withdrawn.

95. The result has been a partial paralysis of the society?—Yes.

96. *Hon. Major Steward.*] In your opinion, in any legislation regarding these private benefit societies, do you think provision should be made to enable a majority of members to make membership compulsory?—Yes; I most decidedly think so. I think it should be in the power of the employés, by vote or otherwise, to make membership compulsory or otherwise.

97. That is, from your point of view, it would be an advantage to the society if such an Act were passed?—Yes.

98. *The Chairman.*] I suppose, under the present circumstances, and with so many of your employés out of the society, the old subscription-list nuisance may come into force again?—Yes; of course it might, but I think they clearly understand that no subscription-list of that nature is allowed, because the society is there to provide against that sort of thing.

99. Are any of your members also members of other friendly societies?—There are some, I believe, but I cannot say how many. It is a thing we do not ask them.

100. *Hon. Major Steward.*] The explanation is, I suppose, that the bulk of them are young people—too young to join friendly societies?—Some have juvenile lodges, but we take all in except apprentices. You see by the rules we pay them 10s. per week, and a young girl must be earning more than 10s. before she is entitled to receive that 10s., otherwise it would pay better to be sick.

101. *The Chairman.*] How do you generally collect the money?—I receive it every Friday between 4 and 5 o'clock. They come to me; it is never stopped from their wages.

102. The firm never interferes?—Not in the slightest. We do not even ask employes to join; it is optional.

103. *Mr. Fisher.*] Were the contributions deducted during the compulsory régime?—Yes, several years ago; that is, provided they did not pay the contribution. That caused a lot of complaint, because people do not like their wages interfered with in any shape or form.

MARY ANN HEPHZIBAH VIRTUE was examined on oath.

104. *The Chairman.*] What is your occupation?—I am a machinist in the Kaiapoi Clothing Factory.

105. Have you been there long?—About five or six years.

106. You were there at the time the society was compulsory?—Yes.

107. Did you hear any grumbling amongst the workers about it then?—Well, some did not like it very well; and, of course, some did.

108. Was it the result of your experience that it was good whether they liked it or not?—I think it was necessary.

109. And there has been a great falling-off in the numbers of the society since it became purely voluntary?—Yes.

110. You regard that also as an evil?—Yes.

111. And many young persons and girls would have to look after themselves if sick?—Yes.

112. Do you think that these contributions of theirs pressed at all on their wages?—I do not think so; the contribution is very small.

113. Was there anything unpleasant in the way the money was collected?—No unpleasantness whatever.

114. Should you have any objection—do you think the sensible members among the employes would have any objection if membership of the society were made compulsory?—A good many have complained against it. They do not like the idea of being compelled.

115. Even if plainly for their own benefit, because any money that has been over at the end of the year has been given back to them?—Yes, it is divided.

116. *Mr. Fisher.*] It is a case, then, whether wise or otherwise, that they prefer to please themselves?—I think so.

117. *The Chairman.*] There is no interference by the firm at all?—None whatever.

118. Are any superior officers of the firm on the committee, or is it left entirely to the employes?—It is just left among the employes.

119. *Mr. Fisher.*] Who is the present president?—The chairman generally conducts the business.

120. Who is the chairman?—Mr. Banks.

121. Then, Mr. Banks is president and trustee?—Yes.

122. *The Chairman.*] Are women represented on the committee?—Yes; I am one of the committee.

123. I suppose doctor and medicine have to be provided quite separately?—Yes; members provide their own.

JOSEPH CLEWORTH was examined on oath.

124. *The Chairman.*] What are you by business?—I am a presser in the Kaiapoi Clothing Factory.

125. Have you been long in that service?—Thirteen years.

126. You remember this society under the old compulsory clauses?—Yes.

127. It was a fairly well conducted society?—Very well conducted.

128. You think it was generally good to the employes?—I do.

129. Do you consider the removal of the compulsory clauses a mistake?—That is a matter of opinion. I do not believe in compulsory clauses, but at the same time I believe it was for the general good of the employes.

130. If they could be persuaded voluntarily to come in you think it would be a good thing?—I do.

131. I suppose that, most of your employes being young girls and women, there are not many members of ordinary friendly societies among them?—There are a number; a fair percentage of the men are connected with friendly societies.

132. Do you think, as a result of their withdrawal from this society, they are very likely to join friendly societies?—I do not think so; the amount of contribution to this society is really so small.

133. It would not hurt anybody?—I do not think so.

134. *Hon. Major Steward.*] I suppose the effect of the formation of this society has been to relieve you of the nuisance of subscription-lists, which frequently went round before?—Quite so. I think that was one of the principal reasons for starting it.

135. *The Chairman.*] If this society could be continued, and you saw that the present rules could be arranged for by legislation so that they could be registered as they stand at present, would you see any objection to registration?—I do not see any objection. In fact, personally, I am of opinion that all friendly societies ought to be registered, providing our rules could be accepted.

136. And the machinery not too cumbersome?—Quite so.

137. We were told by some witnesses that one great advantage these private benefit societies have over friendly societies is that young people can join, and also people can join without medical examination: do you consider this a very great advantage?—Well, in our society they have to be in good health before they can become members. We have employés whom we do not admit as members, owing to their not being in good health.

138. *Mr. Fisher.*] We had before us this morning a society called the Christchurch Railway Annual Sick Benefit Society. In that case the whole government of the society is in the hands of the members themselves, the employers standing quite apart, and almost every workman appears to be a member: do you think, if there were the same freedom in your employ, that those who withdrew from the compulsory operations of your society would again become members?—I think we have a society with equal freedom.

139. How was it so many withdrew?—I cannot answer that; I do not know the reason of their withdrawal.

140. *Hon. Major Steward.*] Your employers do not interfere at all?—No. We have perfect freedom from any interference whatever on the part of employers, directors, or management.

141. *Mr. Fisher.*] I can hardly understand the statement of Mr. Johnson that immediately on the withdrawal of the compulsory operation of the rules such a large proportion of the members immediately also withdrew from the society: what is your explanation of that?—I cannot understand the reason why they do not participate in the benefits to be derived. It is one of those things we cannot understand.

142. You see, I do not understand the reason: I prefer to have your reason, you being in such close contact with them?—I have no reason why that state of things came about.

143. *Hon. Major Steward.*] Are the bulk of the employés young girls?—Yes.

THEOPHILUS WILSON was examined on oath.

144. *The Chairman.*] Are you manager of the Kaiapoi Clothing Factory?—Yes.

145. Are you an officer of the benefit society?—No.

146. Are you a member?—I am an honorary member; they made me a life member.

147. What did they do that for?—For the time I have been connected with it.

148. You had been working for the society for some years?—Yes; I find I joined the company four or five months after the society started, and the company came forward with a proposal for a society and, I think, £30 per annum. A meeting of the employés was called, and the then manager brought the matter before the employés, who passed a resolution that it was desirable to form such a society.

149. Then, the idea originated with the employers first?—Yes.

150. For what reason?—To help the employés.

151. It was simply out of love and affection?—Yes, without doubt; and in order to give the thing a start they contributed £30 a year. In that way I find they contributed £120.

152. For this, did they take any share in the management?—They appointed Mr. Wilson, chairman of directors, president. Mr. Pascoe, who was manager of the clothing factory then, was made vice-president, and they had a committee from amongst the employés.

153. Those were the only office-bearers they had in positions of influence on the committee?—Yes; and, of course, they held their meetings monthly, and the business of the meeting was transacted through the committee. In 1885 I was elected on to the committee, and consequently since that time I know a great deal about the working of the concern, and I say emphatically that the directors never in any shape or form tried to control the management of the society. They deemed it was to the advantage of the employés that they should be members of this society, in order to provide against sickness. I believe previous to that there had been sickness amongst the employés, and these subscription-lists had been passed round, and had come pretty heavily on the generosity of the people. It is always those who do not provide for themselves who get into trouble in that way. Of course, the resolution in the rules was that all working in the place should be members of this society. Provision was made that the committee should have the right to refuse as members those who were in a chronic state of ill-health—those who were bound to be a strain upon the society. I think there were two or three who were refused admission when they came to work in the place. One in particular said it was not right that he, who had this disease on him, should come with his eyes open to receive the funds of the society. To my knowledge, since I have been connected with the factory none have been refused work there for that reason.

154. What would happen to any sick employé if there was no such society? Would anything be done by the firm?—I do not think so. They would have no claim upon the firm in any way.

155. Are you able to account at all for the immense falling-off in the number of members since the society became voluntary?—Simply by neglect. While that compulsory clause was there it was almost the last month before ever they would pay at all. They were always going to pay, but put it off from week to week until it simply lapsed.

156. You never enforced payments through the firm?—Never.

157. And never deducted it from the wages?—Never.

158. You think it is possible, if a vigorous canvass were instituted, that membership could be worked up once more?—It is a matter in which these people would just lapse back again in the same way. When they are sick they pay up every penny to get the benefit. They have done that time and time again. They all admit it is a splendid thing, and a good investment, but through sheer carelessness they neglect to keep up their membership, and then they do not care. That is the only reason I can give. Of course, as you will see, the whole of the money is divided amongst members at the end of the financial year. Well, I think the first year I was there, having paid in £1 6s., we received £1 1s. 6d. back again. So far as I can see, it costs about half the amount to run the sick fund, which is 1½d. a share for a matter of 5s. per week, if all contribute to it.

159. *Mr. Fisher.*] Does it or does it not appear singular to you that on the withdrawal of the compulsory clauses so large a proportion as 150 out of 450 should withdraw from the society?—There would not be that number at the time, and, of course, apprentices were never in it. I say again it is this matter of carelessness—always intending to do it but never doing it. Of course, they paid up in the other instances because the clause was there, although no force was ever brought to bear.

160. Then the “neglect,” as you call it, is applicable to the old as to the young?—Yes.

161. There must be some capable of exercising individual judgment?—Yes; but it is hardly judgment. For instance, I know of one family who are always in difficulties, and they have more than once during the year been thrown out of employment by sickness, and they do not pay up, and, of course, are unfinancial when sickness comes.

162. One family is a very small proportion of the whole?—Yes; but it is simply one instance. I certainly think in a place where such a vast number is working that it is an advantage to have a society of that description, and that the compulsory clauses are in no way burdensome, but a great advantage to them without doubt.

THURSDAY, 10TH JUNE, 1897.

DAVID HANDSIDES was examined on oath.

1. *The Chairman.*] What is your business?—I am foreman in the car- and wagon-shop of the Government railways.

2. Have you been long in that service?—About nineteen years.

3. Were you in the service before the benefit society started?—No; this society was started nearly twelve months before I entered the service. This is the twentieth year of its existence.

4. Are you an official of the society?—I am secretary, elected in 1889.

5. Have you got a copy of the rules?—Yes [Exhibit 35].

6. Your experience of this society is that it has been of benefit to the men?—It is of very great benefit. I may say in the first place it was started to do away with the subscription-lists that were continually taken round when the men were sick. The lists got to be a regular nuisance.

7. How many employés are there in the workshops altogether?—233.

8. How many of these are of an age that they cannot join the society?—There are about forty who cannot join.

9. Of those who can how many belong to the society?—155.

10. Do the persons who do not join give any reason for not joining?—There are some whose health will not permit them to join.

11. With these exceptions—those whose age and health prevent them from joining—every one in the workshops nearly is a member?—Yes.

12. It is a purely voluntary society?—Yes.

13. There is no interference by the Government in the management?—None at all.

14. *Hon. Major Steward.*] Of those who are not members among the employés, are there any who are in friendly societies?—Yes.

15. Are any of those in the society also members of friendly societies?—Yes; I am an Odd-fellow.

16. *The Chairman.*] What advantage, as a member of a friendly society, do you get besides doctor and medicine?—I get doctor, sick benefit, and funeral benefit.

17. You get sick-pay from your lodge also?—Yes. A society was started in the service nearly twenty years since, which was compulsory, in a manner of speaking. Mr. Conyers, the then Commissioner, was president of the society; he usually presided at the meetings; and, in fact, the men were afraid to say what they would like. But this eventually fell through, as no real interest was taken in it by the men.

18. *Mr. Fisher.*] That was the effect of the compulsory condition?—Yes; the men really would not stand it.

19. *The Chairman.*] Since it has been put on a voluntary footing the men have gone into it?—Yes; before the men did not seem to take any interest in it at all. I wish to point out that the two societies mentioned were distinct and separate societies, the present society being in existence before the other.

20. Have you a balance-sheet?—Yes; these are the two last balance-sheets [Exhibit 36].

21. What do you consider is the cause of that deficiency? Are the rates not enough to meet sick-allowances, or was it an exceptional year?—An exceptional heavy sickness; and at the last yearly meeting they decided to raise the subscription to 2s. 6d. a month—that is, instead of paying 6d. a week we pay 7½d. per week. That does not appear in the rules yet.

22. You found you based your contributions too low?—Yes; as a man gets older he becomes more liable to sickness, and so on.

23. There is a rule here which says that the surplus shall be divided amongst members in proportion to the time they have been in the society: how do you arrange that?—The balance is divided so much per member per month. If a man has been in the society nine months he gets a dividend for nine months. The society winds up at the end of each year, and if a man joins during the year he would not be entitled to the full year's dividend.

24. *Hon. Major Steward.*] Have you thought anything about the desirability or otherwise of legislation taking place so that all these societies could be registered without altering their constitution?—Yes; could you show me any benefits to be gained by having such societies registered?

25. Well, you see, in the event of any defalcation taking place, or anything of that sort, you, being a corporate body at law, could proceed more cheaply than you can now?—We are paid officers, and that makes us liable.

26. *Mr. Fisher.*] The view Major Steward wishes to put to you is that if there is legislation it would be almost impossible to exempt some societies and include others?—I do not see any objection to being brought under it.

27. It could not possibly do you any harm?—No.

JOHN SINCLAIR was examined on oath.

28. *The Chairman.*] What is your business?—I am a brass-turner in the Government railway workshops.

29. Are you an official of the society?—I am treasurer.

30. Have you seen anything in the work of the society that would make you think it is of benefit to the men generally?—Yes; I find it a wonderful benefit to the men as it exists.

31. Is there any grumbling amongst them about it?—No; nothing as regards the benefits or conditions under which they work.

32. You have had experience of it for some years?—About fifteen or sixteen years.

33. *Mr. Fisher.*] You heard what Mr. Handisides said as to how the society went into decay during the time of the Commissionership of Mr. Conyers, in consequence of the compulsory condition in regard to joining the society: do you concur with that or not?—I do concur; decidedly.

34. *Hon. Major Steward.*] The compulsory clause providing for compulsion as from the employer's side evidently has a disastrous effect on the society. I want to ask a question as to whether, if provision were made for the employés themselves by majority to make it compulsory, you would think that an advantage or otherwise?—Well, I think, as far as we as a body are concerned, I am decidedly of opinion that we should be allowed to act on similar lines to what we are doing—that is, without any force being brought to bear on men not inclined to join the society.

35. You do not think power should be given to yourselves to enforce such compulsion?—No, I do not think so. Some of the men are attached perhaps to other societies, and working-men cannot afford to go into two or three societies. I rather think it would grate upon the men to be compelled to join.

36. *Mr. Fisher.*] You feel convinced in your own mind that they would object to compulsion in any form whatever?—I am not prepared to say that: I only give you what I think would be the most reasonable aspect of the case. I do not know the mind of the men as a body, but, looking at the success which has attended the working of the society so far as membership is concerned, I do not think it would be advisable to make it compulsory.

37. Do you think they would object to compulsion in any form whatever?—I cannot say.

WILLIAM GIMMELL was examined on oath.

38. *The Chairman.*] What is your business?—I am a cooper in Ward and Co.'s brewery.

39. Have you been long in that service?—Close upon five years.

40. There is a benefit society connected with the brewery?—Yes.

41. Are you an official of that society?—No; I am a member.

42. Do you bring any copy of the rules with you?—There are really no rules; it is a small affair. There are no printed rules.

43. Are there any written rules posted up anywhere in the building?—I do not think so.

44. Can you give us a general idea as to the way the society is worked?—Yes. We pay 6d. per week into the club, as we call it, and in case of sickness or accidents to a member he receives £1 per week for six weeks. After that it is left with the committee, who are the remaining members of the club, as to the amount he will receive. At the end of the year the funds, if any, are divided amongst the members of the club.

45. Have you a secretary or treasurer?—No.

46. Who collects the money?—The clerk in the office deducts 1s. fortnightly from our wages; of course, no compulsion is used.

47. How many persons are in the employ of the firm?—About twenty-two.

48. Are all members of the society?—No.

49. Can you give us any idea how many are members of the society?—I cannot tell the exact number; I believe, fourteen or fifteen out of the twenty.

50. How is the society financially? Have your contributions been able to meet your sick-expenditure?—Yes, ever since I have been there. The funds are divided every Christmas, and my experience has been that I have always taken from 3s. to 8s. a year more than I have paid in.

51. Does the firm subsidise?—Yes; they give four guineas per annum.

52. *Mr. Fisher.*] There has not been much sickness in the brewery?—There has not been in my time.

53. Brewing is not an unhealthy occupation?—I should not think so.

54. *The Chairman.*] Is there any other benefit besides sick payment?—No.

55. Suppose a man left the brewery after having paid in so much during the year, would he get a share of that money if he had not been sick?—That would entirely rest with the men.

56. Is there any question as to a quorum of this committee?—All the men are the committee.

57. Do any of your men, or most of them, belong to any other friendly society?—Several do; I do not.

58. Do the firm take any interest in the active management, or leave it entirely to the men?—Entirely to the men.

59. The firm has no advantage to gain by it?—None.

60. *Mr. Fisher.*] Do you ever hold any meetings?—No, not in my time.

61. Is there any stated time for holding meetings?—No.

62. Is there any permanently-appointed chairman?—No; it is a small affair from beginning to end. It is a matter between employer and employé, and, so far as I am concerned, I think it is a very good affair too. You get a good percentage for the little you pay in.

63. Therefore you will keep the club going?—Certainly.

WILLIAM SMITH was examined on oath.

64. *The Chairman.*] What is your business?—I am an employé in Ward and Co.'s brewery.

65. You have heard the evidence given by Mr. Gimmell?—Yes.

66. Do you fully agree with it?—Yes.

JOHN LEADER was examined on oath.

67. *The Chairman.*] What are you?—An employé in Ward and Co.'s brewery.

68. You have heard the evidence given by Mr. Gimmell?—Yes.

69. Do you fully agree with it?—Yes.

JOHN SULLIVAN was examined on oath.

70. What is your occupation?—I am a lumper at Lyttelton.

71. Do you know of a society called the Lyttelton Lumpers' and Wharf-labourers' Association?—I am secretary of it.

72. Have you held that office long?—Twelve months.

73. Can you tell us how long that society has been in existence?—Something over six years.

74. Have you got a copy of the rules of the society?—Yes [Exhibit 37].

75. How many persons, can you tell us, are there generally working in or about this association? Do they vary very much?—Yes; some days there may be twenty, some a hundred and twenty, and sometimes two hundred.

76. How many members has your association? What is the membership?—About two hundred.

77. And it is impossible, by these rules, for any person to get work there without belonging to this association?—No; plenty get work outside the association. When all the association men are working, then anybody who comes along gets work.

78. If your two hundred members are all in full employment, then anybody else can get work?—Yes.

79. Rule 35 says, "All labour to be engaged at the breastwork, by the shelter-shed. No member shall take the lines or go alongside any steamboat or ship seeking employment at any time unless ordered to do so by the employer." Does that mean you are not allowed to work without being ordered by the employer to do so?—Yes.

80. And Rule 16 says, "Every member shall pay": now, what is the meaning of "shall"—that if he does not pay he is not allowed to work until all the members of your association have work?—We do not strictly adhere to the rules like that. We do not make them unfinancial unless they are really twelve months in arrears—that is 16s., our contribution being 1s. 4d. The rule says you are unfinancial after two months, but we do not adhere to that rule; we give them twelve months.

81. Has there been any amendment to that effect?—No. We have several working all the time who are perhaps six or seven months behind in their contributions. We do not stick to a hard-and-fast rule.

82. Still, no one can work at lumping on the wharves unless he is a member of this society?—Nobody can work while members of the society are available.

83. When the Canterbury Stevedoring Association paid £100 at the start they further promised to supplement it from time to time: have they done so?—Yes, every year. Last year they gave us £25, and in previous years I believe it was £25 and £50; but I was only in office last year, and so cannot tell.

84. Have you brought a balance-sheet?—Yes [Exhibit 38].

85. *Mr. Fisher.*] In whose name is the money banked?—The secretary, treasurer, and trustee—three members.

86. Who is the trustee?—A chap named Slater, who used to be fireman on the wharf. No cheques can be drawn without the three signatures. The employers have nothing whatever to do with the funds, good or bad.

87. *The Chairman.*] Does this balance-sheet resemble in any way the balances of previous years?—Something similar to that. The funds never accumulate very much. The bank-book shows there is £67 at the present time.

88. Have you heard any grumbling amongst the men working there as to this society?—I have heard grumbling outside, not among the members of the association themselves. Now, before we came up we were almost unanimous in keeping the association as it is; we do not want it interfered with—not the men belonging to the association. They think the association is going along on very nice quiet lines at present, and that was the unanimous wish to-day. They seemed to be all pretty satisfied.

89. *Mr. Fisher.*] Does this association monopolize or control the stevedoring labour of the port?—It does to a certain extent, because all the members who work at the shipping belong to the association.

90. *The Chairman.*] All the men who work on the wharves belong to this association?—Not all the men. We have a committee and chairman of our own; we never meet the "upper" people at all—perhaps once in two years. They do not interfere with our funds, and we carry on our business apart from them.

91. Does it not mean that if a man wants work he must belong to your association?—Not at all.

92. *Mr. Fisher.*] Is it not a fact, in accordance with these rules, that the Lyttelton Lumpers and Wharf-labourers have entered into a compact with the Canterbury Stevedoring Association?—Yes; but the Chairman said, “Must a man belong to this association to get work in Lyttelton?”

93. *Hon. Major Steward.*] After paying your sick benefits you have a balance at the end of the year: what is done with it?—It is always carried forward; we never divide. These last four months have been very unfortunate for us; we have had six all the time on the sick-list. That means £3 15s. a week; and when you are only receiving 1s. 4d. per month it soon goes. Then, 4d. a month goes to the keeper of the shed, which only leaves a margin of 1s.

94. How many years has the association been in operation?—Six years.

95. And the total balance to credit is £50?—Yes. Apart from the sick-pay, if a member dies we make the widow a present of £10 or £20.

96. *The Chairman.*] Where does the subsidy of the Stevedoring Association show on this balance-sheet?—It does not show, because this is for six months. It is in the balance-sheet before that, and will be in the ensuing balance-sheet.

97. *Hon. Major Steward.*] It appears that your revenue at the present rate just about meets your charges?—Just about that.

98. Your members contribute £150 in the year and the Stevedores' Association contributes £25—that is, one-sixth; yet the governing body consists of a certain number of persons, one-half of whom are appointed by the Stevedores' Association, plus some other officer, who has a casting-vote; so that the body which contributes one-sixth of the revenue has rather more than a half of the representation?—There are five of them to four of us.

99. Does that strike you as being a fair adjustment of the representation?—Of course, they do not interfere with us in working the association.

100. Could they not?—It has not been done.

101. Can they not if they wish?—Well, five can always beat four.

102. *Mr. Fisher.*] What is the Canterbury Stevedoring Association?—They are merchants.

103. *Hon. Major Steward.*] So, in return for one-sixth of the revenue, these merchants have the power of controlling the whole business of the association?—Yes.

104. *The Chairman.*] Rule 4 says, “No workman shall be eligible for membership who is a member of any union not affiliated with this association”: can you tell us which unions are affiliated with this association?—Only one I know of—the Lyttelton Wharf-labourers. They work about the wharves, and several of their members belong to our association. I do not know if there is anything against them working with us.

105. *Hon. Major Steward.*] Would a member of the Seamen's Union be eligible to join your association?—I think so.

106. Is the Seamen's Union affiliated with this association?—No.

107. *The Chairman.*] Rule 7 says, “Workmen wishing to join this association shall send in their names to the secretary of the Canterbury Stevedoring Association, who shall submit the same to the committee, and the latter body shall elect or reject at discretion.” You have told us that the Stevedoring Association, if they choose to exercise it, have already the preponderance of influence on the committee, so it would be impossible for a workman to join the association if the Canterbury Stevedoring Association did not wish it?—They have never done such a thing yet.

108. Why do you have it in the rules?—I do not know anything about that. I know if any man wants to join the association as a working member he goes to the secretary in port of the Canterbury Stevedoring Association, and if the latter thinks he is eligible he sends him down to me, or whoever is secretary of the association, and I bring it before the committee, and the committee elects him or rejects him.

109. If they reject a man he is not able to get any wharf-lumping work?—If they reject him he is not a member of the association.

110. And until all the members of the association are employed he is not able to get any work?—Not that particular line of work.

111. *Hon. Major Steward.*] You say, “If the secretary thinks him eligible”: what is the precise meaning of that?—If he thinks he is fit for going on board ship.

112. Do you mean physically capable?—Yes.

113. *The Chairman.*] Rule 24 says, “Any member of this association who may at any time consider himself bullied, abused, or otherwise menaced, or who may be ‘knocked off work’ without, in his opinion, just cause by any employer, officer, manager, or foreman, shall quietly submit thereto, and shall place his grievance before the committee, who shall at once investigate the case and deal with it as they may decide.” Do you remember any such cases?—I do.

114. Can you tell us the result?—The committee meet as a body, and if the man's case is clear, and they think he has good grounds for complaint, they take the matter before the Canterbury Stevedoring Association, and then they reprimand the offender for such conduct, and try to put a stop to it.

115. *Mr. Fisher.*] Is not this the fact as stated in your rules: that the Canterbury Stevedoring Association wholly controls the Lyttelton Lumpers' and Wharf-labourers' Association?—Well, yes, I suppose they do.

JOSEPH SMART was examined on oath.

116. *The Chairman.*] What is your occupation?—I am a wharf-labourer at Lyttelton.

117. Are you a member of the Lyttelton Lumpers' and Wharf-labourers' Association?—I have been a member; I am an ex-member at present.

118. Can you tell us as briefly as possible why you left the society?—I will have to go back to the date of the strike in 1890. As the Commission is probably aware, the labour was all disorganized, and I considered it was a very good thing to form an association at the time. I was a member of it for some five or six years.

119. Working under these rules?—Yes.

120. You considered these rules were good as they stood?—Well, no; I took no part in the forming of the rules on the managing committee. The employers' portion of the committee had a preponderance of five to four, and if any grievance cropped up the workers were out-voted.

121. There actually was that five to four majority?—Yes; and the employers' section insisted on keeping the preponderance of votes. Then, in the course of two or three years there were one or two cases. Take my own, where I omitted to pay the 1s. 4d.—that is, the monthly contribution—exactly up to time, but proffered the money on the following morning to the secretary, and I have been debarred from work for the month.

122. You have been stopped for work for a month because you did not pay your contribution to this benefit society?—Yes, on two occasions.

123. And you actually proffered this money a short time afterwards?—Yes, on the following day.

124. *Hon. Major Steward.*] Then, if your secretary, who has just been examined, were to say—?—He is not the present secretary; the secretary at that time was Smith, who is working for the Government now.

125. Do you know anything of the working of the association at the present time?—I see how it works.

126. Are you at all familiar with any persons who are members at the present time?—Yes.

127. Do you know if they are treated as sharply as you were?—Since the time I am speaking of all the secretaries who have followed Smith have relaxed that stringent rule; and they have taken the money, I believe, at any time.

128. You would not be surprised to hear that at the present time men have been allowed to go in arrears for twelve months?—No; that is possible.

129. *The Chairman.*] No person, unless a member of this association, is allowed to help at loading or unloading ships at Lyttelton?—No; that is according to the rules. But I may state that a few men have taken a contract to discharge or load a few ships outside the association, and the association has boycotted them for doing so—that is, has kept them out of work, because they saw a chance of making a few shillings outside the association.

130. Supposing you kept up your contribution properly, is there anything in the membership of this association which would gail you or any other person? What objection have you to offer to this as a society if you had still remained a member of the society? Do the members of the society themselves find anything to grumble at?—It is like this: There are probably two hundred members of this association, and Mr. Barnes or his subordinates engage the men, and there is a system of favouritism by which some men get more than others.

131. You are speaking from hearsay?—No. I am speaking of my own experience, when I was working for the association.

132. How long ago is it since you worked for the association?—I have worked but very little for the association for these last two-and-a-half years.

133. You cannot state from your personal knowledge that that system of favouritism is going on now?—Only from hearsay.

134. *Mr. Fisher.*] How many men do you think are working about the wharves as wharf-labourers outside the association?—I should take it there are very few. To make it plain to you, I may say that when the Government passed the Conciliation and Arbitration Act I was a member of the Wharf-labourers' Association, and a section of the members tried to get the association registered under the Act, and you will get witnesses before you to prove this. It appears that the "upper ten," as we term the employers' section of the association, demurred to having the association registered. They said they were the arbitration court, and they would not have their business conducted from Wellington, and consequently a section of us formed the Lyttelton Casual Wharf-labourers' Union, and had it registered. We are principally employed by the Railway Department; in fact, as soon as the Stevedoring Association knew we had formed this union they would not employ us at all, and we had to depend on the little overtime that we might get from the Railway Department.

135. Then, the Canterbury Stevedoring Association are really the stevedoring kings of Lyttelton?—Yes; they have a monopoly of the work. In the Railway Commissioners' time they actually employed men for the Commissioners, but through my action, and others with me, and the honourable member for Lyttelton, the present Government took the work from the Canterbury Stevedoring Association, and employed the casual labour direct themselves.

136. *Hon. Major Steward.*] Do you know Rule 7 of the association, which provides that a person wishing to join the association has to apply to the secretary of the Stevedoring Association?—Yes.

137. Have you ever known that secretary to reject any person so applying?—I have known scores of men send in their names to Mr. Barnes, who, as a matter of form, sent on the names to the workmen's section of the committee to deal with; and I have known a lot of men debarred from joining the association for years.

138. By whom?—By the workmen's section.

139. Why should the workmen's section reject them?—There is a clique of men in the association, some thirty or forty, who get the cream of the work from the Canterbury Stevedoring Association.

140. There is so much pudding to divide, and they do not want too many boys to eat it: is that the position?—Yes; and owing to this action these men are thrown on to our pastures.

141. Then, in fact, this business is a close corporation?—It is a monopoly. I reckon it is one of the biggest monopolies in New Zealand.

142. *Mr. Fisher.*] How many men are there in your casual union?—We have, I think, somewhere about sixty on our books; we had ninety at one time. Some few months ago the Govern-

ment recognised our union—that is, the Minister for Railways instructed the local officials to employ our union men when available, but some of the men belonging to the association got him to withdraw the recognition. This, consequently, has had a most damaging effect on the membership of our union.

143. *Hon. Major Steward.*] You left the association for the reason that you were dissatisfied with the way things were going on?—No; I left it because I could not get any work; they would not give me any work.

144. Suppose you wanted to join, would they accept you?—Not now; I have gone over the limit of twelve months.

145. Suppose you wanted to join again as a new member?—I question whether they would allow me; they would say I belong to the casual union.

146. How many casual union men have joined this association?—There are some of our members who are members of that association yet.

147. How can they belong to both?—It is quite easy to pay their contribution for the sick and other benefits.

148. Then, you make an allowance from your union too?—We have no benefit society.

149. *The Chairman.*] One rule says that persons who are bullied or menaced in any way can apply to the committee?—Yes.

150. Do you know of a case where a man has been bullied, and of punishment being inflicted upon the persons bullying?—All I know is this: that the workmen's section of the committee has ignored these affairs.

151. In your opinion?—Yes; whatever the manager of the Stevedoring Association says shall be done is done. They ignore any recommendations from the working section of the committee.

PETER DEVEREUX was examined on oath.

152. *The Chairman.*] What is your occupation?—A stevedore.

153. Do you belong to the Lyttelton Lumpers' and Wharf-labourers' Association?—Yes.

154. Have you belonged to that association long?—Since it started.

155. Are you an office-bearer?—The chairman.

156. What is your opinion of the value of the association? Is it of great use to the men?—Well, I believe it is about the best thing we have ever had in Lyttelton, so far as the men are concerned.

157. What are the points you particularly think are good in it?—When we had the unions in vogue in Lyttelton it was only the first-class men who were employed. If I was a better man than you I would be employed, and you could stand back. There was a lot of growling about the employers, and every boss had his own favourites for the work. The way it is now, one man employs all the labour, and it is no benefit to him whether they are good men or bad men: he is told to give every man work. Then, again, there are a lot of old men in Lyttelton who, were it not for this association, would not be employed at all. It is only the other day that we could have broken up this association if we had been inclined to do so. We had a meeting with the employers, and they told us we could break up the concern if we liked. They said these old men would not be employed, and we asked them why, and they said, "Business is business; we are bound to get the best for our money."

158. If a man wishes to join your association he must make an application to the secretary of the Stevedoring Association?—There is a rule in the book to that effect, but they do not do that. When a man wishes to join the association he sends in an application, which comes before the committee, and if the committee thinks there is any room for this man to come in they put the matter before the general body, and the general body elects him.

159. The committee is not controlled in any way by the Stevedoring Association?—There are supposed to be five on the committee, but I have never seen them; they are in England. Mr. Stead is in England, the manager of the New Zealand Shipping Company is in England, Mr. Johnson takes no part in it. Mr. Barnes and Mr. Lambie take up the work.

160. *Hon. Major Steward.*] So, notwithstanding the rules, in the actual working the men's representatives are in the majority?—Yes; every time I have been there. I was on this committee when it first started, when there were five representatives from the Stevedoring Association, but there are not now. That was six years ago.

161. *The Chairman.*] Still, the names remain on the committee?—Yes; but Mr. Cunningham is dead, and I do not know that anybody has been appointed in his place.

162. If you had a disagreement with the employers' representatives you could not get work inside the association?—No, but somewhere else.

163. Not at wharf-lumping?—Yes; there is other labour besides what they employ.

164. Is it not a rule that the two hundred men belonging to the association must be provided with work before others can obtain work?—When we had a union you could not get work if a union man wanted work, and it is only natural if an association man is standing by that another man will not get work until he is provided for. You would do the same if you were an employer of labour.

165. *Mr. Fisher.*] Suppose any difficulty in the nature of a strike were likely to arise, do you think the Canterbury Stevedoring Association would consent to be represented by two men when they are entitled to five?—I should think not.

166. Very well, as these rules tell us, and I ask you whether it is or is not a fact, does not the Canterbury Stevedoring Association govern and control the Lyttelton Lumpers' and Wharf-labourers' Association?—If there was such a thing as a strike to-morrow, and we thought the Canterbury Stevedoring Association was not treating us fair, we would defy them as we have done before. But, so far as I am concerned, I have been twenty-two years on the wharf at Lyttelton as a wharf-labourer, and I believe we are better treated now than ever we were, and I believe

most men are more satisfied now with this association than ever they were before. There are bound to be a few grumblers; they want all the toys and the big doll too.

167. *Hon. Major Steward.*] You say Mr. Stead and two or three others who were elected on the committee are away in England. Rule 9 says that the committee of management shall consist of nine members, four of whom shall be directors of the Canterbury Stevedoring Association, all the directors of which body shall be deemed members of the Lyttelton Lumpers' and Wharf-labourers' Association: so it seems, if this is the rule, that some others must be elected to take the places of the absent committeemen?—You can quite understand that at the time of the strike they were all up in arms against the wharf-labourers, and they started this affair; but since then they have got careless over the matter, and they let us go on in our own way.

168. *Mr. Fisher.*] As long as things run smoothly?—Yes.

169. *The Chairman.*] Was there any proposition as to registering under the Conciliation Act?—There was a meeting to discuss it, and I am not sure if the motion was carried that the association should be registered or not, but I am sure that the employers were not in favour of it.

170. *Hon. Major Steward.*] Do you or do you not think it would be an advantage if you could register under some special Act dealing with these private societies and organizations?—It comes to this: If we were registered, and these employers said they would not employ us, but somebody else, where would the advantage be to us?

171. Why should they not employ you?—They are not compelled to employ us.

172. Rule 8 says, "The Canterbury Stevedoring Association having undertaken not to employ any outside labour whilst members of this association are available, this association undertakes not to work for any other body or persons without the consent of the committee": so they have entered into a contract with you?—Yes; and we are satisfied with that.

173. Suppose your rules were registered, would it be an advantage to you?—In what way?

174. In regard to the control of your funds?—We do not want to register. They say, if we register, "You are breaking your agreement with us."

175. That is speaking of the Conciliation Act; I am referring to registration as a benefit society?—It would mean that we were going to register in defiance of the employers.

176. *Mr. Fisher.*] Is this the sense of what you say: You will do nothing opposed to the wishes of your employers?—Not so long as they treat me well. If a man treats me well I do not see why I should go against his wishes.

177. Your employers are members of the Canterbury Stevedoring Association?—Yes.

178. And you will do nothing opposed to their wishes?—Not so long as I am treated well, and so long as I think men belonging to the association are treated well. If I thought they were not treating me well I should be one of the first to say so.

179. Do not you see how far your remarks extend; they extend even to the matter of the registration of the association, and you say if they object to registration then you would not wish to register?—I would sooner join with them in objecting to it.

HENRY BURKE was examined on oath.

180. *The Chairman.*] What is your occupation?—I am a wharf-labourer at Lyttelton.

181. How long have you been wharf-labourer there?—About nine years.

182. You remember the formation of the Lyttelton Lumpers' and Wharf-labourers' Association?—Yes.

183. Are you a member of it?—I was.

184. About what time did you leave?—I had to leave about two years ago.

185. What was the cause of your leaving? Because you did not pay up?—No; on account of being a member of a registered union.

186. Was it on account of Rule 4 that you left?—Yes.

187. *Mr. Fisher.*] Who stopped you from working?—The employers.

188. Who are the employers?—Mr. Barnes is the recognised employer of labour; he is secretary of the Canterbury Stevedoring Association.

189. Did he give you any specific reason for your dismissal?—No; but I will explain the reason. I was elected in the month of February one of the four members who represent the wharf-labourers at Lyttelton on the committee, and we thought it would be beneficial if the association were registered under the Conciliation and Arbitration Act. We applied to Mr. Mason, the Registrar, and pointed out that it would be beneficial to the working-men in Lyttelton if this society were registered. We fixed up all the correspondence, and forwarded it to Wellington; but it was returned with amendments. It was sent on again, and everything was ready, when some of the members told Mr. Barnes what some of us were doing, and he told us in a friendly manner that the best thing to do would be to acquaint the managing committee of it. He said, "I know there will be no objections to allowing you to register the society." Well, we had a meeting of the committee in Christchurch, when there were five men on the employers' side of the committee and four of the men, and they told us distinctly that they would not have their business transacted in Wellington.

190. *The Chairman.*] It was on account of the majority of five on the employers' part voting against the proposal that the association was not registered?—I do not think it came to a vote. It was discussed at the meeting when the nine members were present. This was in the month of March—two years ago. I could name the gentlemen present—they were Mr. Lambie (chairman), Mr. Isaac Gibbs, Mr. Kaye, Mr. John Anderson, and Mr. Peter Cunningham (since deceased) on the employers' side; and Mr. John Madden, Mr. Joseph Finnie, Mr. John Dempsey, and myself on the men's side. Mr. Barnes was acting-secretary.

191. *Mr. Fisher.*] I want you to complete my question. You attended a meeting at Christchurch, and the employers' committee told you they did not want their business transacted in Wellington: well, what happened then?—The argument about registration ceased then.

192. Did you continue in the employment or not?—It was a month after when I was ejected from the committee meeting. Another meeting was called a month later, and I was dispensed with—the managing committee would not sit with me because I belonged to the other union which had been formed. We had our rules of that union printed and registered, and I happened to appear in the book of rules as president of that union. Mr. Lambie, as chairman, said I was not worthy to sit in the same company as them.

193. *The Chairman.*] You will be very careful about this?—I am quite careful, and I am quite satisfied that it is correct. I applied for work afterwards. I got none. It is not general to ask for work at Lyttelton. You are generally called up; but when I was without work for three weeks, and I asked if it was a boycott on account of this, they said, “No; we have no work you can do.”

194. Are you still a member of the Wharf-labourers' Association?—I claim to be a member, but I am unfinancial.

195. *Hon. Major Steward.*] How long had you been a member of this outside association before you were dismissed from the Lumpers' Association?—I was a member before it was registered.

196. Then, you were, perhaps, one of the promoters?—Yes; and the employers' committee got a copy of the rules in April, but the society was not registered until June.

197. How are the men engaged for work at Lyttelton?—When a vessel comes in the agents send to the stevedoring office and say, We want twenty or ten men, as the case may be. Mr. Barnes sends his clerk out, and the men are picked from the crowd on the wharf. Some of the companies nominate men of their own.

198. Then, there is possible favouritism, inasmuch as Mr. Barnes can give the work to whom he pleases?—Yes; that exists at the present time.

199. There is nothing done in the way of a system of rota, giving each man his turn at employment?—No; there is a certain class belonging to a certain clique who get the majority of the work. If they are idle at all they are put on.

200. *The Chairman.*] In regard to the benefit society itself, have you anything to say against the provisions for sick benefit or anything of that kind?—No; I have no objection to the accident allowance.

201. Do you not think it is a rather beneficial thing?—It is beneficial to the men; but it is the system of nominating the managing committee, and the powers and control that the employers have over the men, that I object to.

202. *Mr. Fisher.*] Rule 2 says, “This association is established for the purpose of promoting harmony between employers of labour and workmen in Lyttelton, for preventing strikes and lock-outs, for securing freedom of contract, and for general co-operation in the best interests of all connected with the trade of Lyttelton.” And you tell us that because you wished to have this society registered, in order that you might take advantage of the provisions of the Conciliation and Arbitration Act, which was specially designed to prevent strikes, you were asked to leave the service?—I was not asked to leave; I was not asked to work. I had to walk about.

203. Did you tell us, or did my ears deceive me, that Mr. Lambie told you you were not worthy to sit in the room with them?—He said he would not sit with any member of a registered union.

FREDERICK HENRY BARNES was examined on oath.

204. *The Chairman.*] What is your business?—I am shipping agent, and secretary of the Canterbury Stevedoring Association.

205. You have been in Lyttelton in that occupation for some years?—Six years last December.

206. Was the Lyttelton Lumpers' and Wharf-labourers' Association formed during the time you held office?—Yes; formed shortly after I went down there.

207. What is the effect of the forming of that association, in your opinion?—It was formed after the time of the strike, and the men thought they would like to have such a society in order to create a sick fund in case of accident or illness.

208. You tell us that the idea of forming the association came from the men?—Well, I do not know; I would not say that. It was a joint society, formed by the men and employers together. There was a meeting of the two bodies.

209. The employers offered to subsidise the association to a certain extent?—Yes; the rules provide for that.

210. This subsidy has been continued?—Yes; from year to year.

211. The subsidy is some one-fifth of the whole income?—It varies, of course, with the profits of the year. Anything over the 6 per cent. which goes in writing off a certain amount for wear-and-tear of plant goes to the men.

212. What is the representation that the Stevedoring Association has on the committee?—They have four members.

213. And the president?—The four members include the chairman.

214. I think, if you look at the rules, you will find it is different?—There are less directors now than when those rules were confirmed.

215. Then, these rules which have been put in are not the actual rules of the association?—They are the rules we work under, but the number of the directors of the Canterbury Stevedoring Association has been reduced. For instance, Mr. Leonard Harper retired, Mr. Cunningham is dead, and, instead of having eight directors, we have only got six. I know there are not four members who attend the meetings of the Lyttelton Lumpers' and Wharf-labourers' Association.

216. And the men's representatives?—There are four members and secretary and treasurer.

217. Have the two latter officers a vote?—I do not think they have; there are only four.

218. What is the process that is gone through if a man wishes to get work loading or unloading ships in Lyttelton?—He has to apply to belong to the association.

219. And when he becomes a member of the association what takes place?—We get from the employers the number of men they want every day, and we try as far as possible to distribute the work evenly and fairly amongst them.

220. Is there any sort of rota?—No; it would be difficult to do that. There are many members of the association who are not fit for all classes of work, which in some cases is hard and laborious and in other cases light. Shovelling coal is hard work, and carrying grain is hard work, and many members of the association are physically incapable of doing that work.

221. The accusation might be made against you of having favourites?—It frequently is.

222. You can give your opinion that no such favouritism has taken place?—Most decidedly; I have no favourites one way or the other.

223. It is the case also that until all the members of the association are in full work no other persons may work on the Lyttelton wharves?—No; it has happened frequently on busy days that we have exceeded the roll, and then we have gone outside. Until we have exceeded the roll we never go outside. I may say the election of members is entirely in the hands of the men themselves. We do not interfere with that at all. If an outsider wishes to become a member he sends in an application to me, which I indorse and send on to the secretary of the association, and they elect him or reject him as they choose.

224. You swear that you use no influence?—Yes.

225. Why should they send in an application to you?—You see by the rules they have to be elected by the committee, but afterwards the employers gave way and said the men could elect whom they liked. When the association was initiated the applications used to come to me, and they have continued to do so.

226. What would happen if you refused to indorse the application?—The men could still elect him if they chose.

227. Do you exercise any discretion or influence at all?—None whatever. I may say, in regard to the matter of influence—I want to be perfectly candid—that it happened in the month of January last we were very short of labour, a great many of our men having gone to grass-seeding and other things, and, with the consent of the chairman, I wrote to the secretary of the association and said that, as we were so short of labour, I must ask them to elect a few more members, and I suggested the names of some twelve or fourteen men who had been working for the association casually. These men the committee subsequently elected.

228. They were not members of the Casual Labourers' Union?—I cannot say that.

229. And you would not allow that to make any difference?—I would not.

230. *Mr. Fisher.*] You said just now that some members of your side of the committee were absent, and did not attend meetings: do you mean absent from Christchurch?—I meant to convey they were either dead or retired, and we did not fill their places.

231. You could fill their places?—Yes; but we have not done so.

232. No question sufficiently large has arisen to require that?—I do not think any more directors will be elected. When the association was formed I think they had eight or ten directors.

233. What I mean is this: that the rules give you such liberty that you may fill all vacancies when and how you please?—So far as the number of directors is concerned.

234. I am talking about the Wharf-lumpers' Association: have you looked at Rule 9, which provides that all directors of the Canterbury Stevedoring Association shall be members of the Lumpers' Association, and that four besides the chairman shall be members of the committee?—They are members. They pay their subscription, which constitutes membership, but they do not attend the meetings, and they have no votes at the meetings.

235. Suppose a large question to arise, and there to be vacancies on your side of the committee, do you think you would experience any difficulty in filling up your vacancies?—We would always have the four and the chairman.

236. I mention that to clear up any possible misconception in regard to your being short-handed or weak on the committee?—I do not know that I made any reference to being weak on the committee. I did not intend to convey that impression.

237. Has any difficulty arisen with you and any or one of the men in regard to the question of the registration of this Wharf-lumpers' Association as a society?—Not with me personally.

238. Do you know that the question has arisen?—Yes; it arose at a meeting of the joint committee, when both sides were represented.

239. What was the effect of this move in the direction of registration?—The directors did not wish it.

240. What happened to the men?—Nothing happened to the men.

241. For instance, one man who moved in this direction was not dismissed, it is true, but he received no further employment, we are informed?—Do you mind telling me who you are referring to?

242. Henry Burke?—Burke has not worked for us, and has declined to work for us. I believe he is president of this Casual Wharf-labourers' Union. He worked for the railway, and declined to work for us.

GEORGE LAMBIE was examined on oath.

243. *The Chairman.*] What is your occupation?—I am manager of the Union Steamship Company at Christchurch.

244. You are acquainted with the working of the Lyttelton Lumpers' and Wharf-labourers' Association?—Yes, a little.

245. Are you in a position to say if any favouritism has been used in selecting the men?—Not so far as I know.

246. The process is, when you want any men for any of your ships, to ask Mr. Barns; he selects them from the association, and you have nothing else to do with it?—Nothing at all. If we have any objection to any man we notify that we do not want that man.

247. Do you remember being present at a meeting of the joint committee at which there was a discussion as to the registration of this association under the Conciliation Act?—Yes.

248. It was decided, was it not, owing to the wish of the employers, that the society should not be registered?—They did not see any advantage to be gained by it.

249. Is it, in your opinion, an advantage to the men that this society should be formed as a benefit society?—I believe it is; as a matter of fact, although I am chairman of the society, I would rather see it burst up.

250. For what reason?—Well, as a matter of fact, we do not get the same work out of the men.

251. You would rather have the handling of them entirely in your own hands?—Yes. It is in the interests of the men themselves that the work is arranged as it is now; old and young get their fair share, whereas the old men would be left out entirely.

252. *Hon. Major Steward.*] You would only take the most capable men in that case?—Yes.

253. Can you tell us precisely what took place at the meeting in Christchurch?—I remember Mr. Wood, the secretary of the workmen's section of the committee, was there, and he read a letter he had addressed to the Registrar in Wellington, with a view to getting the association brought under the Conciliation Act. The question was discussed at the time, and I think Mr. Cunningham took a large part in the discussion. I pointed out that Mr. Wood and Mr. Burke were also members of another union and officials of that union, and should not be officials of our association, and consequently they were asked to retire.

254. *The Chairman.*] What union was that?—The Casual Wharf-labourers' Union.

255. *Mr. Fisher.*] What was the objection to men who otherwise could not obtain employment forming the Casual Labourers' Union?—They had the same opportunity of obtaining employment. This Wood, at any rate, I may say, is one man whom we have boycotted for the last two or three years, probably more because he was taken out of one of the steamers, whether through broaching cargo or not I cannot say, helplessly drunk; and I believe he has done the same thing in other boats, but that I am not prepared to speak about. As long as he was a member of the association, and so long as there were no objections to his character as a sober man and a good workman, he was entitled to a fair share of work.

256. That is one case; but that allegation could not apply to the whole sixty members who comprise the Casual Labourers' Union?—Certainly not. I am surprised to hear it, but I cannot dispute it. At the time of this meeting there were about eight or ten members only in the Casual Labourers' Union, which had just been formed; in fact, at the time I was speaking I had seen a copy of the rules.

257. What was the object of this union: was it formed because of the existence of the rules of this association?—I do not know anything about the union, and have no idea what they are doing. There is nothing in these rules to prevent these men getting a fair share of work. As a matter of fact, Mr. Burke has refused work for the association, although a member; he prefers to work for the railway.

258. He is not now a member of your association?—He is still a member, so far as I know; he was financial when I last heard. I may be wrong.

259. These men told us that because of the existence of these rules they formed the Casual Labourers' Union of their own, and that because they joined that union, so we were informed, they were not allowed to sit in the room with you?—That only referred to the members of the committee; it could not refer to the sixty members. Only Wood and Burke were spoken to that night, because besides being on our committee they were also officials of the Casual Labourers' Union. It being against the rules that they should be connected with any other association, they were asked to retire from the meeting.

JOHN GEORGE THOMAS WOOD made an affirmation, and was examined.

260. *The Chairman.*] What is your business?—I am a wharf-lumper at Lyttelton.

261. Do you belong to the Lyttelton Lumpers' and Wharf-labourers' Association?—Yes; I am a financial member.

262. You are still employed by that association?—No.

263. Can you tell us what was the cause of your employment ceasing?—There are several reasons; one was that I did not get sufficient work to live on. Of course, I have been an agitator; I have been pointed out as an agitator, and as one trying to establish unionism in Lyttelton.

264. And you think that was not agreeable to the Stevedoring Association?—Yes.

265. Do you remember an attempt being made to register the association under the Conciliation Act?—Yes.

266. There was a meeting of the joint committee in Christchurch?—Yes; I was secretary of the association at the time.

267. Do you remember Mr. Burke and yourself being present?—Yes.

268. Can you tell us what passed?—During the time I was secretary a majority of the men were in favour of registering the association under the Arbitration Act, and several meetings were called—of course, the minute-book will prove that there was a majority in favour of registration. That was in March, 1895, when a resolution was passed by a large majority of the men in Lyttelton that the association should be registered. I took steps to register the society, and a meeting of the joint committee was called in Christchurch. I was asked to produce the correspondence in connection with registering the society, which I did. The employers' section of the committee said they would have nothing to do with registration; that they were the Board

of Arbitration; that we would have to appeal to them in cases of disputes; and that they would not let these fellows in Wellington legislate for them. They would not listen to our proposal to register.

269. Something was said about your being unworthy to sit in the same room: is that correct?—Yes; that referred to Mr. Burke and myself, who had formed another society, called the Lyttelton Casual Wharf-labourers' Union. Mr. Burke was president and I was secretary.

270. *Hon. Major Steward.*] That was prior to the date of the meeting?—No; we had talked about it prior to that, but we had not formed it; we were waiting to see if these people would register this association. A few days later another meeting was called, but in the meantime the Casual Labourers' Union was formed. At the second meeting of the joint committee the discussion arose as to whether these men had the right to sit on the same board because they were members of the union which had been formed.

271. The position is that immediately after the first joint committee meeting in Christchurch certain members set about forming this Casual Labourers' Union?—That is it.

272. Then, it was at the second joint committee meeting that the chairman mentioned he had read the rules of the new union?—Yes.

273. And he then expressed some opinion as to the disability of some persons present at the meeting to remain there?—Yes.

274. What were the exact words?—Well, one of the employers' members—I do not exactly know which—said that, if the society was formed as contemplated, they would not employ any Lyttelton men at all; they would simply take the unemployed from Christchurch.

275. But did this person, or any person, say anything in regard to the propriety of any one then present who were connected with the Casual Labourers' Union remaining in the room?—Yes.

276. What did he say?—He said he would not sit on the same board with any member who would form a union, or who would be in any way connected with a union, antagonistic to this association.

277. As a consequence of that remark, did anything happen?—Yes; two of us left the room—Mr. Burke and myself.

278. Did you get any work afterwards?—None at all; we were simply boycotted. But for the Government providing labour for us in connection with the railways, I and twenty or thirty others in the same position as myself would simply have perished in Lyttelton. It was our salvation when the Government took their railway-work away from the association.

JOHN CURRIE DEMPSIE was examined on oath.

279. *The Chairman.*] What is your occupation?—At present, a wharf-labourer.

280. Are you a member of the Lyttelton Lumpers' and Wharf-labourers' Association?—I am.

281. How long have you been a member of that association?—Since the strike.

282. Is it your opinion that the association has been a very good thing for the men?—I do not think you could better it under the present circumstances.

283. You do not think, if a return was made to the system by which the large companies employed what men they pleased, it would be better?—I do not think so. Many a man and his family would go without bread and butter; that is my opinion.

284. Do you think the system used by Mr. Barns in selecting the men is pretty fair?—I do not think you could get a fairer man than Mr. Barns, but I do not believe in the under-strappers. I say Mr. Barns is a very fair man, and an honest man.

285. Does Mr. Barns do the whole of the selecting?—At times he does, and things then go much better than when the whipper-snappers under him are doing it.

286. What, in your opinion, would become of the men who form the Casual Labourers' Union? They are not able to get work as lumpers until all the members of the association are employed?—They had a fair share of the work prior to forming this union.

287. After that they had to shift for themselves?—Well, according to the rules of our association, you cannot work for two masters.

288. *Mr. Fisher.*] Why did they form the union?—I do not know.

289. *The Chairman.*] Were you not on the committee when the question of registering came up?—I was chairman.

290. Can you tell us why that association was not registered?—We had a meeting in Christchurch, and the late Mr. Cunningham, stamping his stick on the ground, defied us to register.

291. Although it was the wish of the association?—A few days prior to that we took a ballot, and on the ballot we were defeated. I was one who voted for registration, but we were defeated.

292. We were told it was passed by a large majority?—No, excuse me. The shelter-shed was filled when we took a ballot, and we were defeated, and the gentleman who told you we were not defeated told you a falsehood.

293. *Mr. Fisher.*] Was the majority so large or numerous against the proposition for registration as to leave no doubt in your mind as to what the real result was?—I had no doubt. The men were simply cowed; they were frightened. I must say they wished for registration, but they would not show their hands.

294. The resolution in favour of registration was defeated because the men were cowed?—I think so; I am positive of it.

295. *Hon. Major Steward.*] Prior to this ballot being taken had any resolution been passed in favour of registration?—No.

JOHN GEORGE THOMAS WOOD was recalled.

296. *The Chairman.*] Mr. Dempsie, the previous witness, has said that at the ballot taken by the men the proposal to register the association was rejected?—Well, sir, the minute-book will prove that there were sixty-one, as far as I can remember, in favour of it, and fifty-nine against it. It was a close majority, but the majority was in favour of registration.

297. Can you let us have the minute-book?—I cannot, because I am not secretary at present.

298. *Hon. Major Steward.*] Was it a ballot?—No; a show of hands. Dempsie was chairman at the time, and I was secretary. You must distinguish between the working chairman and the chairman *ex officio*, the latter being also chairman of the Canterbury Stevedoring Association. Dempsie, who was chairman of the men's side of the association, was present at this meeting. It was a morning meeting, held in the shelter-shed, and the position I was placed in was this: I told the meeting what had transpired the night previous at the joint committee meeting in Christchurch, and that the employers' section were adverse to registration, and would not listen to anything about registration at all.

299. This meeting was subsequent to the committee meeting in Christchurch?—It was held the next morning. After I had explained the attitude of the employers' section towards registration the men took a show of hands. I pointed out to the men that I did not want to put them in a hole, but that if they wanted the society registered I would register it. I also told them I wanted a substantial majority, but when the show of hands was taken I only had a bare majority.

300. You affirm you had a majority?—Yes.

301. You say the minutes will prove this?—Yes.

302. In your own handwriting?—Yes.

On the following day the Secretary, at the request of the Commission, inspected the minute-book above referred to, and found the following entry in regard to the meeting held to discuss the question of the registration of the association: "Special meeting of the Lyttelton Lumpers' and Wharf-labourers' Association, held in shelter-shed, on Monday, 22nd April, 1895, 121 members being present. After the attitude of the general committee *re* registration under Conciliation and Arbitration Act was explained to the meeting it was resolved, That a ballot be taken on this question of registration. Carried. Resolved, That a three-fourths majority of the members present shall proceed with the registration; and, after the ballot being taken, the chairman declared the figures to be 58 for and 63 against. It was decided to allow the matter to drop for the present.—Confirmed, JOHN DEMPSIE, Chairman."

At the same time the Secretary to the Commission was handed the following letter from Mr. J. G. T. Wood: "12th June, 1897.—Mr. Tregear, Chairman, Private Benefit Societies Commission.—SIR,—Kindly allow me to correct an error in my evidence. I gave the figures *re* the ballot as to registration as 61 for and 59 against. The figures should be 58 for and 63 against. I was speaking from memory at the time, and trust you will allow this alteration in my evidence.—J. G. T. WOOD, Lyttelton."

Subsequently, at Wellington, the Chairman of the Commission made a statement in regard to this incident.

FRIDAY, 11TH JUNE, 1897.

HARRY PACKWOOD was examined on oath.

1. *The Chairman.*] What is your occupation?—I am a mill-hand at the Kaiapoi Woollen Mills.
2. Have you been long in that service?—About fourteen years.
3. There is a benefit society connected with the mill?—Yes.
4. Are you an official of the society?—Secretary.
5. Have you brought a copy of the rules?—Yes [Exhibit 39].
6. How long has this society been in existence?—It was started in 1882.
7. Have you got any balance-sheet?—Yes, last year's [Exhibit 40].
8. How many employés are there in the factory?—Three hundred.
9. How many are members of this society?—Two hundred and thirty-five.
10. Are any of those who are not members of your society members of any friendly society?—Of course, I cannot say.
11. Is it a voluntary society?—Entirely so.
12. Does the management of the factory take any part in the management of the society?—No.
13. The members can elect any officers they please?—Yes.
14. Does the company give any sort of aid or subsidy?—No; but Mr. Isaac Wilson, when chairman, presented the sick fund with shares to the value of £300 in the company, and, of course, a good deal of our funds come from them.
15. Your receipts meet your expenditure with a surplus of about £90?—Yes.
16. Have you any idea why those working in the factory and not members of the society do not join?—I cannot give any reason at all, because it is to their benefit to belong to it. At the end of every year we pay them back a dividend, and they have had 10s. back of the 13s. paid in.
17. You think it is just a want of foresight?—Yes; because a man in this benefit society and in a friendly society practically gets his money back.
18. Perhaps it is the young and thoughtless who do not join?—No; it seems to be a number of grown-up girls—single women. Of course, there are many children under sixteen who do not belong to it.
19. *Mr. Fisher.*] You have been fourteen years in the mill?—Yes.
20. Have there been any accidents in that time?—Very few.
21. Any of a serious nature?—Only a painter, who fell from the roof.

22. He was not connected with the factory?—No.

23. Apart from that there has been no serious accident?—No; a few operatives have lost fingers.

24. *The Chairman.*] Supposing legislation should be brought forward that would allow this society to be registered with its present rules, would you see any objection to registration?—None at all, if it does not mean any cumbersome alterations. It would be very satisfactory with the present rules.

25. Supposing that one of the rules to be brought forward would allow a majority of the members in this mill to make membership compulsory on all, do you think that would be a good point?—I think so with our society.

26. So that those who are thriftless now should be made to pay their share?—I think it would be a good thing to make it compulsory, because this money is placed there for the benefit of the hands entirely, so that all should partake of it as far as they can. The shares were given for that purpose.

27. What happens in the case of those not in the society falling sick?—We have a special fund out of which we can help an outsider.

28. Do you think that would be done?—Yes, provided they were mill-hands.

29. What happens in the case of any one who has paid into the fund during the year leaving the mill; does he get any sort of surrender value on the dividend that is due to him?—He can remain in the society until the end of the current year, no matter where he goes, and if he falls sick he receives sick-pay.

THOMAS JOHN SCOTT was examined on oath.

30. *The Chairman.*] What is your occupation?—A mill-hand in the Kaiapoi Woollen Mills.

31. How long have you been in that service?—About seven years.

32. Are you a member of the benefit society?—Yes.

33. An officer?—No.

34. What has been the effect of this society, according to your opinion—beneficial or otherwise?—So far as I know, it has been a great success right throughout.

35. You do not know how it could be improved in any way?—I do not see any way of amending or bettering it any more than you mentioned to the previous witness, that it ought to be made a compulsory thing for all mill-hands.

36. When I spoke of compulsion I meant by the will of the hands, not by the force of the employers?—Yes.

37. There is a great difference between compulsion on the part of the employers and the mill-hands?—There is nothing like that at the mill.

38. If these rules could be registered very nearly as they now are, would you see any objection?—No.

39. It would give the society a legal status in case of any defalcations, or anything of that sort?—Yes; but these rules are very good as they are.

40. I notice female sick visitors are appointed under Rule 8: do they get any remuneration?—They are allowed by the firm to go away during mill hours.

WELLINGTON.

TUESDAY, 15TH JUNE, 1897.

GEORGE FRANCIS FREW was examined on oath.

1. *The Chairman.*] What is your occupation?—I am a wood-turner in the employ of Stewart and Co.

2. How long have you been in that service?—About eight years.

3. I believe there is a benefit society connected with the business?—Yes.

4. Have you a copy of the rules?—Yes. [Exhibit 41.]

5. Do you remember the formation of this society?—I was not in the employ of Stewart and Co. when it started. It has been in existence for about twelve or thirteen years.

6. During the time you have been connected with it, have the contributions been sufficient to meet the benefits?—Yes; and we have always been able to pay a dividend at the end of the year. At the close of each year, after a reserve fund of £5 has been put aside with which to begin the new year, all surplus money is divided. Last year we paid back £35 in dividends, which enabled full members to receive £1 2s., and means that members only paid about 1d. per week for their insurance.

7. Who is president?—Mr. Hearn.

8. He is one of the employés?—Yes; the employers have nothing to do with the society at all, and they never had from the commencement.

9. They do not subsidise your funds?—No; we never got anything from them, and they never received anything from us. Employés join of their own free-will. At the present time we have forty men and six boys on the roll of the society; and there are something like seventy or eighty employés in the firm. Some two-thirds of the employés are members of the society.

10. Do accidents come under the benefits?—Yes, accidents and sickness. For instance, a young man in the office had a spill off his bicycle last month, and ruptured himself. He was off for two weeks, and received his benefit. That was an accident that occurred outside the mill.

11. Did you hear when you joined what was the cause of this society being formed?—Yes; previous to the society being formed subscription-lists used to go round the mill when any one in

destitute circumstances met with an accident or was laid up ill. These lists became so frequent that the idea occurred to two or three—Mr. Howlett and Mr. Mead—to form a club to meet these cases, and this club was the result. The club has worked very well since its formation.

12. You did not hear the reason stated that ordinary friendly societies would have met the cases?—Many of those working in the mill were not members of friendly societies; in fact, there are employes in the mill now who are not members of friendly societies. I do not know whether these societies are able to reach them or not. They seem as if they do not join any society, and if they happen to meet with an accident or are sick the other employes in the mill have to put their hands in their pockets and contribute. In fact, to give you a case in point, there was one of the carters who would not join the society. We spoke to him repeatedly, and asked him to join, pointing out that the expense of being a member of the club was very slight, and that there was always a little benefit arising from the dividends each year, and that, if he did not require help himself, he would be the means of helping others who did require it; but he always steadfastly refused to join the society. Either last year or the year before he was laid up with typhoid-fever. He was a married man, and in poor circumstances, and sadly in want of help, and some of the employes came round with a subscription-list. I did not contribute to it, because I had asked him to join the society, and if he had joined he would have received his benefit. He was not a member of a friendly society, and would not join ours, and was one most in need of help.

13. With that case in your mind, can you give us your opinion on this point? Supposing Parliament could see its way to legislate so as to allow societies such as yours to be legalised pretty nearly as they stand, would you be in favour of compulsory membership, the compulsion not being in any way on the part of the employer, but by the will of the employes in the mill that all should join?—That has been a sore point with us for years back. We did our level best to get all the employes to join, but some are not thrifty, and never will make provision for themselves.

14. And you think it would be better if it were made compulsory on all employes?—I am sure that would meet with the wish of the whole club, because the matter is discussed at nearly every meeting. At the annual meeting the year before last a special committee was appointed to wait upon the non-members to endeavour to induce them to join the club, with the result, I may say, that we got very few of those who were not members to join. Some were never going to be ill, were never going to meet with accidents, and used such arguments as that. We would like it to be made compulsory for all to join. Of course, our employers have never attempted to make men join the club. The whole working and management of the concern are left entirely to us.

15. Have you got a balance-sheet?—Yes. [Exhibit 42.] I think this shows that the club has worked with very good results.

16. You have never had to make a levy for the burial fund?—Never yet; we have always had sufficient in hand to meet requirements and pay a dividend. It has not always been as high as £1 2s. per member, but it has never been less than 10s. per member.

17. *Hon. Major Steward.*] Can you tell us, as regards those who are members of your society, if they are also members of friendly societies?—A number are; I am, for one.

18. Have you ever known of any instances of any persons having thrown up their membership of a friendly society in order to join this benefit club?—No.

19. The reason I ask the question is that it has been represented to Parliament on behalf of the friendly societies that the existence of private benefit societies is to some extent inimical to them, and I want to see if it is so in your case?—It is not in our case.

20. Do you know if any of those who are not members of your society are members of a friendly society?—I believe some of them are.

21. And there are some who are not in a friendly society or in this society either?—Yes.

22. As regards membership, I see by the rules that you accept all persons, being employes, who wish to join, irrespective of age, and subject only to your right of rejection if they are in a bad state of health?—That is so.

23. As regards the bad state of health, I suppose you know that persons wishing to join a friendly society have to pass a doctor?—We do not have that.

24. Now, I want to know whether your regulation under Rule 5 operates precisely in the same way as examination by doctor in a friendly society?—We have always found it work all right. I may state we do not provide a doctor.

25. What I want to get at is this: Would it be the case inevitably that any person who could not pass the doctor for a friendly society would not be accepted by you?—I think so. If we are doubtful about the health of any one wishing to join we make inquiries, and if we find he is able to pass into a lodge, or anything like that, we accept him.

26. Then, it is, in point of fact, equivalent, or nearly so?—Yes.

27. How do you collect the subscriptions?—I, as secretary, collect the money from the members—on Monday usually.

28. In no case is it ever deducted from their wages by the firm?—Never.

29. You said, in answer to the Chairman's question, that it would be an advantage if power were given to the society to make the membership compulsory: have you any idea how that could be effected as from the men's side?—I do not know how it could be brought about. We would like it very well if all the employes were in it.

JAMES HOWLETT was examined on oath.

30. *The Chairman.*] What is your occupation?—I am a machinist at Stewart and Co.'s timber-mill.

31. How long have you been in their service?—Fourteen years last February.

32. Do you remember the start of the benefit society?—Yes; I was one of the promoters.

33. Can you tell us what was the cause of it being started?—In the time of sickness we used to make up a subscription for the person sick, and it used to be 2s. 6d. as a rule. Well, the men found it too much, and the lists used to come round very often, and we thought we could do better by forming a sick club, and paying 6d. a week into it, and making a sick payment of 15s. 6d. per week for six months and half of that amount for three months. So the club was established, and we had these rules printed. We got some rules from the Old Country, and revised them a bit. We waited upon the bosses, and asked them to take charge of the sick club, but they said No. They would have nothing to do with it; and so the society has been worked entirely by the men, and membership is optional. There are many employés who do not belong to it. As a rule, we get a very good dividend every year, just before Christmas.

34. *Hon. Major Steward.*] Of course, these employés who are not members of the club do not participate in the benefits if sick?—No.

35. What do you do if a subscription-list comes round for them?—Well, it all depends. If it is a very deserving case we make a subscription, but we are not supposed, as a rule, to do that.

36. The object is to relieve yourselves from that sort of thing?—Yes; the club was established entirely for that purpose.

37. *The Chairman.*] Have there been any cases of accident in the factory since you have been there?—Yes.

38. If the employé belongs to the society he goes on sick-pay?—Yes.

39. Is there any benefit to the employer in his doing that?—An employé gets nothing whatever from the employer unless he is an apprentice. I believe apprentices get wages, but not workmen.

40. A workman, even if hurt in the employ of the company, would get nothing from the employers in that case?—Not a farthing; he is only paid up to the minute the accident happens.

41. Do you think, then, it is not an advantage to the employer at all that this benefit club was started?—Not a bit; they would not give the men anything.

42. The employers were not the means of getting the society started?—It was entirely with the men.

43. So that the responsibility of the employers to their men in regard to accidents remains the same, both morally and legally?—Just the same.

44. *Hon. Major Steward.*] There has been a suggestion made in various quarters that if any legislation takes place on this matter there should be power given to the majority of the employés to enforce membership of the society upon all: do you or do you not think that the minority who now stand out would regard that as a piece of tyranny?—They would do so; but I think it is beneficial to all of them to belong to the society.

45. You think that occasionally a little wholesome tyranny is not a bad thing?—I do not know. If I could benefit myself or my family by paying a small trifle every week I would do so, but I am not all of them. I also belong to the Foresters, and have done so for some twelve years.

46. I see by the rules you reject those of unsound health?—Yes.

47. But there is no age-limit?—No.

48. You consider generally that the establishment of this society has been of benefit to the men?—I do so.

49. If the society could be registered pretty nearly as it stands now, do you think that would be an advantage?—I do so, most decidedly.

JAMES HUTCHEN was examined on oath.

50. *The Chairman.*] What is your occupation?—I am a timber merchant and ironmonger.

51. You are Stewart and Co.?—That is so.

52. Do you remember the formation of the benefit society?—Yes.

53. It was entirely an idea of the men?—Entirely so.

54. Your company has never subsidised it in any way?—We have never subsidised the society as a society.

55. Do you think the society has been of benefit to the men?—Great benefit, I think.

56. Supposing Parliament could see its way to legalise this society, and make this rule—that if a majority of the men desire it membership should be compulsory on all employés—do you think that would be a good thing?—I believe it would be a good thing. I think this society was established for this reason more than any other. Most of the permanent hands are connected with friendly societies, but many of the casual hands, who are sometimes employed for a long time, are not connected with any society, and the employés thought it would be a good thing to institute a society of this kind in case of sickness amongst these casual men.

57. What I mean is this: In a certain society down south it was found that the younger members, at all events, were not anxious to join unless they were compelled, and in other societies we found that all employés were compelled to join, and that it worked exceedingly well. In your case about two-thirds of them have joined because membership is purely voluntary, but subscription-lists continue to go round for the other third?—I believe it would be a good thing to make membership compulsory.

58. If a man leaves the employ of the firm, but keeps in the society, does he get his sick benefit if ill, as well as his share of the dividend at the end of the year?—Yes; he is a full benefit member, and if he is sick and is unable to keep up his subscription it is kept up for him.

59. You think societies such as these are good things for working-men?—Yes.

60. *Hon. Major Steward.*] I suppose accidents are treated the same as sickness?—It may be; but, of course, we insure them against accidents in the firm.

61. You do not take advantage of the existence of this society to evade your responsibility as employers?—No.

62. Of course, if you did not insure them there would be a possibility of shirking your responsibility to pay, seeing you have a sick club upon which they can fall back?—That is so.

63. *The Chairman.*] Do the employés pay any part of their own premiums?—Not a penny; the firm pays it. In fact, up till two years ago we insured them against accidents wherever they were, but we found that rather expensive, and dropped that part of it. They are now insured against accidents in the works.

64. *Hon. Major Steward.*] There is no deduction from their wages on account of that?—No.

WILLIAM DANIEL MARRIOTT was examined on oath.

65. *The Chairman.*] What is your occupation?—A bootmaker.

66. In the employ of Hannah and Co.?—No; I was working at Hannah's.

67. How long were you working at Hannah's?—The last time I was there I worked about a couple of years.

68. Were you there when the benefit society was formed?—Yes.

69. Have you a copy of the rules?—Yes. [Exhibit 43.]

70. The funds are not divided every year?—£20 is carried forward, and all over that is divided.

71. Who is the trustee?—Mr. McNicol was; he is one of the employés. We went to Mr. Hannah, and he told us to consider the matter well, and put it on a sound basis. He said he would not advise us one way or the other; it was entirely under the management of the employés. He gave us two donations of £5 each to the funeral fund.

72. Can you tell us the reason why the society was started?—Yes; before, when an employé in the factory was sick, subscription-lists used to go round, and to stop that we started the benefit society, so that every man and every woman could provide for himself and herself during sickness.

73. Did all the employés of the firm join the society?—Membership was optional.

74. How many joined?—In 1894, after the first six months, the number of members was eighty-one, and the dividend was 1s. 5d. per share.

75. What was the number of employés altogether at that date?—About a hundred and fifty; so that about half joined; but I am not certain. In 1895, from January to December, the number of members at the end of the year was eighty-six, and the dividend was 3s. per share.

76. Was the number of employés in the factory about the same?—Yes.

77. *Hon. Major Steward.*] As regards those who did not join, was it because they were members of other societies?—Some of them are and some are not members of other societies. Of course, the Operative Bootmakers' Federation have a funeral fund of £25; it is registered, and is altogether different from this.

78. Are there not members of this benefit society who are also members of friendly societies?—Yes.

79. Are you a member of a friendly society?—No.

80. Have you ever known any of those joining the factory society throw up their membership in a friendly society in order to do that?—Not one case.

81. The committee is not obliged to accept anybody who wants to join?—The committee never bar any one from joining; it does not matter if they are consumptives.

82. You do not refuse them on the ground of ill-health?—No.

83. Or on the ground of immoral conduct or drunkenness?—We have never had a case of that sort. If there is any case of immoral conduct the committee could consider it.

84. There is no limit of age?—No; the boy who gets his 5s. a week can join and take a 5s. share.

85. *The Chairman.*] Can you tell us generally what is the age of those who do not join your benefit society? Are they chiefly the young and thoughtless or the women and girls?—All the girls were in it. They are better paying members, and seem to pay more attention to it than the males; they seem to have a higher appreciation of the benefits than the men.

86. If it were possible for Parliament to see its way to legislate for these societies, and to legalise them pretty nearly with the same rules, would you see any objection to registration?—No; providing a majority of the members have the framing of the constitution and rules.

87. I mean the rules as they stand?—I think it would be a benefit to the members. For instance, in the benching department of our trade there are men always coming and going, and some of them join the society and may be there for three months. If they leave the factory before the expiry of the financial year they participate in all benefits so long as they keep up their subscription to the end of the year.

88. The committee-man in each department collects the subscriptions?—Yes.

89. The money is never deducted from their wages?—Not at all. Mr. Hannab has nothing whatever to do with it; it is immaterial to him whether they are in the society or not, from what he said.

90. What would happen in the case of a person who refused to join your society falling ill? Would you allow subscription-lists to be taken round when he would not avail himself of these benefits?—Some friend might take the list round, but the employés would not respond so liberally. This society has stopped subscription-lists going round, so far as I know. I do not believe in making these things compulsory myself.

91. Even when it is compulsory by the will of the employés, and not by the will of the employers?—I do not believe in compelling them at all.

92. Have your contributions always been sufficient to meet your expenses?—Yes; there has always been a dividend. I do not know last year's dividend, because I was not there. The dividend for 1895 was 3s. per share.

WILLIAM HUTCHISON was examined on oath.

93. *The Chairman.*] What is your occupation?—I am a boot-finisher at Messrs. Hannah and Co.'s.

94. How long have you been in that service?—About nine years.

95. Do you remember the formation of the benefit society?—Yes.

96. It was a society formed entirely by the men on their own motion?—Yes; it was formed on the same lines as the society in vogue at Skelton and Frostick's, at Christchurch. We adopted their rules.

97. Are you a member of a friendly society?—No; I was, but I ran out.

98. You did not allow your membership of the friendly society to lapse on account of joining this society?—Well, I was in this first, before I joined the friendly society; but I thought one would be sufficient.

99. And this offered the most distinct advantages to you?—I think so.

100. Do you consider this society of value to the men?—I consider it one of the best societies that men possibly could have in any factory.

101. It has proved to be of practical benefit?—Yes.

102. There is no interference on the part of the employer?—Not a semblance of interference.

103. Can you suggest any improvement?—I cannot; it works so well.

104. *Hon. Major Steward.*] You do not think it would be an advantage to give power to a majority of the men in the employ to compel the minority to join?—No; I cannot see any advantage.

105. It would be resented by the others?—Yes.

106. *The Chairman.*] The Friendly Societies Act provides machinery by which in case of defalcations or anything of that sort a remedy can easily be provided by law; now, do you think if this society could be legalised in the same way, pretty nearly with the rules as they are at present, that would be an advantage?—Well, I suppose it would be an advantage. I do not think there is any need for it; I think we can trust one another sufficiently.

107. In the case of your society where you divide the surplus every year there is no accumulation of funds?—No; only £20 is carried forward. There is very little surplus at any time.

108. Have you had any calls on your burial fund?—Only one.

109. So the fund has always been sufficient to meet all demands?—Yes. I might say that Mr. Hannah has given two donations to the burial fund, making £10 altogether.

110. Have you a balance-sheet?—Yes. [Exhibit 44.]

111. The most an adult member can hold is four shares?—Yes.

WEDNESDAY, 16TH JUNE, 1897.

The Chairman: Before proceeding to ordinary business I wish to refer to a matter in connection with the Lyttelton Lumpers' and Wharf-labourers' Association. A statement was made by one witness, J. G. T. Wood, that, on a motion being made to register the association under the Conciliation and Arbitration Act, a meeting of the men was held, at which a majority voted for registration under the Act. Wood gave the figures as sixty-one for the motion and fifty-nine against. On being recalled, and cautioned to be careful of what he said on oath, he repeated this statement, and added that the minute-book would confirm his evidence. After the Commission rose I desired the secretary to procure the minute-book of the association, and I found Mr. Wood's evidence was entirely false, as the vote of the men had been given against registration, the figures being fifty-eight for and sixty-three against. This was an important point, because it had been represented that the preponderance of the employers on the association's committee had enabled them to force the association to remain unregistered.

WILLIAM JONES was examined on oath.

1. *The Chairman.*] You are secretary of the Wellington Branch of the Federated Seamen's Union?—Yes.

2. Have you seen the published evidence in regard to the Union Steamship Company Mutual Benefit Society?—I have seen it through the medium of the *Otago Daily Times*.

3. Have you anything to add to that evidence, or is there anything in it which you wish to refute?—I would like to have gone through the evidence carefully, but I have been too busy to make notes. There are one or two paragraphs I would like to have refuted, because from what I can see the information that has been elicited from the members of the society does not, in my opinion, show the matter in the proper light, inasmuch as I think some of them have not said all they know. They might have gone a little further, but possibly they were not in the same position as these men up here in Wellington, who are entirely different, I think myself, having sailed out of Wellington for a few years, and never having been in Dunedin. I think the men here are more open, and not so frightened of the head office of the Union Company. A good many of the men who appeared before the Commission in Dunedin, if they had come here, would have given entirely different evidence, as they have been repeatedly asked, time after time, to join the society. I have known men belonging to friendly societies—one in the "Mawhera," who was an Oddfellow of some eighteen years' standing, who had to leave the Oddfellows in order to join the Union Company's society to get employment. That man is not available now, because he is in a collier, and she does not often come to Wellington; the only way would be for his evidence to be taken at the West Coast. There are other instances like that. In 1891 or 1892 this matter was pretty warm, because the company were then forcing men to join the society. I myself was a member of Court Sir George Bowen Foresters, and I was told on more than one occasion that I would have to join the mutual benefit society.

4. What was your capacity then?—An able seaman.

5. And this occurred notwithstanding you were a member of the Foresters?—I told them repeatedly I was a member of the Foresters; and they kept on each different set of articles we signed the different men who did not belong to the society at that date, and they were told if they did not join they would have to leave the service. Some of the men in the ship will never join the society.

6. *Hon. Major Steward.*] Were these men also members of friendly societies?—Not so far as I know; one of them was a Druid.

7. *The Chairman.*] I may ask you to confine your evidence as far as possible to the point as to men who were already in friendly societies being compelled to join, because the Commissioners are pretty well assured, and it has been acknowledged by those in charge of the Union Company, that if a man did not belong to any other friendly society it was compulsory for him to join their society at that time?—I have seen that by the Press, and, of course, according to that, my information would be of no use to the Commission. They have already acknowledged there has been compulsion; but do they say there is no compulsion at the present time?

The Chairman: They say there will be no compulsion after the 30th September, because they have entered into an agreement with the Federated Seamen's Union.

Witness: It states in that agreement that new men joining the company's service will not be compelled to join, but they ask these men all the same.

8. *The Chairman.*] Now?—Yes.

9. It is not mere hearsay; you swear to that point?—Yes, I can swear to it.

10. Are they led to infer that any preference will be given to those joining the society?—I cannot say that for certain. I would not swear to that; but what I will swear to is this: that in two instances men were told that as the articles would be up in a few days—say, at the end of May—it would be advisable for them to join the society.

11. What do you understand by "advisable"? What is the alternative?—Well, the alternative was that they could do the other thing if they did not join. What the other thing was I do not know, but I leave people to think for themselves. My own opinion is they would go out of the service altogether. Mr. Kennedy, the manager of the company here, called upon me, and refuted the statement I wrote down to Dunedin in this direction, and said he had written statements from the men I referred to. It appears that the company wrote these statements, but they did not apply to the present cases. These statements only applied to something away back eighteen months or two years ago.

12. *Hon. Major Steward.*] Do you mean to say that they are given to understand that it is necessary they should join this society irrespective of whether they are members or not of friendly societies?—No; these men I am alluding to now are not members of any society. One man, only recently arrived out here from England, told the purser he had not been in the country five months.

13. *The Chairman.*] I may tell you that circulars have been produced to us on behalf of the Union Company by their officers strictly enjoining on them not to have as members of the benefit society men who were members of friendly societies?—Well, of course, these two men were not members of any friendly society.

14. It simply amounts to this, then: that, so far as your evidence goes, men who are not members of any friendly society are now asked to join the Union Company's benefit society?—That is so.

15. Do you see any objection to their merely asking men to join, providing they are not otherwise insured against sickness?—So long as they were registered benefit societies it would be a beneficial thing for seafaring men who are travelling all over the world; I think it would be a good thing if they joined the Oddfellows or Druids or Foresters, like myself. I have been a Forester in America, England, Australia, and New Zealand.

16. But there are a large number of seamen who do not belong to any organization?—Quite so.

17. Is it or is it not better that they should belong to some society?—Speaking for myself, I should say it is. I have always belonged to one.

18. If these men do not take the trouble to join a friendly society, do you not think they should be asked to join one in their own fleet?—I do not think so, in a society where the chief officers of the company govern the whole thing. I should imagine, if the society were registered, and made to conform with the rules laid down for registered friendly societies, there might not be such a great amount of objection; and, again, if no compulsion were used. In other societies there is no compulsion, and there are big memberships. I think there are some five hundred to eight hundred members in the lodge I belong to.

19. Can you tell us of your own knowledge whether your own lodge, or any other lodge you know of, suffered at all through the men having to join the Union Company's society?—Well, I would not say whether it was through having to join it, but I will give you this incident. The Court I belong to publishes a half-yearly balance-sheet, and it was shown that seventeen members had run out that half-year. Now, ten out of the seventeen were seamen; but I am not going to say for a moment that these men joined the Union Company's benefit society or that they were in the Union Company's service. The thing suggested itself to me, knowing from my own practical experience that what we call "deep-water sailors" do not as a rule belong to friendly societies, and if they did it would not be in New Zealand—so the idea suggested itself to me that these men were coast sailors and not deep-water sailors.

20. *Hon. Major Steward.*] You are aware of the agreement which has been entered into between the organization you represent and the Union Company?—Yes.

21. Do you know that one of the conditions of that agreement is after the 30th September, at any rate, there is to be no compulsion of any kind?—Yes, I know that.

22. And that as regards men joining the fleet now membership is optional?—Yes.

23. Well, supposing those conditions are faithfully carried out, and the society is registered with its present rules, subject to proper provisions as to the election of committees, do you think there would be any objection to the existence of this society?—Well, I think there would while the Union Company has anything to do with it, because even the committee have to consider their bread and butter, and the company can always bring force to bear on these committees, in more ways than one.

24. We have evidence that the company's representatives very seldom attend the committee meetings: are you aware that the company contributes to the funds of the society?—20 per cent., I think.

25. So long as it does that, should it not have some representation in proportion to its contribution?—But they are thinking of withdrawing that subsidy.

26. That is not the point. Do you think it would be fair that they should be represented in proportion to their contribution?—Well, they might be; but, you see, their power is very great.

27. If the company only had a fifth representation?—They have the power all the same; they can use their influence by means of the men's bread and butter.

28. If membership becomes purely voluntary?—For instance, if I were in a boat, they could give me the sack, and say it was because I did not suit, or because they did not require me any longer. It would not be on account of the benefit society.

29. You mean that, although there is no compulsion, it is a cast of "must"?—Quite so.

30. What would you say to the evidence given before us that there are some members in the fleet who are not members of the benefit society, and belong to no other friendly society, and have still been retained in the service?—There are some exceptional cases, and possibly they are over the age at which the Union Company enrol men in the society—that is, forty years. I do not know of any young man under that age who is not a member of a friendly society who has not been compelled to join the benefit society. My knowledge of the men is pretty extensive.

31. *The Chairman.*] We were told by Thomas Robertson, baker, late of the "Talune," that "he did not belong to the benefit society or to any other friendly society. He had, however, always been kept on in his employment?"—Well, you see, that is an exceptional case; and they cannot always get bakers to go to sea. It makes a vast difference.

32. *Hon. Major Steward.*] Can you give us any direct evidence as to any persons whose services have been dispensed with under these circumstances—viz., who were not members of the Union Company's benefit society nor any other society?—Yes; but not recently.

33. How long ago?—I think the last one I knew of was in 1892.

34. That would be prior to the alterations made altogether?—Even if such is the case, in any recent case the Union Company has always other ways of evading the question—by saying the men do no suit, or cannot do the work.

35. Does it not occur to you the company could still do that, even supposing the society were registered?—In the event of the society being registered, I do not think the Union Company would take so much interest in it. I joined the "Mawhera" on the 3rd January, 1891. I would not be certain as to the month the circular *re* the society was sent round. I did not take any particular notice of it at the time. But then the papers came again, stating that a certain number of boats had joined the society, and that it was advisable for us to join. Not one in the boat I was in joined the society. Now, the trip after that all hands were called aft, and papers were put in front of us in the presence of the skipper, most of the engineers, and the purser; and the skipper read out a pamphlet or agreement to the effect that we, the undersigned, hereby bound ourselves not to belong to any society that the Union Company did not approve of, and to sever our connection with any union or federation that we might belong to at the present time. It applied to all in the boat. This rule has been amended recently, because the company saw things have changed, and consequently they are changing the rules. It is a mere matter of force of circumstances, I suppose. Well, they put this agreement in front of us, and the men would not join. They came round again and said every boat in the fleet had joined with the exception of the "Mawhera." This always came through the purser. I do not know Mr. Kirby.

36. What happened then; you still did not join?—No; and the donkeyman would not join, and he was sacked right away. The engineer wanted to keep him there.

37. Have you ever heard of or seen any such circulars as these: "To Purser, 'Ovalau.'—If Wilson can satisfy you that he was a member of the Foresters before he joined the company's service he need not join our society, but if he cannot do this enrol him forthwith.—14th August, 1895." "To Chief Officer, 'Ohau.'—Cannot admit O. Johnson to the society, as he is a financial member of the Druids.—14th November, 1895"? You see they have absolutely refused to take them in, not merely instructed them not to join; that is as late as the 14th November, 1895. Have you heard anything of circumstances of that sort?—Yes; I think I have one here, which goes a little further than that, as follows: "To Purser, 'Grafton.'—Please enrol Dunning if under forty years of age and recommended by Mr. McNicol, and inform Dorling that unless he joins forthwith, paying as from 1st April last, instructions will be issued for his dismissal from the service.—11th May, 1896."

38. Were these men members of friendly societies?—The last man was. I wrote to the Star of Egmont Lodge, at Patea, and I asked if this man was a financial Druid, and the reply was that he was, and had been a financial member for some considerable time. I may say, in reference to this matter, that the Hon. George McLean, when the Private Benefit Societies Bill was before the House last session, said this letter had been stolen and photographed, and that a photographic copy of the latter had been sent to all the friendly societies in the colony. I was the man who had that letter photographed, and only one copy was taken, and it was given in the House of Representatives.

39. *The Chairman.*] We had the Dorling matter fully explained to us in Dunedin. It was stated to us in evidence in Dunedin that the benefit society was used to enable the Union Company

to escape paying the wages of men ashore through sickness: can you give us any direct evidence on the subject?—I was just going to speak about that. There are one or two cases, but I do not believe the men would care to come before the Commission, because they are terribly scared.

The Chairman: We cannot receive statements of that sort. You know we must have sworn evidence in regard to these cases. Of course, it is very hard to ask the men to come and give evidence against their own bread and butter; still, unless they choose to do that, we cannot take other people's evidence of what they say.

Witness: Quite so. Well, the Shipping Act of 1894 provides that, in the event of accident or sickness, the owner or agent or captain will deposit with the Collector of Customs a sum of money not exceeding three months' pay for the man's medical attendance. There are a great number of instances in which that has not been done. They have paid it quite recently—I suppose on account of this Commission sitting. There is a case of a man who was ashore for a matter of five months with a cataract in the eye. His name was Samuel Rodd, but I do not suppose he would care about coming here to give evidence. The bill from Dr. Mackenzie has been sent to that man repeatedly, although he is a member of the benefit society. Whether the Union Company intend to pay it or not I cannot say. The society's doctor here could not treat the man; he said it was a case for an oculist.

40. *The Chairman.*] Were his wages deposited with the Collector of Customs, according to the Act?—I do not think so; they might have been.

The Chairman: The inference sought to be drawn by the witness speaking is that the company takes advantage of this benefit society to evade its own obligations. We want direct evidence, and would like you to give it.

Witness: There are several cases recently. There are three men under the doctor whose wages have been paid because I told these men to go to the manager and ask for them. The wages were refused by the purser, but they got them from the manager of the Union Company. They did not get them from the Customs. I might say that under the same circumstances the company would have to provide a doctor, whereas the society now provides the doctor. The company is evading its legal liability in that way.

44. *The Chairman.*] You must remember the company has given a subsidy to the society?—I suppose that has something to do with it.

45. The benefits arising to the men from this subsidy of the company to the society allow a far smaller rate of contribution. Do you think, if the Union Company were to withdraw this contribution, that this society would be able to exist with its present contributions?—Well, I do not know that these contributions are less than in other friendly societies. There are some men paying a large amount into this benefit society every month. I do not think this surrender value is equivalent to the power of transfer and exchange possessed in other societies. If I were in the Union Company's society for some years, and left, and wished to join another society, I would have to pay a much higher rate of contribution, on account of increased age. I consider the power of exchange of much higher value than the surrender value. Rule 71 says, "Every member who shall be in arrear with his subscription for three months shall thereupon cease to be a member of the society, and shall not be eligible to resume membership except as a new applicant." There are cases here where men who have been away on a trip to the Old Country for nine or twelve months have been told when they came back that they would have to pay up the whole of their arrears. There is a man in the "Mabinapua" at the present time who has been in one of the Northern Company's boats, and they want him to pay up nine months' contributions.

46. We had evidence that in case of men being sick or out of work the society suspended their contributions?—This man has not been sick; he has been in the employ of another company. There is a rule in the book providing that every member joining the society has to pass the doctor. My experience has shown me that there is any number of seafaring men who are physically quite capable of doing their work for a number of years to come, but who, under examination by the doctor, would be refused. I do not think it is fair that these men should be handicapped, and that the Union Company should be allowed to pick and choose the flower of labour.

47. Would not the same thing apply to these men if they wished to join the Foresters or Odd-fellows?—It would stop them joining the lodge, but this stops them from employment.

48. Suppose the society were done away with, would not the company be able to make some rule in regard to examination by doctor if they still wished to employ, as you think, the flower and pick of the working-men?—Yes; but although they might have to pass the doctor they might restrict the examination to certain diseases. There are any number of men who would not pass the doctor but are yet physically capable of carrying out the duties for years and years.

49. Can you give us any idea or suggestion that we could recommend by which the society could be bettered, or is it your opinion that it should be absolutely abolished?—That is my opinion; I am of the same opinion as John Duthie, in his remarks when he was a member for Wellington. He said, when the Bill was before the House, that he did not think employers should hold undue power over their men in this respect, and that when a man earned his wages he should be at liberty to do what he chose with them.

50. *Hon. Major Steward.*] Are you of opinion that any number of workers in any employment should be by law prevented from joining a benefit society of their own?—Not if they chose to have a society. This society was not started by the men.

51. We have evidence that it was?—What did James Mills say the first session the Private Benefit Societies Bill was before the House?

52. It is not worth while arguing; we have direct evidence on the point. The point is, simply, if the element of compulsion is entirely eliminated, and if the matter is left entirely in the control and management of the men themselves, should or should not the men have the right to form a society or any organization they like?—Let them have the right, but no compulsion.

53. Some of these societies formed in connection with factories seem to work very well indeed, being managed by the men themselves. In one instance brought before us they had a compulsory rule, and they got the employer to enforce it by deduction from the wages. Subsequently they amended the rules, and withdrew the compulsory clauses, with the result that two-thirds left the society. The men thereupon expressed the opinion themselves that those in the employment should have the power to make membership compulsory. What do you think of that?—I do not think it should be compulsory under any circumstances. If a man wishes to join, let him join by all means. I say, if the man is a sensible man, and the society a good society, I think he will join. The societies such as you examined yesterday are something like a tontine society, with a dividend at the end of the year. There are hundreds of them in the Old Country.

54. You have no objection to them?—No; I think, under the circumstances, they would be all right.

55. You do not object to a private benefit society provided it is purely voluntary and the members have the government of their own affairs?—Quite so; no compulsion to be used at all. If the men do not wish for the society there will be no society.

56. Further, your principal objection to this Union Company's benefit society is that you believe it to be, notwithstanding the agreement entered into, practically compulsory?—Yes; it is too one-sided altogether. It is all on the side of the company. The last rule in the book says that five-sixths of the members can dissolve the society, but not without the consent of the company. Well, they are not going to get the consent of the company; therefore they cannot dissolve the society.

57. In the event of legislation passing, would you or would you not object to provision being made that the employers should be allowed to encourage and contribute towards these societies, and that in return for their contributions they should have a share in the management of the society in proportion to their contribution?—Well, I do not believe in employers having anything to do with it. I would rather pay a little more into the society and do without the employers' contribution; then there is freedom. While the employer has anything to do with it there is no freedom. They will not bring pressure directly, but they can indirectly.

58. *The Chairman.*] Is there anything more you would like to say?—In reference to surrender values, I have not heard that there is any table laid down for their calculation. Several men have asked what the amount of surrender value would be. I have a letter here, dated the 1st September, 1896, from the secretary of the Union Company's Mutual Benefit Society. Of course, in it it is said there is a table, and a couple of items are quoted. I will read it, as follows: "To Mr. G. Bayly, No. 1, York Street, Wellington.—DEAR SIR,—Your favour of the 28th ultimo duly to hand. I shall be glad at any time to reply to any inquiries as to the working of the society. The surrender values paid are based on tables calculated by one of the leading actuaries of the colony, and vary according to the length of membership and age at joining; thus, a member joining at twenty years of age under Table I., drawing his surrender value at the end of twelve months, would be entitled to 9s. 6d., while a member joining at forty-six years of age, under Table II., and withdrawing at the end of fourteen years, would be entitled to £22 13s. 3d. I am not an actuary, and cannot give the basis of the calculations, but if you are acquainted with any actuarial expert he could explain the matter to you. The surrender value is calculated on the amount paid into the sick and funeral fund alone. 1s. 9d. out of each member's monthly contribution is, according to Rule 54 (as amended at the annual meeting in November, 1893), taken up in providing doctors, medicines, and in management expenses, and no surrender value is therefore payable on this portion of the contributions. With reference to the balance-sheets, these are made up and audited yearly, and a supply sent to each boat sufficient to enable every member to have a copy. I enclose herewith a copy of report of our last annual meeting, in which the balance-sheet is included.—Yours faithfully, C. GRATER." That, in my opinion, is not what you might call satisfactory, because a man does not know what he is going to get. The amount per cent. ought to be in the rules, and then the men could reckon for themselves, and have an idea of what they are going to get.

ROBERT AITCHISON was examined on oath.

59. *The Chairman.*] What is your occupation?—A fireman on the "Stormbird."

60. Are you in the employ of the Union Company?—I was for about twelve years.

61. When did you leave the service?—About eighteen months ago.

62. Do you remember the formation of the Union Company's benefit society?—Quite well.

63. Were you a member?—I was.

64. Did you join at the first?—I was compelled to join.

65. That was soon after the big strike?—Yes.

66. Did you find that compulsion has been used of late years?—Yes; it was.

67. Up to the time of your leaving?—To within six or seven months before I left the service of the company.

68. Were you a member of any other friendly society?—No.

69. We have had evidence which establishes the fact that there was compulsion at that time. Have you any statement you would like to make in regard to the Union Steamship Company?—Well, when this society was formed they told us distinctly they would give us three months to think whether we would join the society or not. By joining the society when it was first formed you did not require to pay any entrance-fee, but if you let it run over the three months you had to pay 10s. besides the contribution. I would not join it until the three months had gone by, and the second engineer told me in the presence of the purser I would either have to join the society or take my bag and leave the ship. That was in 1891. There were married men with families in the "Takapuna" who informed me they had to join, although they had belonged to other shore societies for eighteen to twenty years.

70. Did any of them leave the friendly society in order to join this benefit society?—No; they kept them both going; they had been such a long number of years in the shore society that they did not like to give it up.

71. If they had pleaded they belonged to friendly societies would they have had to join?—I know the officers were very anxious they should join.

72. *Hon. Major Steward.*] You are speaking of 1891; was there not some alteration in 1893?—Well, I have joined it several times; the last time I joined was in 1895.

73. You were not a member of a friendly society in 1895?—No.

74. Are you a member of any private benefit society now?—No.

75. What would happen to you if you fell sick?—I reckon I have a few pounds to fall back on.

76. Do you think, if the element of compulsion were taken away, it is a bad thing to have a benefit society?—I reckon if the company would put the society into the hands of the men entirely, and let them work it, it would be far more acceptable to the men, because two-thirds of them do not know what is being done in connection with the society.

77. I suppose you know the Union Company gave a contribution of £500 to start the society, and give an annual contribution of £300 towards the funds?—I know that is in the rules; I do not know if they have given it.

78. As a matter of fact, they have given it. So long as they continue to give that should they not have some representation on the governing body to the extent of the amount they contribute?—I do not think the company has any right to have any interest in it at all.

79. *The Chairman.*] You think the benefit society would be better without subsidy and without influence?—Yes.

80. Would you see any objection to the society provided it were made purely voluntary and entirely controlled by the men?—No.

81. Is it your opinion that this private benefit society is detrimental to the ordinary friendly societies?—It is to a certain extent; I would have belonged to some shore society if I had not belonged to this. I did not see why I should pay into two.

82. You cannot give us any instance of a man who has had to drop his friendly society contribution because he could not pay into both?—No.

83. *Hon. Major Steward.*] You have been following the sea for a number of years?—Yes.

84. And know the character of sailors pretty well?—Yes.

85. Is it not a fact that a great proportion of sailors are careless fellows, who do not take any particular care in regard to the future?—As regards those in coasting boats they are a steadier class of men than those in Home-going vessels.

86. Are there not a good many who belong to no friendly society?—Yes.

87. So far as these men are concerned, if they were induced to join amongst themselves and form a benefit society of their own, would it not be rather to their benefit?—Certainly it would; and if this society were under the control of the men a good many would join it with a free heart.

88. Supposing it to be a purely voluntary affair, as I have suggested, is it not probable that more men could be induced to join a society of that sort than to join a friendly society?—Yes.

89. You would get men in a society of that sort who would not insure in a friendly society or any similar organization?—Yes.

90. *The Chairman.*] You left the Union Company's service several times; did you get any surrender value?—No, because I did not apply for it; they always wanted me to pay up the arrears. It says in one of the rules if you run in arrears for three months you are unfinancial, and when I was ashore for five or seven months, if anything happened to me then, I had no claim upon the society at all. I would have to pay medical fees, &c., and yet when I joined the company again after seven months' absence they asked for my book, and said I was so much in arrears, and would have to pay up. I said No; I would prefer to pay the entrance-fee again. By doing that it would cost me about 14s.; on the other hand it would cost me £2 or so. I would not get sick benefit until I had been in it for six months. The last time I left the Union Company's service I applied for my surrender value. I thought I had paid in some £3 odd, and I got 17s. returned.

ALFRED GEORGE MABIN was examined on oath.

91. *The Chairman.*] What is your occupation?—At present I am a wharf-labourer and small storekeeper.

92. Have you been in the service of the Union Company?—Yes.

93. How long ago was that?—The last time I was with them was about two years and a half ago; I was only in the service about three months and a half.

94. How long have you been in the Union Company's service altogether?—About two years altogether. I joined the Union Company after the 1890 strike as a non-unionist.

95. Can you tell us anything about the Union Company's benefit society?—I may say I left the Union Company's employ because I was told I would get no further work unless I joined the society.

96. You had been in the service for two years before you were told you would have to leave?—No, not quite. I joined the company on the 9th September, 1890, and left on the 15th February, 1892.

97. You were discharged in consequence of your refusing to join the private benefit society?—I was not discharged on that account; I was discharged because the articles were up. I was given to understand I would get no further employment if I did not join.

98. Were you a member of a friendly society?—No; I was not a financial member.

99. What was your objection to the benefit society?—I thought they were taking away my liberties; it was coercion. If I had been left to myself I would probably have joined.

100. Can you tell us how it took place? Was it put as distinctly as this: Did any officer tell you that if you did not join the society you would be discharged?—I was looking up on Sunday an

entry I made in my diary in reference to an interview I had with Captain Cameron, the marine superintendent. It is as follows: "Thursday, 18th, Dunedin. Slept at Cox's temperance restaurant last night. Interview Captain Cameron, who told me that I could not sail in the Union Steamship Company's boats without joining the friendly society. He granted me a free passage to Sydney by s.s. 'Talune.'"

101. *Hon. Major Steward.*] Are you aware of the agreement entered into recently between the Seamen's Union and the Union Steamship Company in reference to this society?—I am not.

102. *The Chairman.*] Supposing that the society were made purely voluntary, and managed by the men themselves, without any interference by the Union Company, do you consider then it would be a beneficial thing for the sailors?—I consider it is a beneficial thing as it stands without coercion, but we all know there is some way of coercing the men. They can make some excuse for discharging a man without saying they are discharging him because he would not join the benefit society.

103. What is the object of this coercion? What is the advantage to the company in making men join this society?—I, of course, cannot judge. I had lost faith in the Union Company before this, because they had broken their promise to me—I mean the officers or representatives of the company had broken faith with me.

104. And, consequently, you thought if you joined this society you would be still more in their power?—Yes, that is what I thought.

105. Simply because, by subscribing towards the funds of this society, you were placing your money in the custody of their officers?—Yes; they had me more in their power. Of course, I acknowledge they made a liberal offer of £500 to start the society; and if they had done away with the coercion I believe I would have joined the society. The Union Company broke their faith with me, and I lost faith in them when they started this benefit society.

RICHARD WAINE GIBBS was examined on oath.

106. *The Chairman.*] What is your occupation?—I am accountant at the head office of the Bank of New Zealand.

107. How long have you been in the Bank of New Zealand service?—Nineteen years.

108. There is an institution called the Bank of New Zealand Officers' Guarantee and Provident Association?—Yes.

109. Are you an official of that association?—I am secretary.

110. Have you got a copy of the rules?—Yes. [Exhibit 45.]

111. How long have you held your present position as secretary?—Since January, 1895.

112. Is this printed balance-sheet [Exhibit 46] a statement of the funds of the association?—That is the latest balance-sheet issued.

113. I notice there is a schedule here of the investments: do you know how long it is since they were valued?—They were valued at the time they were taken. In the case of mortgage, freehold security, the deed of settlement provides that upon expert valuation the advance shall not exceed two-thirds. At the time of the renewal of any mortgage a fresh valuation is obtained.

114. There has been no writing-down of these?—None whatever.

115. This represents, in your eyes, the present actual value of the securities?—Yes; that is a correct statement, to the best of my knowledge.

116. Has it been brought to your knowledge that the clerks of the Bank of New Zealand feel sore about this provident fund?—No doubt a large section of the staff are dissatisfied with the fund.

117. I believe a petition for its abolition was signed by thirty-six Wellington men?—A large number of the Wellington men sent in an application, and we felt the pulse of the staff generally as to the wish of members throughout the colony for its distribution.

118. What was the result?—The result was a strong feeling in favour of distribution or reconstruction.

119. Has it been reconstructed?—It has not.

120. *Mr. Fisher.*] Can you give us the figures relatively of the poll, so called?—The voting in favour of distributing the funds was practically about 90 per cent. of the present staff.

121. You cannot give us the actual votes polled for and against per officer?—I have not the figures by me, but speaking from memory I think 90 per cent. of the votes were for the distribution of the funds.

122. *The Chairman.*] Is it not the case that the clause in the regulations which relates to the distribution of the funds is entirely dominated by section 23—that is to say, the trustees can make any new rules or laws they please, subject to the approval of the directors?—I consider section 23 dominates the whole association.

123. In case of the bank getting into difficulty, is it absolutely certain that these moneys which have been subscribed by officers of the bank, and which may be considered really more personal belongings of the officers than bank property, would be a preference claim?—The funds are entirely distinct from the bank.

124. You think under these rules it would not be possible for the bank to impound them?—I do not think so for a moment.

125. They come under Rule 23?—I doubt whether any Court would uphold any such proposition; I think that would be overridden.

126. *Mr. Fisher.*] But the power is there, and the consequent trouble?—The law would not permit any institution to swoop down on funds of this nature—it would not permit of such an act of highway robbery. In the event of the bank getting into difficulties, Clause 24 provides for that; it provides that the fund shall be distributed in the event of the association ceasing to exist from any cause whatever.

127. *Hon. Major Steward.*] Would you make clear the exact position in relation to the officers. We will say a young man joins your bank. To make the thing as clear as I can, we will say he is guaranteed out of the bank, and has nothing to do with the guarantee fund. He then comes under the operation of that portion of the fund which relates to the provident fund?—At the present time there is no disconnection—the guarantee fund and the provident fund run together. If a member, then it would be necessary for him to come under guarantee, as well as the provident section.

128. Is it not the case where young men have fidelity guarantees in outside companies?—Yes, for the first twelve months.

129. But in that case they still only contribute to the provident fund?—No. For the first twelve months an officer is called upon to find an outside guarantee for his fidelity. At the end of that period he makes application to the Bank of New Zealand Guarantee and Provident Association, and then he comes under the entire rules.

130. In that case, what amount is deducted from his salary for the purpose of this provident fund?—1 per cent. of his salary is deducted, or he is called upon to pay it, which is equivalent, at the end of each half-year.

131. Are you sure it is not a great deal more than that?—10s. in every £100 of salary is collected from members on the 30th June and the 31st December— $\frac{1}{2}$ per cent. for the half-year.

132. Are you sure that is the sum?—Yes; but not for both funds—the 10 per cent. is for the provident section only. To the guarantee fund he pays at the rate set out in Schedule 8, which distinctly lays down that “Every member guaranteed by the association shall also contribute to the said guarantee fund five annual payments of 11s. per cent. on the amount for which the member is guaranteed by the association to the bank.” Then, if you go a little further on, it says, “Each member shall also contribute to the provident fund at such rate in proportion to his total remuneration from the bank as the trustees may from time to time determine, but such rate, until altered by the trustees, shall be 1 per cent. per annum, payable half-yearly.”

133. Then, every member has to pay on a guarantee for £1,000, or whatever the amount?—According to his salary. That is usual in all financial institutions who require fidelity guarantees.

134. What is the amount to be paid by ordinary clerks in their second or third year receiving a salary from £60 to £80 a year?—For the first year or two, until a clerk's salary reaches £100, he would be guaranteed for £500, and on that he would pay an annual premium, for guarantee purposes, of £2 15s. for five years, and he would also pay an entrance-fee of £1. In addition to that, at each half-year, on, say, £50 of salary, he would pay his 5s. to the provident fund—at June and December.

135. So that if a man receives £100 a year he would pay £1 to the provident fund?—He would pay £2: 15s. for his guarantee (annually for five years) and £1 to the provident fund; and an entrance-fee of £1—£4 15s. to start with.

136. Then, he goes on paying into this fund, and he is not entitled to draw anything by way of benefit until he has been fifteen years in the service?—Rule 1 says, “Members of the association who have been ten years and upwards in the service of the bank shall be entitled to the benefits of the provident fund according to the rules and regulations for the time being in force relating thereto.”

137. Then, he has to pay in for ten years before getting any benefit at all?—That is so.

138. Supposing a young man has joined the bank at sixteen or seventeen, and by the time he is twenty-five he sees something outside which gives him a better chance of promotion, and he leaves the bank: he has paid on an average, we will say—because his salary would be increasing £7 or £8 a year—for the whole period, and he would have paid in £73, would he not?—That would be a higher sum than he would have paid, in all probability.

139. Well, say £60; he would not be entitled to draw anything at all because he leaves the bank?—He leaves the bank, and he leaves behind whatever contribution he has paid in.

140. The position is the same to those who have been in the bank for twenty or twenty-five years?—Just the same; there is no surrender value.

141. The man who joins at twenty years of age is not entitled to take anything out of the fund until he reaches the age of fifty-five?—The bank can retire him on pension at fifty-five years of age; he can claim pension at sixty.

142. He joins at twenty years of age, and if he chooses to exercise his option of leaving before he is sixty years of age he forfeits everything he has paid into this guarantee and provident fund?—That is so. But the question must be looked at from the bank's as well as the staff point of view. Of course, as secretary, I should also voice the trustees. Looking at the question from the bank's point of view, it would be said to be a very good provision, inasmuch as it preserves to them the services of officers in positions where they require men to remain for a length of time—in positions of a confidential nature. A bank is somewhat differently situated to other classes of business institutions, inasmuch as their confidential dealings with the public require that their officers be bound to the institution more permanently, and no doubt this fund has an influence in retaining the men in the service.

143. *The Chairman.*] Is it not a fact that officers have joined the bank at a mature age, and after paying in for a few years have retired with large pensions?—That is a fact.

144. Do you know that such a thing is very well calculated to make junior officers complain about the way the funds are being spent?—Undoubtedly they would consider that these men perhaps were getting more than their due; at the same time, from the bank's standpoint, it must be borne in mind that the funds were subsidised to the extent of £25,000, which to a large extent went to provide pensions which fell upon the fund at an earlier date than would otherwise have been allowed.

145. That is quite true, but it hardly meets the case of officers who joined the bank after that time, and yet were able to draw their full pensions. I mean that provision was probably made by the bank to meet the case of officers of long standing in their service, and provide a pension for

them. It would hardly be expected that the sum was paid in to meet the pensions of those who had not joined the bank?—Certainly not; that was doubtless intended for the old officers of the institution.

146. *Hon. Major Steward.*] Will you kindly point out to me the provision for a case of this sort: Take the case of a man with a family, who has been in your service continuously since he was twenty, of course the bank is entitled to retire him at fifty-five, or he can retire himself at sixty. Suppose he dies at fifty, is there anything paid to the widow and family?—It is immaterial how he makes his exit from the service; he leaves behind his contributions.

147. So that a man who is lucky enough to live until he is sixty is entitled to a pension, and the widow or relatives of the unfortunate fellow who has been in the service thirty years or so and dies at fifty years of age is entitled to no pension?—None whatever.

148. As regards your own private opinion, if you do not mind giving it; you say the officers of the bank, by a large majority, desire the reconstruction of this fund, do you or do you not think it would be fair in devising a scheme of reconstruction to provide, even if necessary by a larger contribution from the officers, for such cases as I have mentioned?—With some such provision I think undoubtedly the staff would be well satisfied. It is more the inequality in the working of the fund that causes dissatisfaction than anything else. I do not think for a moment that the agitation is for the purpose of pulling the fund down. It is recognised generally that the fund is a good thing, but it requires administering on a different basis. The staff practically have no voice in the management, and that is the chief source of dissatisfaction.

149. Of course, you are aware that the chances of life are such that the odds are against a man who joins the service obtaining any benefit at all from this fund; are they not?—Yes; that fact is taken into account in the present rate of pension pay.

150. Then, is it not quite reasonable for the officers to object to a system of things which only in a very rare contingency would benefit themselves?—Yes; I think they have reason to be dissatisfied.

151. *Mr. Fisher.*] Have you a list of those who draw pensions at the present time?—I have not a list with me, but I can supply you with a list. [Exhibit 47.]

152. Can you name two or three at the top of the list who draw pensions now? For instance, if this will aid you, how much does Mr. Murdoch draw?—I believe he draws the maximum pension—£500.

153. And Mr. John Murray?—He is under the maximum.

154. How long has the association been in existence?—Since 1878.

155. The rate of pension remains the same. The amount of contribution or deduction remains the same. But is it not the fact that since the institution of the association the rate of salary has largely decreased?—Bank salaries, in common with all other salaries, have certainly not of late years been on the increase.

156. The point of the question is this: The rate of deduction or contribution remains the same, while the salary has diminished?—It is 1 per cent. on whatever the salary happens to be.

157. Is this the case: The association has been in existence since 1878—that is, relatively, say, twenty years—that men are drawing pensions against an association which has been in existence only twenty years for forty years' service?—The case is met by a previous question as regards some of the officers who are receiving the benefit of the amount by which the bank subsidised the fund to enable those officers to get their pensions earlier than they would otherwise do. No pension could be given until the fund was in such a condition as it would be able, in the opinion of an actuary, to stand the pensions that would fall upon it. Immediately that time arrived, with the aid of the bank's subsidy, officers were placed upon it, irrespective of whether they had been contributing one year or five years.

158. *Hon. Major Steward.*] I think you said the bank endowed the fund with £25,000; is that the whole that the bank as a bank has given?—I believe so.

159. And the fund now stands at £125,000?—And £10,000 in the guarantee fund. The total funds amounted to £135,000 in October last.

160. Then, four-fifths of the funds, if the bank has contributed £25,000, and there are £135,000 altogether, have evidently come from the officers' contributions and interest?—Yes, evidently.

161. What is the meaning of this item "Proportion of land-tax?" Is that land-tax upon freeholds held by the trustees of this fund?—No; it is the tax paid upon the mortgages; we are not exempt.

162. It is not a tax upon the bank's freehold properties?—No; our affairs are kept entirely clear of the bank's affairs.

163. It struck me in reading the balance-sheet that a very large sum is set down for the actuarial investigation-fee in 1893, is it not?—I do not think you would get it done for less. On the last two occasions we have employed one of the best actuaries in London, Mr. Manly.

164. Is it an annually-recurring charge?—No; the fund is only placed in the hands of an actuary for investigation when the trustees consider it advisable to do so.

165. To that extent the payment of that sum is exceptional?—Yes; it might not occur again for a year or two. Three years prior to this a similar sum was charged.

166. *The Chairman.*] Who are the trustees now?—The deed of settlement provides that the trustees shall be the general manager, the inspector for the time being of the bank, and the third some other person drawing or entitled to draw a pension from the fund, as the board of directors shall appoint.

167. Can you tell us who these persons are at present?—The position of general manager is vacant until the arrival of Mr. Tegetmeier; we have no inspector for the time being—Mr. Callender, assistant inspector, is fulfilling that position; and the third is Mr. Butt, appointed by the board. He is entitled to draw a pension.

168. Do you know why it is a *sine qua non* that the third trustee must be a person drawing a pension or entitled to draw a pension?—That is really to narrow it down to some member of the association. Every member is entitled to draw a pension when he arrives at a specified age. The board can appoint a pensioner, or somebody who is a prospective pensioner.

169. Then, every youth joining the bank, after the first year of service, has to join this association?—It is not compulsory at the present time, to this extent: Another guarantee fund has been started, to which officers may elect to belong if by reason of being over sixteen years of age they would be subject to loading. If a boy under that age joins the bank, and is placed on the staff, we look to him, and it is compulsory for him, to join the old association. If a clerk says he prefers not to join, as he would be subjected to the loading in consequence of being over the age that would entitle him to come in free, then we say, "You can get your guarantee outside, and need not come into the association." If an officer is under the age of sixteen he is expected to join the association.

170. He is expected to join the provident fund?—It is optional with officers who are subject to loading joining the service at the present time to join the association or not as they please.

171. How long has that been in force?—Not for more than some eight or twelve months. It was chiefly in consequence of accessions to our ranks from another institution.

172. If an officer over sixteen joins your bank, and does not elect to join this association, he, of course, forfeits all rights to pension of any kind?—Entirely; he is not a member.

173. Then, the element of compulsion has been eliminated?—Only to that extent; old officers have still to contribute.

ARCHIBALD DAVIDSON SOMMERVILLE was examined on oath.

174. *The Chairman.*] What is your position?—I am manager of the Bank of New Zealand at Wellington.

175. Have you been in the service of the Bank of New Zealand many years?—Seventeen years.

176. That is about the same length of time as the provident fund has been in existence?—Just about that.

177. Is it within your knowledge that there is dissatisfaction amongst many of the officers in regard to this fund?—I think so.

178. With what are the officers dissatisfied: is it because the pension fund was established at all, or only concerning the way the money is being administered?—I think it is more especially with this fund as at present constituted.

179. There appears to be a hardship in the case of a man who has been several years in the bank, and who gets no surrender value in event of his leaving?—Yes; or even if he should not leave, but die. You cannot get a pension until you are fifty-five—at least, they can retire you then. If a man dies at fifty-four and a half years his representatives get nothing.

180. No pension is made to his widow under the rules: it is a matter of charity?—A pure matter of charity, nothing else.

181. Does not Rule 23 seem to you to be dangerous?—Yes; the officers, in fact, have no voice in the management of the affairs of the association whatever.

182. *Mr. Fisher.*] That they consider a substantial grievance?—Yes.

183. *Hon. Major Steward.*] In the event of the bank getting into difficulty at any time it appears to me—you can state whether my view is correct or not—that the moneys which have accumulated in this way could be, if these rules were altered, diverted to any other purpose if the trustees think fit?—It is in the hands of the trustees; the money is invested in the names of the trustees—not the bank's.

184. That is under Rule 23, which gives these trustees power to alter this rule *in toto*?—If they choose.

185. As a matter of fact, there is nothing in these rules to protect these funds?—It is entirely a matter of faith in the trustees.

186. *The Chairman.*] We found in the investigation of societies in the South that one source of dissatisfaction resulted from the non-legal recognition of the society. As a matter of fact, in the event of a difficulty arising with the trustees, the contributors to the fund would have to go through expensive Courts of law to obtain possession of their funds; in fact, the trustees could fight them with their own funds?—Exactly; the rules are so drawn up that there is no chance whatever of fighting it.

187. *Hon. Major Steward.*] The last witness told us that within the last few months a new regulation has come into force to the effect that young men joining the bank can, if they think fit, elect to provide their guarantee without this association?—Yes; any one joining the bank has to find a guarantee for twelve months. Since the Bank of New Zealand took over the Colonial Bank they have got another association, which is on the lines of the Colonial Bank fund. It is a sort of fidelity or guarantee fund. Well, any officers joining the bank now can elect as to which of the two they will join. They all join the new one, because it is much better.

188. Do they forfeit all chance of pension by doing so?—No; it has a different constitution from our fund. It is a fidelity fund only.

189. Then, there is another fund which has been taken over from the Colonial Bank, which is both a guarantee and pension fund?—I am not quite sure.

190. Under the Bank of New Zealand association you get a pension under certain circumstances?—Yes.

191. Under the other, do they happen to get anything?—I do not know. Under this association, if they choose to leave, they get their money back. It is more a fidelity and guarantee fund.

192. Mr. Gibbs told us pretty distinctly they had no right to pension under this new fund?—No; but under this, if they leave the bank, or if they die, they or their representatives will be entitled to get the amount at their credit. This fund has a surrender value.

193. Can the old officers elect to transfer from No. 1 to No. 2?—No; it is compulsory for us to stay in this.

194. *The Chairman.*] Do you know anything about the way this money is invested, as shown in the balance-sheet?—I do not; the thing is entirely in the hands of the trustees.

195. *Mr. Fisher.*] We are told that a circular was sent out to the officers of the bank throughout the colony asking them if they favoured the existence or extinction of the association: what was the object of sending out that circular?—I do not know whether it was worded as you put it. There was a circular sent asking whether they approved of it or not.

196. What was the result?—It was against the association.

197. Why was the wish of the officers so expressed not given effect to?—That I cannot tell.

198. *Hon. Major Steward.*] If it had been given effect to there would have been a distribution of the funds?—I suppose so; that was what was meant. The pension fund as it goes now is not self-supporting, and it will get worse and worse, because there are not likely to be any new contributors, while the number of beneficiaries must increase in the future.

199. *Mr. Fisher.*] With whom did it rest to say that that wish of the officers would not be given effect to?—I suppose, the trustees.

200. They control the whole fund?—Yes; we have absolutely no control nor voice in the fund. It was the first time we had been asked to say anything in the matter.

201. Is the association or this fund beneficial generally to the staff of the bank throughout the colony?—I should certainly say No, because it does not seem as if we would get anything from it. If I leave the service at fifty-four and a half years, after being in the bank for forty years, I would get nothing.

202. Taking the odds of life, the men have no chance of drawing a pension?—That is so. Take a boy who joins at fifteen, he has to be in the service forty years before he is entitled to a pension.

203. So with the large majority of officers the rule is you shall pay but you shall not benefit?—That is so. Those deriving pensions are not those who have paid in to the fund very many years.

204. Are there not men who have been in the service of the bank, say, for thirty or forty years who come in and claim on the funds of the association, which has only been in existence twenty years, and to which the juniors of the bank throughout the colony contribute?—That is so. They get a proportion of the forty years. For instance, the bank might be in existence twenty-five years, and the fund established five years, and an officer would get the benefit of the whole of these twenty-five years. But you must remember that the bank gave £25,000 to the fund, which they said was to meet these cases. I look upon it that I have no chance of drawing any pension, and I have been paying in for years.

205. And it is impossible by any process within the power of the officers in the bank to bring about a disbandment of the association and the distribution of the funds?—We have no say absolutely in the management of the association.

THURSDAY, 17TH JUNE, 1897.

ROBERT GEMMELL GIBSON was examined on oath.

1. *The Chairman.*] What is your position?—I am manager of the Wellington branch of the Bank of Australasia.

2. Is there any provident society or benefit society connected with your bank?—There is a provident fund.

3. Can you produce any document, or have you got anything, which would give us an idea of the way the fund is worked?—The fund is administered in London, where the funds are.

4. How does it apply?—In what way?

5. Does each clerk subscribe by deduction from his salary?—Yes; the bank pays the contribution for the junior clerks until such time as they are able to keep themselves.

6. Is there a defined limit when that time arrives?—Yes.

7. Can you tell us what the time is?—I am not fully acquainted with all the rules; I can tell you more generally how it affects myself.

8. *Hon. Major Steward.*] You cannot give us the tide-mark at which the contribution begins to be deducted?—I would not like to be sure. If you call the inspector, he knows more about it than I do.

9. *The Chairman.*] I would ask you how it affects yourself?—I think the fund is an admirable one in every way. For instance, some of its many benefits are these: If I become invalided I get my full pay for three months, and then, if I were still ill, I might probably get three or six months on half-pay; then, if my health entirely broke down, no matter what my age, I would be put on the pension fund, and get my full pension. If I die my wife gets my full pension for five years; if she dies before me my children get it for five years.

10. For these benefits, have you to pay a heavy percentage?—No. I want to explain that ours is also a guarantee fund. If I had to take out a policy in a company at all commensurate with the amount I have to find, considering the position I hold, my contribution would really come to more than my contribution to the whole fund.

11. *Hon. Major Steward.*] Then, the bank practically assures you against these contingencies on more favourable terms than you could get outside?—Yes.

12. *The Chairman.*] Does the bank subsidise the fund?—Most handsomely; I cannot tell the amount. The rule is that we cannot retire on pension if we are in full health until sixty years of age. Then, of course, in our service we are entitled to a fortnight or three weeks' leave, according to our length of service, on full pay each year, and of course we are paid for all holidays, no matter what they are; and officers of certain length of service, if they want it, can get European furlough for nine months.

13. *Hon. Major Steward.*] You say you cannot retire on pension if in full health until sixty; then, if a person left the bank to go into another business, would he be entitled to draw any pension?—No.

14. Would he be entitled to any surrender value?—I cannot tell what is the rule, but I know such has been done; but I cannot say what is the rule on the point.

15. You do not know whether it is *ex gratia* or by right?—I do not know.

16. *Mr. Fisher.*] You have nothing but good to say of your provident fund?—That is so. I may tell you in a large service like ours—we have 125 branches in all, and there are only twenty-four in New Zealand—there are always sure to be some malcontents, especially amongst the younger members, who do not understand at first the benefits they will derive from it. But I think I may almost say I am voicing the opinions of our officers who have been any length of time in the service—not as long as myself, but for a fair time—when I say they are perfectly content with it.

17. *Hon. Major Steward.*] Can you tell us the basis on which the pension is calculated in the event of an officer dying?—In my case my widow would get the pension I was entitled to at the date of death.

18. I mean as to the relation of the amount of pension to the amount of salary. Is it half-salary or full salary?—That I cannot explain; all I can tell you is that the whole service are content with the relative pensions they will get.

19. My object is for the purpose of comparing it with other institutions that have come under our notice, because, you see, if one institution can afford and devise means of making fairly liberal terms with its officers so also should another?—I am not in possession of that information. Mr. Winter, the inspector, may probably be able to give you that information. He is the representative of the bank here, and he knows more about the fund than I do. I may say I was left executor to a brother-officer who had neither wife nor children, and his pension allowance was voted over to the people he left his money to.

20. You told us this contribution from the salaries covers a guarantee as well as pension: can you give us the percentage?—This is where the equity comes in: A lad getting £90 a year pays at the rate of $3\frac{1}{2}$ per cent., and a man getting £1,000 a year pays at the rate of $3\frac{1}{2}$ per cent. of his salary. I may tell you all the banks think highly of our fund.

21. *Mr. Fisher.*] This appears to be equity and liberality contrasted with others?—Yes; we feel so ourselves, because it is something to think that if you die suddenly there is something left for those belonging to you, even if they are only brother and sister.

BOULTON MERLIN MOLINEAUX was examined on oath.

22. *The Chairman.*] What is your position?—I am manager of the Wellington branch of the Bank of New South Wales.

23. Have you a provident fund attached to your institution?—The name of the institution is the Officers' Guarantee and Provident Fund.

24. Have you any papers with you relating to the fund?—I have the rules of the fund.

25. Has the guarantee fund ever failed yet?—No.

26. Has the bank ever subsidised the fund in any way, either by a capital sum at the initiation or by yearly subsidy?—They gave them something at the start.

27. What happens if a clerk leaves of his own will to better himself in any other business: does he get any surrender value?—No.

28. Is there any benefit besides a pension?—None.

29. None while he is lying ill?—No. I may tell you the rule has been, and I do not know anything to the contrary, that while a man is ill he is paid full salary all the time—up to six months, at any rate. After that it is a matter for the directors. I may say the bank has been exceedingly good to the officers who have been ill, or anything of that sort. They have been shown every consideration.

30. You have been a junior yourself: do you know if amongst the juniors or amongst the seniors there is any grumbling at the fund or the contribution?—I think there is a little grumbling amongst the juniors, and my own impression is that they do not know what they are grumbling about, because the probability is that if they remain in the service they may receive very considerable benefit. If they had to ask for a guarantee from outside societies they would probably pay more than they are paying now.

31. *Mr. Fisher.*] If an officer leaves the service of the bank voluntarily, is it a fact that he leaves behind the whole of his contributions?—Yes.

32. *The Chairman.*] That is the point which gives dissatisfaction?—That is so.

33. *Hon. Major Steward.*] Is the fund growing faster in ratio than the demands coming upon it?—I think so; our pensions are very small.

34. Is it possible to give some surrender value at some period to come without raising the amount of the contribution?—I do not know whether it is absolutely necessary, but I know that a number of officers would be willing to pay increased contribution if the pensions were made larger.

35. Or if a surrender value were given?—Yes. Of course, although an officer leaving the bank gets nothing out of the fund, he always has full pay when ill and for holidays, which occur at frequent intervals.

36. What I meant was this: A young man may join the bank before twenty, and at thirty-five, when in the vigour and prime of life, an opening in mercantile pursuits may present itself, which he might think better than remaining in the bank. It would seem, on the face of things, fair that he should receive some amount of surrender value on the contributions he has been paying into the fund. At any rate, as a matter of fact, there is no surrender value?—There is none at present.

The following letter was received from the above witness, and ordered by the Chairman to be added to the minutes of evidence:—

“ Bank of New South Wales, Wellington, New Zealand, 5th July, 1897.

“ SIR,—

“ As it is possible that part of my evidence as reported in the newspapers may be misunderstood, I would like to say that the rules of our guarantee and provident fund provide that, if a member of the age of fifty-five years and upwards who would have been eligible for a pension shall die without having been pensioned, such pension as he would have been entitled to may be paid to the extent of twenty quarterly instalments to his widow while she remains unmarried, or his children, being dependent, or, there being no widow or dependent children, to parent, sister, or brother, being dependent, to any or either of them, or to trustees on behalf of any or either of them, at the sole discretion of the trustees of the fund, provided, however, that the trustees, if they think fit, may commute the deferred payment for a fixed sum. If any member not having attained the age of fifty-five years, and who shall have subscribed to the fund for not less than fifteen years, shall die, the trustees may, at their discretion, pay out of the provident fund to his widow, or to his children, being dependent, or, there being no widow or dependent children, to parent, sister, or brother, being dependent, or to any person on their behalf, at such period or periods and in such manner as the trustees may think fit, any sum or sums not exceeding in the whole the amount which he shall have subscribed to the fund, with simple interest at the rate of 5 per cent. per annum calculated on the half-yearly balances.

“ I have, &c.,

“ B. M. MOLINEAUX, Manager.

“ The Chairman, Private Benefit Societies Commission, Wellington.”

GORMAN WILLIAM MCINTOSH was examined on oath.

37. *The Chairman.*] What is your position?—I am manager of the Wellington branch of the National Bank of New Zealand.

38. Have you a provident association connected with your bank?—No.

39. You have a guarantee fund?—Yes.

40. Is it purely and entirely a guarantee fund? Pensions are not drawn from it?—There are no pensions drawn from it; it is just a fidelity bond obtained from an English society. They guarantee officers in any bank in the colonies or abroad.

ARTHUR LONGDEN was examined on oath.

41. *The Chairman.*] What is your position?—I am manager of the Wellington branch of the Union Bank of Australia.

42. You have a provident fund connected with your bank?—Yes.

43. Have you the rules belonging to it?—I have not with me.

44. Is it also a guarantee fund?—Yes, both guarantee and provident fund.

45. Can you tell us what the percentage of income to the contribution is?—It is a varying one. Officers who come in as juniors have to pay a somewhat increased rate, to cover the entrance-fee.

46. What is about the rate—2 or 3 per cent.?—It is 3½ per cent. in the case of all officers after the first five years.

47. That covers both the guarantee and the contribution to the provident fund?—Yes.

48. *Hon. Major Steuard.*] What is the proportion of pension to salary: do you know?—Well, it is, roughly, one-fortieth of your average salary during the number of years you have been in the service.

49. When does that begin to accrue?—After ten years' service.

50. I suppose it is not payable in the event of an officer leaving the bank on his own motion to go in for other employment?—No.

51. There is no surrender value?—No.

52. What is the age at which the pension actually accrues? When can a man retire by his own right?—I believe at present the rules are under revision in that respect, but the age, so far as I know at present, is fifty-five.

53. In the event of an officer dying, say, when fifty, and after being in the service of the bank for thirty years, would there be any pension payable to his widow and children?—Yes; the pension accrues any time after ten years if the officer dies or becomes incapacitated.

54. *The Chairman.*] How long does it continue?—For five years.

55. Is there any dissatisfaction in the bank as to having to pay this contribution?—It is part and parcel of going into the bank, and we sign an agreement to that effect when we join the service. We go into it with our eyes open.

56. If the contribution were increased to provide for a surrender value, would it make the thing more satisfactory?—I do not think it would have that effect.

57. Is it your idea that, on the whole, this fund is a benefit to the officers of the bank?—Most decidedly.

58. I presume the object of not allowing pensions in the event of officers voluntarily leaving the service is intended to have the effect of inducing officers to remain in the service?—Of course, it offers an incentive to remain naturally, because they have a large interest.

59. Has the bank ever subsidised your fund in any way?—At the start of the fund they made a handsome donation, and they have from time to time since, I believe, augmented the funds by donations.

60. *Hon. Major Steward.*] So that the fund is not entirely formed by the contributions of officers themselves?—Not by any means.

61. Can you give anything like the proportion?—I cannot. The fund is not controlled here, and we have no statements.

62. Is there any dissatisfaction amongst the officers arising from the fact that they have no control over the money they have subscribed?—They have control in a measure; if anything important is proposed each man has a vote according to his rating—one, two, or three, as the case may be, or more.

63. Is there anything like a balance-sheet ever prepared and shown to the officers?—There is a statement sent round once a year.

JOHN BAIRD HOBART was examined on oath.

64. *The Chairman.*] What is your position?—I am accountant in the Wellington branch of the Bank of New Zealand.

65. You are acquainted with the working of the provident society connected with the bank?—Yes.

66. Is it in your knowledge that the majority of the officers of the Bank of New Zealand consider this to be an admirable institution?—No; they look upon it as the very reverse—a grievous infliction. The best way I could describe it is this: We have to pay this contribution twice a year—June and December—and if any one could get to the bank when these contributions are being taken from the officers they would hear the provident fund referred to as the “swindle fund,” and the “improvident fund,” and the “fund to rob the widows and orphans.” That is what the officers term it when they have to pay up; they are in anything but an amiable frame of mind at that particular period.

67. There is no benefit at all except pensions to the officers who arrive at mature age in the service of the bank?—That is so.

68. There is no surrender value?—No.

69. There is no sick benefit?—No.

70. Any benefit to the widow of an officer who dies?—None whatever. I can tell you a case that happened lately—that of Mr. B. O. Waddy, a very old servant of the bank, who had been in the bank from the time the bank started, and had consequently contributed to the fund since it started. He was not very well off when he died, and the provident fund could not give his representatives anything. All the contributions he had paid were lost to his family. We had then ourselves to make a private subscription to aid his widow; so that, instead of the provident fund being looked at as a thing of some use to our wives, it is really a sort of double tax, and when a man is asked to contribute to the widow of a friend he feels it is so.

71. There is a rule in the deed of settlement that donations may be given to the widows of officers, but, if so, it is purely a matter of charity on the part of the trustees, and to your knowledge it has not been done?—I think there is only one case, when Mr. Taylor died here. He had a very large family, and I think some pressure was brought to bear on the trustees, but, then, every officer cannot bring that pressure to bear.

72. It was made a matter of charity instead of right?—That is so.

73. At what age does pension accrue?—Well, the bank can put a man on the pension fund at fifty-five years of age, but a man has no right to ask to be put on the fund until sixty years of age.

74. Supposing a man had been in the service, we will say, fifteen years, and he became incapacitated, and therefore had to cease employment, would he be entitled to any pension?—I think one of the rules could be taken to mean that he might. It could be allowed to him.

75. Could he claim it?—I do not think so; there is no right to claim.

76. Let me call your attention to Rule 23—namely, “The trustees, subject to the assent and approval of the board of directors, may from time to time, as they may think fit, alter, cancel, or add to the clauses contained in these presents, or the rules and regulations contained in the said First Schedule hereto.” Do you consider that is a proper section to have in a deed of this sort? It seems to me to put the whole power entirely in the hands of the trustees to do what they please with the funds. I will just ask you whether you consider it is a proper clause?—I do not think so. I think that that aggravates the affair, because we know, as a matter of fact, the thing has been done where the trustees were not in sympathy with ourselves, and we would not protest; in fact, if we did protest the directors might take very serious notice of it, and dispense with our services. There is nothing to prevent the directors getting angry with us for giving this evidence to-day.

77. Is it not one of the great grounds of disapproval on the part of officers that they have no control and no voice in the investment of the funds arising from their subscriptions?—That is so, and also that there is no surrender value of our contributions.

78. *Mr. Fisher.*] Do you know of any case in which the trustees, in exercise of their power under Rule 23, have altered the rules to favour particular contributors?—Yes; there is the case of the Government Auditor. He had a permanent position in the Bank of New Zealand, and then the Government acquired his services as Government Auditor. The trustees were able, under the power of this rule, to say that if he leaves the bank and takes service in the Government he can come back on the fund again. None of us can do that. Suppose I were offered employment in another bank, or the Government service, I could not go to the trustees and say, “Give me the same sort of treatment as you have given to Mr. Butt.”

79. You have, then, a provident fund into which you pay 1 per cent. of your salary from the moment you enter the bank's service, but you are not entitled to any benefit from that except under

one circumstance—that you remain in the bank's service until sixty years of age?—That is all. If a man paid in for fifty-nine years and eleven months and died there would be nothing handed over to his heirs, and if he left the bank at fifty-nine years and eleven months he would get nothing. If you look at the evidence given before the Legislative Council in 1896 you will see that some of our permanent officials said something like this: that the fund was formed to compel men to stay in the service of the bank. We call the fund a carrot, because it is held before the unfortunate bank clerk to make him keep following it as long as the directors like.

80. Do you know of any officers of the bank who have been put on the pension fund before reaching pension age?—Mr. John Murray, who was our inspector. The rule was made elastic and comfortable for him, and he is drawing a pension now from the fund.

81. Is he not sixty years of age?—No, he is not a very old man. He was not even fifty-five when he began to draw a pension.

82. How long after 1877 had Mr. John Murray been in the service of the bank before drawing pension?—I think he retired in 1890.

83. Then, he would be subject to thirteen years' deductions as contributions?—Yes.

84. Then, there are other officers who, if they retire after twenty years' service, would not be entitled to pension?—No.

85. And this man, after fifteen years' contributions, draws a pension?—Yes. There is one point about this fund, and I do not know whether other witnesses have mentioned it to you. It was wrong at the very beginning. When the fund was started in 1877 the way they got bank officers to agree to it was by holding out benefits which they would not have to pay for. They were told that the pensions would commence at once, and that they would be allowed to count their years of service in the bank prior to the formation of the fund as financial years of contribution, the bank having donated £25,000 to enable pensions to be drawn earlier than they otherwise would. The fund was started on a wrong basis. An actuarial calculation should have been made, and all these officers should have been subject to loading. As it was, some of the officers paid in a small sum and drew a large pension. The earlier officers, like Mr. Murdoch for instance—he only paid in about seven years, and his total contribution would only amount to about £300, and then went on to the pension fund and drew £600 a year.

86. And the £25,000 which the bank gave, with the interest added, was nothing like enough to provide these pensions?—No.

87. How long did Mr. Murdoch pay into the funds of the association?—I do not think he paid in more than seven or eight years.

88. And Mr. John Murray?—About thirteen years.

89. And these two gentlemen drew the highest pensions?—Yes.

90. *Hon. Major Steward.*] You state that one of these pensions was at one time allowed at the rate of £600 a year; it has since been reduced to £500?—Yes.

91. Has there not been a process of that sort going on in other cases? Have you heard of other cases where pensions have been reduced?—Yes; it is because the fund has got into such a state through the errors at its inception that they cannot do otherwise. I would like you to call Mr. Steele, who is an old officer of the bank, and Mr. Fildes. These gentlemen are pensioners, and when they went on to the pension fund they got fully 30 per cent. more than they do years afterwards. Speaking from memory, I think Mr. Fildes got a pension of £250, and when he has been on the pension fund he gets a circular to tell him his pension is reduced to so much, and he only gets about £153, or about £100 less.

92. Then, in addition to what you told us before, that a man has to live until fifty-five or sixty before he can get a pension, he is not by any means sure that he is going to get the pension he thought he was going to receive?—That is the point. The fund has nothing to do with the bank itself, because it is based on such bad lines. It was a tontine started for the benefit of two or three men, and no one else.

93. Will you tell us about Mr. Larkworthy?—He has a pretty big pension; I cannot say how much, and, of course, his pension would be subject to the same reductions, probably, as Messrs. Steele and Fildes had to put up with. Still, being a very prominent man in London, I believe he got more favourable treatment than an ordinary clerk would get; they looked at his case differently, in the same way as they looked at Mr. Murdoch's and Mr. John Murray's.

94. *Mr. Fisher.*] The association exists for the benefit of a few people?—Exactly so; and if you took the evidence of every one of our officials who contribute to the fund you would probably find that there are two or three fighting to keep it going. You would find Mr. Butt a very ardent supporter of it; Mr. Embling a very ardent supporter; and Mr. Parfitt, in Sydney, in favour of it; and all those gentlemen who are near the benefits. None of the younger men like it; we do not like the delusion and uncertainty of it. I have paid, myself, into the fund about £103, and if I was going to an employment somewhere else I would leave £103 in the service. I could not force them by any legal process.

95. And any other officer in the bank?—Yes.

96. *The Chairman.*] And they could fight you with your own funds?—Yes. To take my own case: I joined in 1879, and they never told me there was any provident fund or any guarantee fund. I was told I would have to get a private guarantee, and I got two friends to guarantee me for £1,000. One morning, twelve months afterwards, I was told my private guarantee had ceased, and they said I would have to join the provident fund. I read the rules, and I said No; and they said, "If you do not join you will have to leave." I did not want to leave the service just then, and I joined; but it was under compulsion. I may say this: If I had known of the existence of the provident fund I would probably have joined it. We had a meeting in Auckland about seven years ago, and we formulated a lot of resolutions, the main points being that we were prepared to pay up to 5 or 6 per cent. if we got a surrender value. If we paid this higher rate, and our widows and orphans were to get benefit from it, we were to be entitled

ourselves to claim pension after twenty-one years' service—nothing to come to us as a favour, but as a right; or else we were to get a surrender value, and cry quits. At that time we put all these things before the manager, and I believe he struck some of these propositions out. He suppressed it, being one of those gentlemen whose benefits were coming along under the present system, and he did not want to pay more than 1 per cent. We wanted to improve the fund, and he was not in sympathy with us. It will always be the same.

97. Is it not a fact that a ballot was taken amongst the officers as to whether this fund should be continued or not? Can you tell us how the voting went?—I did not see the figures, but we heard that about 90 per cent. voted against the fund. I believe some of the inspectors would speak as I speak; it is the way any fair-minded man looks at it.

JAMES DUDLEY TRIPE was examined on oath.

98. *The Chairman.*] What is your position in the Bank of New Zealand?—Chief ledger-keeper.

99. How long have you been in the bank's service?—About fourteen years.

100. During this time you have had to contribute towards the provident fund?—Yes.

101. Is it in your experience that most of the officers of the bank contribute cheerfully to this fund?—Without exception, to the contrary.

101A. What is the chief point in which they disagree with the institution of the fund; is it that they are not allowed any voice in the administration of the moneys?—That is one grievance; but the grievance is that we are paying in without a possible hope, so far as I or my fellow-officers can see, of deriving any benefit from it.

102. *Hon. Major Steward.*] No benefit at all accruing to you except in the one contingency of remaining in the service of the bank until sixty; and then it is at the will of the trustees whether you get what you are entitled to?—Quite so.

103. *The Chairman.*] The trustees could, by altering the rule, so amend the regulations that when the time came for you to draw your pension you would find you had no pension?—I believe they can make any rule they think fit, with the sanction of the directors.

104. You do not think the fund is in a position to pay these pensions?—No; and from what I can gather it is actuarially impossible; the fund is on a false basis.

105. So, as a matter of fact, you and your fellow-officers are paying into an institution which is on a false actuarial basis?—That is the point we view it from.

106. If you were to leave the bank of your own will, seeing some position in which you thought you could better yourself, you would be able to draw none of that money?—None whatever.

107. *Hon. Major Steward.*] If you were a married man your widow would be entitled to no money?—It would be merely optional with the trustees. I have never heard of cases where they got anything.

108. I presume the officers do not object to pay a reasonable amount for their fidelity guarantee?—I think, if the fund were on a proper basis, they would cheerfully pay to it.

109. And supposing the fund were put on a proper basis, even as regards its provident side, by allowing a surrender value, do you think the officers would be better satisfied with it?—I think so.

CHARLES BAINBRIDGE TRIMNELL was examined on oath.

110. *The Chairman.*] What is your position in the Bank of New Zealand?—I am what is known as the general-ledger keeper.

111. Have you been long in the service of the bank?—Ten years.

112. Consequently, you have been a subscriber to the guarantee and provident fund?—Yes.

113. Is this guarantee and provident fund subscribed to by the officers of the bank cheerfully?—By no means; they are compulsory payments, and the majority object to them, because they see they are going to get nothing out of it. It has been proved by actuarial report recently that the fund is not self-supporting.

114. I believe a petition was sent in, followed by voting on the part of the officers of the bank, as to the abolition of the fund: do you know the reason why, when 90 per cent. of the officers wished the fund abolished, it was not abolished?—No. We did not know that 90 per cent. voted for it; it was thought so, but it was kept pretty quiet.

115. *Mr. Fisher.*] No special means were taken to make it known?—No official intimation came out as to what the result of the voting was.

116. *Hon. Major Steward.*] We have it in evidence that you have no surrender value and no contingent benefits to this fund except one—that is, contingent on living to the age of sixty you can draw a pension?—Yes; but at the present time, with the large pensions being paid, there may be nothing left on arriving at that age.

117. Supposing the fund were entirely reconstructed under entirely different regulations, and supposing provision were made for a surrender value, or in the event of death the representatives of officers to be entitled to a certain sum, would the officers be satisfied?—I think it would be acceptable. A great objection, of course, now is that even if the men contribute to the fund till pension age from now it is only at the option of the trustees, whoever they may be, whether you get a pension or not—if there is anything left to get.

118. I suppose, in the event of such a reconstruction, the officers would like that the management of the fund should be to some extent under their control?—That is one objection now: that the contributions are compulsory, and we have no voice in the management of the fund.

HENRY GRAHAM SNODGRASS was examined on oath.

119. *The Chairman.*] You were formerly, I believe, a clerk in the service of the Bank of New Zealand?—Yes; for about nine years.

120. How long ago is it since you left?—Six years or more.

121. During the nine years you were in the service you paid into the provident fund?—Yes; into the provident fund I paid 1 per cent. of my salary, and into the guarantee fund altogether £29 10s., for a guarantee covering £1,000.

122. How much would your payments into the provident fund amount to?—I do not know exactly. When I left my salary was £125, and had been for six years; so for the last six years of my service I had been paying £1 5s. a year.

123. Altogether you had paid in about £35?—More; nearer £40 into the two funds.

124. When you left the Bank of New Zealand did you have to leave that behind?—Yes.

125. You got nothing from it?—Nothing whatever.

126. Do you consider that a fair arrangement?—It was not a fair arrangement. If I had had my own choice I would never have subscribed to it. It was compulsory.

127. Do you know of any other cases of men leaving the bank and having to leave sums of money behind?—Yes, I know a large number.

128. *Hon. Major Steward.*] In point of fact, everybody who leaves the bank leaves it behind?—I think it would be easier to count the names of those who have received any benefit from it than those who have not.

129. *The Chairman.*] You have nothing particular you would like to tell us about the fund or about the association?—No; I have left the bank for some years, and am not likely ever to trouble my head again about it, so my interest naturally ceases.

130. *Mr. Fisher.*] We know that a feeling of discontent exists in the bank now in regard to this particular association: was there that same feeling of discontent six years ago?—Yes; exactly the same. When I joined first, in 1882, I had, of course, to join this fund. We looked upon it then as simply a fund that would permit older officers in the service to draw good pensions when they retired at the expense of the juniors who were then joining the bank; it was looked upon as a fund to provide good pensions for the chiefs. There was one point about it which made it really worse than it looked. By the rules the trustees had complete control of the fund, and whatever they decided in connection with any particular case that came up they could do. Members had no appeal whatever from the decisions of the trustees. The trustees were the people who, from their positions in the bank's service, naturally derived the greatest benefits from the fund.

131. Then, the three govern the fund irrespective of the views of the staff throughout the colony?—Undoubtedly; but the staff never had the chance, to my knowledge, of expressing their views.

WILLIAM CALLENDER was examined on oath.

132. *The Chairman.*] You are an officer of the Bank of New Zealand?—Yes.

133. In what position?—I hold the rank of assistant inspector.

134. I believe you are also an officer of the provident fund?—I am a trustee; of course, I am also a member.

135. How long have you been a trustee?—About two years.

136. I believe the power of administering the fund by the deed of settlement is almost entirely in the hands of the trustees?—Subject to the approval of the directors, Yes.

137. I believe the benefits to be derived are almost entirely pension benefits; they are not sick benefits?—I would point out that in the event of disablement there is a clause which provides for such cases. The provision is in Rule 3 of the regulations.

138. That was not exactly what I meant—I mean in the case of sickness; the rule refers to retiring on account of bad health and getting a pension?—Yes, it would only be in the form of a pension.

139. I was alluding more to a man falling ill for three or four months, and getting sick benefits?—No such benefit was ever intended to apply in such a case.

140. In the event of an officer dying before reaching pension age the widow cannot claim his pension, or any part of it?—No, she cannot claim.

141. There is a clause, I believe, that allows the trustees to give it as a donation, but it cannot be claimed as a right?—I do not think it is open to us to make a present to the widow.

142. Does not clause 11 of the regulations give you power "to pay out of the provident fund to such person or persons and in such manner as they may think fit for the benefit of such member, his wife or children, or any of them," &c.?—That is only a provision to protect the pension in the event of the bankruptcy of the pensioner.

143. *Hon. Major Steward.*] It is not contingent on death; it is contingent on financial death?—Quite so; it is not to apply in the case of physical death.

144. *The Chairman.*] So that if an officer in full receipt of pension chose to incur such liabilities as would make him a bankrupt, then the trustees have the power of handing the pension over to his wife and family?—Yes. You see the point is that his creditors shall not get it. The idea of the pension is that it shall keep an officer during his old age. I hope you realise that it is a wise provision.

145. What other trustees are acting with you now?—Mr. Butt is the other trustee. The rules provide that the general manager shall be one trustee. The general manager is on his way out from Home, and until he arrives the board of trustees is one short.

146. Have you considered that this fund as at present constituted will be able to pay the pensions of officers as they fall in? Have you considered what actuarial basis it is on?—The pensions being paid now are those which the actuary advised us the fund could pay.

147. And it is, in your opinion, quite capable of supporting other pensions as they fall due?—Well, that is a very large question. I will answer it in this way: Certain changes have taken place recently which have necessitated a reconsideration of the whole pension scale, and it is the intention of the trustees—that is, of Mr. Butt and myself—as soon as possible after the arrival of the general manager, to fully discuss the whole position; and it will be absolutely necessary once more to submit the whole position to the actuary, and ask him what scale of pension, in his opinion, can be paid. I mention this because a new fund has been started—it is called the fidelity fund—which takes from the old fund a large number of its subscribers. And, as you know, in all life assurance societies the life-blood of the organization is the new members. We are losing these, and it is very questionable what advantages the fund will be able to confer in the future.

148. That really answers my question; you can hardly consider at present that the fund is on a proper actuarial basis?—My opinion is that the matter must be rectified, and that very promptly.

149. *Hon. Major Steward.*] I believe there is a surrender value in connection with this No. 2 fund which has been formed since the amalgamation of the Colonial Bank with your bank?—Yes; but I would like to explain that that fund is not a provident fund at all; it is purely a fidelity or guarantee fund. I have read in the paper, for instance, that a comparison was drawn between the two. I do not think a comparison should really be drawn between the two funds, because they are so different. Our fund has two sections—one a guarantee section and one a provident or pension section. The new fund is purely a fidelity fund, and makes no provision whatever for retirement on pension.

150. But they still get a certain proportion of the money paid in respect of the guarantee when they leave?—Yes.

151. There is no such provision with regard to the original fund?—No.

152. *The Chairman.*] Is it not a fact that there is a widespread feeling of discontent amongst the officers of the bank in regard to this fund?—That is so.

153. Was there not a poll taken some little time ago on the question of whether this fund should be abolished or reconstructed?—A provisional poll was taken.

154. The majority, I believe, was strongly in favour of the abolition of the fund?—A very large majority.

155. Can you tell us what reason the trustees had for not meeting the wishes of the officers of the bank?—They are unable to do so. I may tell this Commission that our lawyer advised us we cannot divide the fund without an Act of Parliament. That is one cogent reason for not meeting the wishes of the officers.

156. *Mr. Fisher.*] It appears, then, that the great bulk of the contributors would not object to the introduction of an Act of Parliament which would enable the trustees to distribute the money?—I should say they would hail it gladly, but no scheme for a division of the fund has been placed before members. That is why I say it was a provisional poll taken to obtain the sense of the staff; but some scheme for division might be propounded which would not meet with the approval of the majority of the staff.

157. Have these rules framed under this deed of settlement in regard to this provident association been administered, or could they be administered, by the trustees unduly in favour of certain contributors?—I do not think so. There is very little option left to the trustees.

158. I was going to bring under your notice the case of Mr. Butt. Has he been unduly favoured?—I do not quite see in what way he has been favoured at all. I do not know that he has been favoured, or that he has been unduly favoured.

159. He was appointed Government Auditor?—Yes.

160. Did that not mean that virtually he had left the service of the bank?—His remuneration was still being paid by the bank; it is still paid by the bank.

161. Could he remain an officer of the bank and be at the same time Government Auditor of the bank?—No; I do not think he could remain an officer of the bank.

162. Very well, then, he is now, I understand, returning to the service of the bank?—I do not know that officially; I have seen it in the papers, and heard of it. In other words, I have not heard that his successor is appointed.

163. It follows logically, then, if he is returning to the service of the bank, that previously he had left the service?—Yes; but he did not cease to be a member of the provident association.

164. Mr. Butt is a trustee. He enjoys the advantage of leaving the service of the bank, the position being that if any other officer leaves he forfeits all his contributions to the funds of the association. Mr. Butt returns, and takes all his advantages?—There is a provision in the rules for such a case as Mr. Butt's—viz., that if an officer retires to take up a certain class of appointment he may retain his membership. Mr. Butt falls within that class.

165. Was that rule made lately?—Yes; if you will notice, the rules were printed in 1894, and this was one of the subsequent amendments.

166. That amendment was made to suit a particular case?—I was not a trustee when that was passed; I cannot answer that question.

167. Who makes these additions and amendments to the rules?—The trustees make them, and submit them to the directors. If the board of directors approve the alterations they become part of the deed of settlement.

168. At what date was that alteration made?—I could get that for you, but I would require to look up the minute-book.

169. *Hon. Major Steward.*] At any rate, it was subsequent to 1894?—It must have been in 1894, because it was the rule when I became a trustee in 1895.

170. *Mr. Fisher.*] Do you know of the case of any officers who have been placed on the pension fund before reaching pension age?—Yes; there are some under Rule 5; we have one case now upon the fund under that rule.

171. Do you know of any other cases not covered by Rule 5?—No; there are no officers who have been put on the pension before fifty-five to my knowledge, and I should certainly know of that. Might I be allowed to correct a misapprehension which appears to have crept in. I read in the paper, and it would appear as if the impression had gained, that this fund was not kept separate from the funds of the bank. I desire the Commission to understand that the funds are in the names of special trustees, and are entirely separate from the bank.

172. *The Chairman.*] The Commission fully understand that; but they regard section 23 as being very dangerous; they do not know at what moment the trustees may make a new rule diverting these funds from their present use. Who can prevent you doing anything you please with the funds?—No one but the board of directors.

173. *Mr. Fisher.*] Mr. Callender would not dispute the stringency of that rule?—I do not support that rule; I hold that the staff should be represented. I hold that the trustees should be elected by the staff, and I have put that before the board. It would give great satisfaction; it would alleviate one cause of the discontent to which you have alluded.

174. *Hon. Major Steward.*] If the trustees were elected by the staff, should alterations to any of these conditions which they had signed be subject to the approval of the staff also, and not that of the directors only?—I quite agree with your remarks; in fact, it was one of the suggestions I made that no alteration be made in the rules without the consent of a majority of the members.

175. *The Chairman.*] Is it not also the case that, although a man on reaching the age of fifty-five may be retired on pension, and also on reaching the age of sixty can retire, his claim is entirely at the option of the trustees as to whether he shall have the pension or not?—No; he is entitled to a pension.

176. In what way? How could he get it?—I will put it in this way: At fifty-five the Board can retire him, and give him his pension; at sixty he can go out, and can claim it.

177. But the rules say that he shall not be subject to any legal or equitable right. Is it not entirely in the hands of the trustees to give or not to give the pension, although it may be claimed?—No, emphatically No. As trustees we are bound to give a man his pension on reaching the age of sixty. The clause you are referring to means that it cannot be anticipated or assigned in any way. That is the meaning of "no legal or equitable right therein"—no assignable right. I may call your attention to Rule 2, which says, "Every officer of the bank shall be entitled to retire upon pension upon attaining the age of sixty years." It would be a terrible thing if the trustees could say to any member, "You are not to have your pension."

178. You could under Rule 23?—But the board of directors would not sanction that. I may say the action of the board of directors has, in permitting the institution of the new fund, taken from us our life-blood, and therefore the whole position of this association should be revised. There are many things in it to which the staff take exception. In point of fact, the fund has been styled a huge tontine. If an officer lives to sixty he gets a benefit; if he does not live till sixty he may get nothing.

179. You get a benefit if the fund holds out; if there are too many of you live to sixty it will fall to a very small amount?—You must bear in mind that the basis is on the authority of a competent actuary in England. The whole pension scale will have to be modified, and will be before long.

180. *Mr. Fisher.*] Were the existing pensions reduced on the advice of the London actuary?—Yes. The last actuary's report was on the fund as at December, 1894. Prior to that we had been paying on a basis of 80 per cent. of the average salary, and it has been reduced to 48 per cent.

181. It is because of this that Mr. Murdoch's pension, which was formerly £600, is now £500?—Yes; he receives the maximum, formerly £800, but it has been reduced to £500.

182. Is the reason the same in the case of Mr. Steele and Mr. Fildes?—Mr. Steele and Mr. Fildes suffered as all others did. I think Mr. Steele went on pension since this new scale; his was a case of what we call disablement. Mr. Fildes was one of those who suffered a drop from 80 to 48 per cent. One reason why the reduction was made was that the rate of interest is lower, and then again we have not so large a sum coming in from the guarantee fund as formerly.

183. So the scale has practically been reduced three-tenths by one actuary's advice?—Yes.

184. And in all probability there will be a still further reduction?—Yes, I fear there will be a further reduction.

THOMAS STEELE was examined on oath.

185. *The Chairman.*] Are you an officer of the Bank of New Zealand?—I am at present a pensioner of the Bank of New Zealand.

186. How long is it since you left the active service of the bank?—I left in July, 1895.

187. And, previous to that time, how long had you been in the bank's service?—Twenty-nine years.

188. Would you mind telling us why you left the bank?—I got an eye trouble, ulcer of the cornea, and they referred me to the doctor. He advised that I would not be able to do any more "near" work, and in consequence of that the board told me if I could not do clerical work I would have to retire on my pension.

189. Were you at the age which entitled you to a pension?—I came under the rule referring to disablement. I was two years under the age for retiring.

190. What was your age?—Fifty-two.

191. What proportion did your pension bear to your income?—The first pension that was announced to me as being due to me represented about half-pay of the average salary I had been drawing during the whole time I was in the service.

192. About 48-100ths?—Yes.

193. Was that amount afterwards reduced?—It was reduced about five months afterwards.

194. In what degree?—By 40 per cent. of the amount paid to me. I have the letter intimating the reasons for which it was reduced. [Exhibit 48.]

195. Would it surprise you to learn that another officer of the bank who was a pensioner had his pension reduced from £600 to £500 at the same time?—It would not surprise me; it would make me aware that he was not subjected to the 40-per-cent. reduction.

196. He was not treated in the same manner as you were treated?—No; nothing they did in that bank would surprise me unless they did anything just.

197. What was the former amount you were receiving?—It was close on £175.

198. The effect of the reduction was to reduce your pension by three-sevenths?—It worked out to exactly 40 per cent.

199. Have you any security that the amount which you are at present drawing will not be further reduced?—No; the rules under which this guarantee fund was originated provide that the trustees may do what they like with the officers, subject to the approval of the board of directors. They could reduce the pension by 60 per cent. further—that is, reduce it to zero.

200. You are aware that there is a second fund which has come into existence lately by which new officers joining the bank are allowed to join a guarantee fund, which has nothing to do with this guarantee and provident association?—I have been informed that a fund of that description was formed at the time the officers were taken over from the Colonial Bank.

201. Would that, in your opinion, have the effect of further reducing this fund, there being now no new life-blood coming into it?—Yes.

202. *Hon. Major Steward.*] If no new contributors come into this fund from which you draw, and all the existing contributors who live will eventually become persons drawing instead of contributing, will it not follow that there will be no fund at all?—Yes; but the bank has provided against that by failing to give to the existing pensioners the amounts which they stated at the determination of their appointment with the bank we were entitled to. I have a letter saying I am entitled to £174 18s. 6d. per annum, and five months after I receive a letter telling me I am to get a smaller amount.

203. *The Chairman.*] It is within your knowledge that most of the officers of the bank were very dissatisfied about the fund?—Yes; I have met several of them, and have conversed with them about it, and they are very dissatisfied with the state of the fund. I myself criticized the fund in 1878 from the very time it was first instituted. I interviewed several of my fellow-officers about it, and told each one that it was a one-sided thing altogether, containing a lot of matter which seemed to convey the impression that there was an agreement between the board and its staff, but when carefully considered or examined the whole of that instrument is simply the Bank of New Zealand. The staff is frequently mentioned in it, but when any benefit is set forth which it is said the staff may derive it is invariably stated that they may get nothing at all, and all control is reserved by the trustees.

204. Would you kindly look at Rule 10, which begins “Any officer”: in your opinion, reading that just as a layman, not as a lawyer, would you consider that the trustees under that rule cannot be attacked by any legal process?—I should certainly consider they could be attacked by no legal process, and they multiply their difficulty there by saying that while they bar an officer from any legal or equitable right in this pension, thereby securing to themselves the right to withhold it from him, they go further still, and say if we have given it to him we will take it back to keep it from other creditors. You see the absurdity.

205. *Hon. Major Steward.*] Do you think an officer could enforce the payment of his pension at law in the face of what he signs under that rule?—I certainly say that that clause, in my opinion, is altogether *ultra vires* of the directors of the bank.

206. That is a legal point. If it were held that a contract existed between the bank and its employés by virtue of that document which they have respectively signed, is it not a fact that a man could not enforce his claim?—Undoubtedly.

207. If the contract were not held good in law, upon what ground could an employé claim?—I should claim on this ground: that, although in law there is no contract, in equity the bank has made an instrument, which it had distributed amongst the officers, conveying the impression that the object of this concern is to provide to the officers pensions suitable for their old age, and in conformity with their position. That would make it an equitable position to affirm that the bank officers of twenty-nine or thirty years' standing, whatever it might be, should have from the bank upon its own no-contract instrument a pension suitable to their position in life.

208. It comes to this, then: that your reliance would be solely on equity, and not on law?—Solely on equity; there is no law in the document at all.

209. *The Chairman.*] If you had left the bank of your own accord you would have had no money at all from the fund?—No.

210. That is one of the strongest points of dissatisfaction, I believe—that a man may have paid in for twenty years, and then on leaving the bank gets nothing from the fund he has subscribed to?—That is one of the strongest points; but I consider it a sort of subsidiary point. I consider the whole concern is simply a fraud from beginning to end. I put it in this way, from a business point of view: They hold before their officers the prospect of having a pension in their old age, be it greater or less. A prudent man at a certain time of life may desire to make some provision for old age. He says, “Never mind about my old age; I am protected by the bank's provident fund.” Hence he decides he will not purchase an annuity in a public provident society. The bank keeps him on the string during the whole time with the vague information that he will get something creditable to the bank and useful to himself. He is brought face to face at the end of his period of service with what is described as a pension, and that pension is what may be called a vanishing quantity, subject to a reduction of 40, and a chance to-morrow of a further reduction of 60 per cent.

211. Do you not also think it is a hardship upon junior members that having to subscribe to this fund prevents them from making proper insurance for their wives and families?—Yes. I have all along thought that if the bank wanted its officers guaranteed it should send them to a public

office to be guaranteed. It is clear the bank went into this thing with a deliberate intention of misleading the officers when they made the fund, and fixed it up so that they should have the whole and sole right of creating or altering anything in it.

Mr. Fisher: All the witnesses have said that the fund is a fraud.

Witness: I am very glad to hear it.

JOHN GIFFORD FILDES was examined on oath.

212. *The Chairman.*] You were formerly an officer of the Bank of New Zealand?—For thirty-one years.

213. How long is it since you left the bank?—February, 1893.

214. After that you drew a pension from the bank?—Yes; the pension given me then was not the same as the sum given now.

215. Have you any objection to telling us what the first pension was?—Speaking from memory, £257 per annum.

216. After that time you had a letter telling you of the reduction?—I think it was in December, 1895, that I received the intimation from the secretary telling me that, owing to the reduction in the rates of interest and other causes, the fund was paying pensions in excess of its capabilities, and a reduction of two-fifths, bringing me down to £154, took place. It was like a bolt from the blue, because I thought it was a settled thing for life.

217. It has been stated in evidence that one gentleman drawing a pension was reduced from £600 to £500: does that represent the same rate of reduction?—I lost two-fifths, and if all the reductions were not made in the same scale unfairness must have existed. If I had known of it before my voice would have been raised in strong disapprobation of it.

218. Did you hold the position of manager?—Yes; I was twenty years manager.

219. *Hon. Major Steward.*] Do you know anything about the finances of this provident association?—No; I do not think any officer outside the charmed circle of the inspector's office has any knowledge of it at all.

220. Have you any confidence, in your own mind, that this is the last reduction you will have to submit to?—Not at all, because I have gathered from those who really ought to know that the fund at present is not self-supporting, and unless it is helped or strengthened in some way—and we know the reverse is going on, because no new members are joining—the pension list will have to be still further reduced. Therefore I was one of those who, when the feeling of officers was tested as to whether the fund should be wound up or not, certainly was in favour of winding it up, and taking the actuarial capital value rather than see it dwindle away to nothingness in the future.

221. *Mr. Fisher.*] Why did you retire? Had you reached the retiring age?—It was compulsory, and altogether unexpected by me. W. T. Holmes ruled the bank then, and the London board had very little sympathy for old colonial servants; and in February, 1893, I was never more astonished in my life than when I opened a letter telling me that the actuaries who had examined into the state of the fund had recommended that the retiring age should be fifty-five instead of sixty, and that the board had decided to put that recommendation into force at once, and that, as I had passed the time, I was to retire as from the 30th March. That was turning me out after thirty-one years' service at two months' notice. I thought it was very harsh and very inconsiderate; but, as I say, we were ruled by a London board. I had looked forward to retiring at sixty years of age, and had made plans for my future at that age; so this upset my plans and caused me pecuniary loss.

222. That you give as one of the effects of the institution being ruled by a London board?—Yes; had John Murray ruled the bank then, he would not, I feel sure, have suffered an old servant to be treated so unceremoniously for a moment.

Mr. Fisher: I asked that question in connection with a society in the South, and it has been said that it was outside the scope of the Commission. I am glad I asked that question, because your evidence bears also on the point.

Witness: Certainly; the fact as to whether the service is ruled by a colonial or London board bears very largely indeed upon the well-being of the officers in that service.

Mr. Fisher: That is why I asked the question in connection with the government of the Union Steamship Company in New Zealand.

Witness: I think it has a very great deal to do with it. When there was this diminution in the rate of interest it was not fair to seek to put this rule of retirement at fifty-five at once into force, and throw a great many old servants out of the service, and put them on the pension list, while their places were filled by men receiving far less salary. In this way the pension fund suffered in a double way—it was weighted with the pensions of all those who were forced out at fifty-five, and received less contributions from those filling their places. It meant that the bank had to pay less and the fund more.

223. *The Chairman.*] Do you not think that one great reason for grumbling amongst the officers in regard to the fund to which they subscribe is that they have no voice in the management?—That is a great reason.

224. And also the point that if an old officer who might have been in the service of the bank for thirty years happens to die a year before attaining pension age nothing whatever comes to his wife and family?—Nothing whatever. I might instance the case of Mr. Jones. He died after many years' service, and I heard that they gave his widow £1,000. That was an act of grace; it was not the right of the widow to receive it.

FRIDAY, 18TH JUNE, 1897.

CLEMENT WINTER was examined on oath.

1. *The Chairman.*] What is your position?—I am inspector for New Zealand of the Bank of Australasia.

2. There is, I believe, in connection with this bank, some fund from which the officers receive pensions, or something of that sort?—Pensions, but no other benefits. It is not a benefit society in any sense of the word; there is no sick or accident fund, or anything of that sort.

3. Could you tell us what proportion of income is taken from the officers to acquire this benefit of pensions?—Well, the junior officers pay nothing.

4. What is the limit?—For the first three years after entering the bank they learn their business, and they get enough to keep them in clothes. Then we put them on what we call the permanent staff, if they are competent, and for the first two years the bank keeps up their contribution to the pension fund; but after that they pay it themselves. It is $3\frac{1}{2}$ per cent. of the salary. Thus, for the first two years, if a youth is getting £80 per year, the bank gives him £84, which pays his contribution, and gives him 10s. for himself.

5. Then, it is also a guarantee fund?—It is primarily a guarantee fund.

6. *Hon. Major Steward.*] Is there any fixed amount of pension to which they are entitled?—Yes; there is a fixed scale determined by the average salary during the time of contributorship. The bank has been very liberal to this fund; it has given over £50,000 towards it, I think.

7. There is nothing in the nature of a surrender value if an officer leaves your service after contributing for a number of years?—You cannot give a surrender value for a guarantee fund. Suppose you take out a fidelity bond in a company, if you leave the employ of the bank the company would not give you back your premium. As a matter of fact, our bank is liberal in that way.

8. *The Chairman.*] In the event of you dying before reaching the age of sixty years, would you be entitled to anything from the fund?—My widow would get my full pension for five years, and if an officer had children but no widow the children would get it.

9. It is the absolute right of relatives?—It is their absolute right under the rules; they can claim it.

10. *Hon. Major Steward.*] Of course, the pension is fixed in regard to the salary and length of service?—Yes; after ten years a member is entitled to ten-fortieths of his average salary, and after that one-fortieth for every year.

11. Then, there is a retiring age?—Yes, at sixty.

12. *Mr. Fisher.*] I gather from what you say that the bank would insure payment of the pension no matter what might happen to the provident fund?—Yes, I think the bank would. I know of officers not entitled to come under the fund, but they retired on half-pay and got £800 a year.

13. *The Chairman.*] You do not know of any case after this fund was established whereby officers who had not formerly paid into the fund were allowed to draw from the fund?—It is impossible; the bank itself bears the brunt of anything of that sort. I may say, in reference to your request for a balance-sheet, that we have not got a balance-sheet; the funds are controlled in London. The fund is undoubtedly a capital thing for the officers.

14. There is no grumbling that you know of?—Not that I know of. There are some young fellows who do not know their right hand from their left, and would rather spend £3 10s. now than have a pension at sixty.

SAMUEL HALLAMORE was examined on oath.

15. *The Chairman.*] What is your position?—I am resident inspector of the Union Bank of Australia for the colony.

16. Are you aware if there is a provident fund in connection with your bank?—There is a provident fund in connection with the guarantee fund.

17. Is that provident fund an overplus from the guarantee fund? Is it worked in that manner, or is there any separate account?—Well, I suppose it would not be incorrect to describe it as an overplus. There is a guarantee fund which is kept at a fixed amount, and everything over that is the provident fund.

18. Does that work satisfactorily?—Very; the claims on the guarantee fund have been very small—surprisingly small.

19. Consequently, a large amount has been carried forward to the provident fund?—A very large amount.

20. About what percentage is taken from the officers of the bank for this fund?—It varies; it depends upon the age and the position of the officers entering.

21. Do the juniors at first get any help from the bank to meet their subscription?—No direct help.

22. Have they to pay an entrance-fee?—They pay a contribution to the fund which is at the rate of $5\frac{1}{4}$ per cent. for five years on the amount of their salary.

23. After that time?—It is reduced to $3\frac{1}{2}$ per cent. I may say that the little amount paid compared with the premium which would be paid to a guarantee society would be less than the simple guarantee premium. It is 5 per cent. of the salary, and the smallest amount the average junior gets is £50, and the guarantee is £500. Upon that he pays at the rate of 5 per cent. on his salary; but it would not be on the amount of the guarantee. So that at entrance his payments would be £2 10s. for the first year. He would have to pay in the society we expect for our bonds at the rate of 15s. per cent. on the amount of the guarantee.

24. They do not get £50 at first?—No; but we frequently take in a junior at £50 or £60; he may have been in a merchant's office. I am only quoting a salary to illustrate the effect of the fund. From this you will see that he gets the benefit of a provident fund at a lower rate than he would pay merely for a guarantee.

25. The benefit which arises from this consists of a pension at a certain age?—Yes; an officer is entitled to retire at present at fifty-five.

26. On his own wish at fifty-five?—He can go himself then. If after he has been in the service ten years he is incapacitated mentally or bodily he is allowed to retire, provided the administrators of the fund are satisfied as to the circumstances, on pension then.

27. *Hon. Major Steward.*] What would he be entitled to then?—To ten-fortieths.

28. *The Chairman.*] What would happen to him if he retired because he could see a better opening elsewhere; would he get anything?—No. You enter the service knowing that if you choose to better your position you leave your payments behind you, and also knowing that these payments have amounted to less than you would have paid to a guarantee society.

29. Have the officers of the bank who subscribe to this fund any control over the investments?—Not of the investments. When I say officers, there are three administrators. The board is in London, and is appointed by the joint board of directors; one is the principal executive officer in England—that is, the manager in London, who is one of us; the other officer is the general manager for the whole colony. So there are two officers of the bank and one of the directors who are the administrators of the fund.

30. Then, the fund is entirely in their hands for investment?—Entirely; they are empowered by the rules to invest the funds in mortgage or real estate in Australasia.

31. If an officer were to die after twenty years' service, would his widow get his pension?—Yes, for five years; that is, if he had not already drawn his pension. Had he taken his pension and drawn it for three years she would be entitled to the two years' balance of the five. Otherwise he would get his pension as long as he lives.

32. You consider the fund in a perfectly safe condition?—I have not the slightest fear. I think I may say the officers of the bank who are the administrators of this fund are largely interested in it, and will themselves be entitled to retire on the fund, and are administering this fund and making their investments quite as safely as the reserve funds of the bank.

33. You have no fear that the pension will taper off to a vanishing-point?—No; of course, the question of profit-earning is a very important one, no doubt, and although I have no doubt pensions are likely to be maintained to the full extent, yet we take every precaution. Our rules provide that the actuary is to be consulted every year as to the contributions and the government of the fund, and he advises the administrators as to what should be done as to making any needful alterations.

34. If it were found that a larger contribution was necessary, do you think the officers would subscribe cheerfully rather than lose the benefit?—I do not think we look forward to anything like that; that is rather an unlikely hypothesis. I think that would only be possible if our investments did not give us sufficient. Then, of course, we would expect some alteration; but we have no reason to anticipate it. Really we have found in the past that the liberality of the directors in their donations has to a large extent enabled the fund to give substantial pensions.

BURNET MURRAY LITCHFIELD was examined on oath.

35. *The Chairman.*] What is your position in the Bank of New Zealand?—I am an assistant-inspector.

36. Have you been long in that position?—In Wellington in that position since 1890.

37. How long have you been in the bank's service?—I am in my twenty-eighth year of service.

38. You are aware that there is a provident fund attached to the bank?—Yes.

39. Can you add anything to the evidence that has been given, or is there anything you would like to refute?—Well, the object of the Commission, I assume, is to find out the advantages or otherwise that exist in connection with the association as between the bank and its officers, and I would like to say that I consider that the formation of the association is one-sided, and that the disadvantages are rather to the staff. That is chiefly from the reason that in the first place the staff have no voice in the management of the association. It is in the hands of the trustees, two of whom are *ex officio* trustees, and the other appointed by the two, and confirmed by the board of directors of the bank; and they have the absolute control of the association and its funds, the investment of them, and so on, and the board has the further control of deciding upon any alteration or amendment to the rules. But in other respects the trustees have full control.

40. You speak of the trustees having the control of the investments: have you any idea as to whether these investments as published in the printed balance-sheet are now at the value stated in the balance-sheet, or whether there has been any writing down or anything of that sort during the past few years? Do they represent the actual value, or do they require writing down?—So far as my knowledge goes, I believe the investments are all first class. Those that have proved otherwise have been taken over by the association, to be handled, of course, in liquidation; but so far as that goes they are very limited on the whole.

41. *Hon. Major Steward.*] Since the amalgamation of the Colonial Bank with your bank has not a new fund been established?—Yes, but not on the same basis.

42. And by reason of the difference the officers joining the bank now elect to join No. 2 fund?—Yes, they join it in preference.

43. As the success of any society depends upon the accession of new contributors, do you consider, on that ground, that this is a sound scheme at all?—I consider it is a degenerating scheme as existing on its present basis.

44. Thus there must be a contingent increase in the number of pensioners with a contingent decrease in the contributions?—Yes; the fund before the accession of the Colonial Bank by the Bank of New Zealand was not then on a satisfactory basis according to the last actuarial report that we had.

45. If the fund is to be able to meet its pensions as they fall in it will be necessary for the pensions to be reduced from time to time?—Unquestionably, unless fortified by some outside means.

46. There has been a necessary reduction in the amount of the pensions during the last few years?—Yes.

47. If this state of things continues—that is, the non-increase or reduction in the number of the contributors and the gradual increase in the number of persons coming under the head of pensioners—must it not follow that there must be again another reduction?—Certainly.

48. And so on until equilibrium is arrived at?—I see nothing else for it. The life-blood of an association must be its new membership, and if this has ceased, or become largely restricted, there must be gradual extinguishment.

49. *The Chairman.*] It is a fact that there is widespread dissatisfaction amongst the officers in having to contribute to the funds?—Yes; I should say the general feeling is that the fund is distasteful as at present constituted to the great bulk of the staff.

50. *Hon. Major Steward.*] The staff would not object, I presume, to a fairly strong and well-administered plan to provide pensions?—I think they would like it very much.

51. And of which they had some control?—Yes, that is an essential element.

52. At present they pay to a fund from which they are not likely to derive any benefit?—It is an extremely remote contingency indeed.

53. *The Chairman.*] There is no absolute right on the part of any officer, I believe, nor any claim on the part of his widow if he dies?—No; if he dies he forfeits all interest in the fund.

54. Do you not think, if an officer of the Bank of New Zealand had his choice between an outside insurance company in which he could provide for his widow and children, he would prefer to do so instead of contributing to a fund like this?—Yes; but it must be taken into account that the rate of contribution to this fund is very small; it is only 1 per cent. on salaries.

55. And most think that the institution is unsafe?—Well, I would not like to say the association is unsafe as at present constituted. There was a matter that I saw in print that I would like to make a few remarks upon if I may be permitted. It was in connection with passing or amending a clause in the articles of the association whereby one officer has been benefited. It was clause 7, and I was a trustee of the association when that was passed. I was trustee from September, 1894, to February, 1896. This clause was amended in October, 1894, so it was done partly by my action. I considered that clause, and I thought it was a very judicious one. My object has been to work as much as possible in the interest of the staff, feeling, as I have already said, that the advantages are one-sided. The old clause in the rule simply said that an officer who resigned or left the bank, but who should after a lapse re-enter the service, should have all the advantages existing in the fund revived to him except the interval of his absence—say a man had been five years out of the service, that five years would not count when his pension came to be calculated. But we found in the particular case under consideration—I may say the case of Mr. Butt—that he had been a very old officer of the bank, and was then severing his connection with the bank in a sort of way—that is to say, he had resigned to take up other duties which were intimately connected with the bank, and his salary was actually being paid by the bank. So we thought it quite right and very proper that we should conserve to him the continuity of his service in the bank, so that, when the time arrived for the calculation of his pension, the time for which he was appointed—it was only three years—should not be excluded, as he had continued to contribute to the fund throughout.

56. *Hon. Major Steward.*] Then, you consider, although not technically an officer of the bank, he was connected with the bank in another capacity?—That is what it amounts to. His services were paid by the bank, and he performed duties of a special character which gave him full access to the affairs of the bank.

57. *Mr. Fisher.*] Then, the alteration was made by the trustees in the rules to conserve specially the interests of Mr. Butt?—No, I would not like to say that. I take it in the light that it was an alteration in the rules that was a decided gain to the staff, and therefore I supported it for that reason. And it has proved to be the case, because there are a number of our officers now who are officers of the Assets Board, and their pensions are conserved in the same way. There are officers working for the Auditor, and their pensions are also conserved in the same way. It was questionable before, but now it is beyond question.

58. Am I right in saying that that particular alteration was made in the rules about the time of the appointment of Mr. Butt to the position of Government Auditor?—Yes, that gave rise to it. I was a trustee at that time, and, having seen some of the garbled accounts of it, I was anxious to put the matter right.

59. Can you say whether there has been any dissatisfaction in regard to the manner in which the fund has been administered, and, if so, whether or not it has been just?—I have not heard any complaint on that score, and I do not think there would be any grounds for it. I say so from my knowledge of the officers of the bank in visiting a large circle of the bank's branches, and also from the fact of having been intimately connected with the association in the position of trustee.

60. We have been told that there has to be so many years of service before an officer is entitled to claim on the fund?—Yes.

61. What is the term?—I think fifteen years, speaking from memory.

62. Well, I see, according to a list supplied by the secretary of the association, that Mr. Murdoch is drawing a pension of £500 per annum. Can you tell us how many years of service he had?—I do not know.

63. Should I be right in saying he only had seven years?—I think, very much longer than that.

64. I mean, he only paid for seven years to the fund?—Possibly, but still the rules of the fund, whatever they might be, would apply to him, because I think the object of the sum that was

given to the association by the bank—the bank gave some £25,000 as an endowment for the foundation of the fund—was given with a view to providing loading in lieu of the provision of the officers who might be old officers, and consequently come on the fund sooner than they would otherwise have done.

65. *Hon. Major Steward.*] Well, now, as to that fund, you will see it stands at £135,000: do you think fully £100,000 represents the contributions of the staff?—Yes, together with interest accretions.

66. Therefore, to the extent of four-fifths the fund is really the fund of the officers?—Certainly, on the basis stated.

67. Well, if, as stated, some of the persons are drawing the highest amount of pension after only contributing to the fund for a very short period of time, and others who have been contributing for twenty-five years are not entitled to a pension, does that not seem to be an unfair state of things?—Of course, there are unfortunate circumstances which happen to some men. Mr. Murdoch, when he drew pension, was, I believe, over sixty years of age, and he had the right to claim to come on the fund. He had contributed to the fund from its foundation, and, of course, must be brought under its rules.

68. When was the fund founded?—1878.

69. If that is so, as Mr. Murdoch's pension began on the 18th June, 1888, he had paid ten years, and Mr. Larkworthy had paid ten years; I presume there are officers in the bank who have been contributing ever since 1878?—Yes; I have been doing so myself.

70. If you left the bank of your own volition to go into other employment you would not be entitled to any pension?—No; but if I was sixty years of age, as was Mr. Murdoch, I would be entitled to it.

71. In the event of a complete distribution of the funds, would not those men who have left the service of the bank within the last four or five years, and who had previously contributed for fifteen or twenty years to the fund, have a sort of equitable right to some share as well as those in the service?—It depends upon the cause of their leaving the service; they may have left for their own advantage.

72. Whether do you think it would be better, to put, if possible, this pension scheme on a sound footing, and give the staff some proper share in the management, or to end the whole thing, and divide the fund?—Of course, what occurs to my mind in connection with it is that there are alternative arguments. I think, if the fund was put on a sound footing by a reasonable increase of the contributions to it by the staff, and the bank would further fortify the fund by a contribution, that it would be a most desirable thing to have a pension fund in existence for the future benefit of the staff.

73. In all fairness, if the bank enforces the joining of such a fund, the bank should be prepared to guarantee the payment of these pensions when they fall on the fund?—Well, the bank should so fortify the fund as to give a reasonable chance for the pensions being paid.

74. *Mr. Fisher.*] If meantime the fund was remodelled, I suppose it goes without saying it would be broadened to give the staff more say in the management?—Undoubtedly; I think that is a condition precedent to any remodelling.

75. *The Chairman.*] On the rule of no taxation without representation?—Exactly.

THOMAS STEELE was reheard.

76. *The Chairman.*] I understand you want to correct your evidence?—To the extent that there is some evidence which appeared in the papers which seems to want to correct my evidence, and I wish to say that my evidence was correct. One witness, Mr. J. B. Hobart, said that this fund had been founded on a wrong basis, officers being allowed to count their years of service in the bank prior to the formation of the fund without any loading. I can produce a document [Exhibit 49] which shows that the old officers are quite within their rights in claiming their pension from the day they joined the bank. The initial paragraph in that clearly indicates that the provident fund and the Colonial and Foreign Banks Guarantee Fund had the same elements in them—one, according to that paragraph, is taken as an equivalent of the other. At the time the old officers were told to join the Colonial and Foreign Banks Guarantee Fund contributions were exacted from them large enough to cover their fidelity, and enable the Bank of New Zealand to exact from the trustees of the Colonial and Foreign Banks Guarantee Fund a promise that any surplus that resulted from the fund would be handed over as a benefit to the contributors. They originally intended to make it a guarantee and provident fund, and they elected to go to the Colonial and Foreign Banks Guarantee Fund, which professes to have these two elements, and they exacted contributions from the officers large enough to cover both items. On that ground the bank itself, when it instituted the guarantee and provident fund, stated that the old officers guaranteed in the Colonial and Foreign Banks Guarantee Fund were members of the provident fund from the date they joined the Colonial and Foreign Banks Guarantee Fund. The officers make the statements I have referred to simply because they have not got to the back of the facts, and have not read that circular which may be described as the letter instituting the bank's guarantee and provident association.

77. This circular relates to the original fund?—Yes; and it corroborates my statement the other day that the rules of the fund set forth distinctly promises of great advantages to be derived, which have not been fulfilled.

STATEMENT BY THE TRUSTEES OF THE BANK OF NEW ZEALAND OFFICERS' GUARANTEE AND PROVIDENT ASSOCIATION.

The following statement was received by the Chairman of the Commission after the sittings of the Commission for taking evidence had closed, and was ordered by the Commissioners to be attached to the evidence:—

SIR,—

Bank of New Zealand, Head Office, Wellington, 17th July, 1897.

The trustees of the Bank of New Zealand Officers' Guarantee and Provident Association have instructed me to address to you the following statements in regard to the fund, in the hope that they may be of use to you in preparing your report.

The fund was started in 1878, the objects being—(1) To benefit the officers of the bank by enabling them to obtain fidelity bonds from a fund all surpluses in which should inure to the benefit of members; (2) to free the bank from the moral obligation which is recognised as being imposed upon employers of making some provision for their disabled or worn-out servants.

The fund affords pensions to members who have been not less than ten years in the service of the bank, and who retire on attaining the age of fifty-five or upwards, and to members who, having been fifteen years in the service of the bank, shall, with the consent of the directors, retire on account of ill-health or other disability. Members can claim pensions at sixty.

The fund contemplates compulsory contribution by members without return of the whole or any part of such contributions upon retirement before reaching pension-age. In this respect the rules coincide with those of the Australian banks trading in New Zealand whose officers have been examined by the Commission. The trustees are not elected by the members. In this respect also the fund coincides with that of the other banks.

The fund is administered by trustees, of whom the general manager of the bank is one, the inspector of the bank another, and a member or pensioner appointed by the board of directors of the bank, or, if nominated by the two other trustees, approved of by the board, the third. Those in office are all contributors, and their services are gratuitous. The powers and duties of the trustees are defined in the deed of settlement, dated the 15th March, 1887, and its amendments. The trustees are controlled by the bank to the extent that they cannot alter the deed of settlement without the approval of the board of directors. The bank cannot otherwise interfere in the administration of the fund.

At its initiation the fund was endowed by the bank with the sum of £25,000.

The income consists of, in order of magnitude—(1) Interest on the investments; (2) contribution by members, and surpluses from the guarantee side of the fund.

The accumulated funds amount to £135,221.

The annual income has always exceeded the annual expenditure. The figures for the last completed year were as follows: Income, £8,794; expenditure, £4,761.

In order to maintain the fund in a solvent position periodical investigations are made by the actuary, and the scale of pension settled accordingly. The latest valuation made, as at the 31st December, 1894, by Mr. Manly, shows that the fund was in a position to discharge its obligations to all the then members. The present scale is based upon that valuation, and governs all existing pensions; it proceeds on the assumption that all members attaining the age of fifty-five will then retire.

The rate of contribution is 1 per cent. per annum on salaries. The number of pensioners is—Superannuated, 26; disabled, 2; total, 28.

The fund is not a widows' and orphans' fund; it was never intended to provide a substitute for the social obligation imposed upon every man of making provision for those dependent upon him after his death by life assurance or other means. It is, and was intended to be, a fund for the personal benefit of the bank's officers under certain specified conditions, in which each officer shares equally, proportionate to his salary and length of service.

It must be borne in mind that the officers' contributions to the provident side of the fund form a small portion of the total amount, and that these contributions of themselves would enable only very small benefits to be conferred. Under the Bank of New Zealand Provident Fund an officer who joined at age thirty, and whose average salary up to age sixty was £200 per annum, for which he would pay an average contribution of £2 per annum, would, on his attaining the age of sixty, be entitled to a pension of £72 per annum, which is considerably more than he could hope to obtain as the result of similar payment elsewhere.

The initial payment with which the bank endowed the fund, and which with its annual increments composes the larger proportion of the present amount of the fund, was not given for the benefit of the officers of the bank existent at any one specified time, but was intended for the benefit of the staff present and future.

In the absence of evidence as to the expectations of those who voted, too much weight should not be attached to the preponderance of votes in favour of dissolution of the fund at the recent poll of members. There is reason to believe that some who voted for dissolution assumed that dissolution would be followed by a division such as the articles of association provide shall follow the winding-up of the bank—division, namely, amongst existing members and pensioners of the whole of the accumulated funds.

As the result of his last investigation, the actuary reports practically that, while the fund can discharge its obligations to its present members, it will not be able to provide for obligations to new members unless its sources of income are augmented. He suggests that the bank should subsidise the fund by contributing an annual sum equivalent to $\frac{1}{2}$ per cent. upon the salaries of all new entrants. Obviously a better result would be produced by making the rate of contribution $1\frac{1}{2}$ per cent. in future instead of 1 per cent., as at present. The actuary did not fully allow for the gain to the fund arising from the non-claiming of pensions at fifty-five by officers who continue in active service beyond that age. At present the finances of the fund are assisted to a greater extent in this way than they would be by an additional $\frac{1}{2}$ per cent. on the salaries of the new entrants.

There are several officers above the age of fifty-five still on active service, and there will, in all probability, always be officers whose services the bank will be glad to avail of as long as they are at the bank's disposal.

There are good grounds for the belief that the fund can be made self-supporting without much strain upon its members or much reduction in the present pension scale. The object of the fund is reasonable, laudable, and in accord with the advanced spirit of the times, which demands that provision for old age shall be compulsory. It is carefully and prudently administered; its investments are sound. If it be regarded as a fund to be administered in the interests of existing pensioners and members, it is solvent. Very ordinary means will suffice to insure its continuance in a solvent condition for the benefit of new entrants. The pensions it offers are strictly moderate; the pension of the most favourably placed active member does not to-day exceed £300 per annum. Nevertheless, there is no public or other instrumentality by which an officer of the bank can secure so good a pension in return for his contributions.

Defects in administration can be rectified by the existing machinery, the administrators having no object except to promote the welfare of the fund. Amendments which it is anticipated will have the effect of making the fund more popular with the officers of the bank are under the consideration of the trustees.

I have, &c.,

The Chairman of the Commission on Private Benefit Societies.

RICHARD W. GIBBS, Secretary.

EDWARD WILLIAM LOWE was examined on oath.

78. *The Chairman.*] What is your position?—I am resident secretary of the Australian Mutual Provident Society in New Zealand.

79. Is there any sort of provident fund or benefit society connected with your institution?—We have what is termed an "officers' provident fund" connected with our society.

80. Can you explain to us what basis it is upon?—It was established by the head office in Sydney by the vote of members, and has the sanction of the members of the society. The sum of £25,000 was voted by the members as the nucleus of the fund, and the funds are vested in trustees, who consist of the chairman of the board of directors of the society and one other director nominated by the board of directors, the actuary of the society, and the chief clerk of the society. These latter two, you may say, represent the staff on the board.

81. *Mr. Fisher.*] By members you mean policy-holders?—Yes.

82. *The Chairman.*] How long has this fund been in existence?—Since 1888.

83. *Hon. Major Steward.*] All officers joining since that, or perhaps officers before that, are subject to the rules?—All officers of the society are subjected to a contribution to the extent of $2\frac{1}{2}$ per cent. of their salary.

84. Does that commence when a clerk enters the service?—Immediately.

85. Is that contribution in the nature of a guarantee of fidelity or merely for provident purposes?—It is simply a deduction from their salaries as a contribution solely to the provident fund.

86. *The Chairman.*] What are the benefits that are given in return for their contribution of $2\frac{1}{2}$ per cent.?—I think perhaps, if you will allow me, I will refer to the rules connected with it.

87. Could you let us have a printed copy of the rules?—I am afraid I cannot do that. This is a confidential copy, signed by all the officers, and is the only one we have. I think I mentioned that all have to contribute the sum of $2\frac{1}{2}$ per cent., or such greater sum, if it becomes necessary to increase the rate of contribution. If the fund is not strong enough we become liable to be called upon for further contributions to it. Retirement is optional with officers on attaining the age of sixty, but it is compulsory on attaining the age of seventy; and superannuation, not at full pensions, at the end of twenty years' service, and then only on proof of incapacity for work; and the allowance to be given is one-sixtieth of the average salary for each complete year of service up to a maximum of forty-sixtieths—that is, two-thirds of our average salary. If any officer becomes permanently incapacitated for further service after having been on the staff for more than ten years, but less than twenty years, he is entitled to receive a gratuity equal to one month's salary for each complete year of service.

88. *Hon. Major Steward.*] Suppose an officer who, we will say, would be entitled to retire at sixty on two-thirds salary dies at fifty-nine, would anything accrue to his family?—No; there is no provision for that. It is possible in the future that other benefits may be given if it is found that the fund can eventually do so. Of course, I am just mentioning that, but I do not know it for a fact.

89. *The Chairman.*] When this fund was started, some nine years ago, there must have been a good many officers already in your society who were nearing the time of retiring on pensions?—No; there were very few who were in that position. In fact, there was only one officer who became a claim on the fund after it was established.

90. So you think the subsidy paid by your society towards this fund will be quite sufficient to carry the loading of officers who have been some years in the service?—The subsidy was £25,000, and I understand £25,000 was estimated as what would have been the contributions to such a fund had they all contributed up to the time this was established, so as to start fair. In the case of death, the actuarial calculation connected with it at present, I understand, does not warrant offering any further provisions than have been made.

91. Supposing an officer left your society of his own free-will, seeing, for instance, some opening in business where he could better himself, would he receive any surrender value for the money he had paid in?—None whatever.

92. *Hon. Major Steward.*] Because the actuarial calculation shows that the contributions are only equal to the benefits already provided?—Yes.

93. *The Chairman.*] There is no sick fund?—None.

94. And to provide these additional benefits would involve additional contributions?—Yes.

95. So far as you know, is this fund subscribed to cheerfully, though compulsorily, by the officers?—So far as I am acquainted with the feelings of my own officers they have never made any complaint about it.

96. *Hon. Major Steward.*] They expect it, as one of the conditions on which they enter the service?—Yes; they come in thoroughly understanding what they are to contribute.

97. *The Chairman.*] Do you think that the officers of the staff, who subscribe, of course, the greater part of the fund, are properly represented by just the chief clerk and actuary being on the trustees?—I do not think we could be more ably represented; they are the head of our staff, and have the greatest interest in the welfare of the staff.

98. *Hon. Major Steward.*] They themselves have a personal interest in the fund?—Yes; and in seeing it is properly administered, because they will benefit by it.

CHARLES AUGUSTUS SCHULTZ was examined on oath.

99. *The Chairman.*] What is your position in the Australian Mutual Provident Society?—I am accountant at the branch here in New Zealand.

100. Have you been long in the service?—Twenty years.

101. You remember the formation of the provident fund?—Yes, I remember it well.

102. Did it meet with the approval of the officers at that time in the society?—Well, I think, as a whole, it did. Our actuary was desirous of retaining a lot of our officers in the society, and the trouble was that a good number of the best officers were leaving, and to keep them he said we must have something more than salary to encourage them to stay in the service. In furtherance of this idea, he got all the schemes that were existing in England and in the colonies, and formulated a scheme which with some amendments was submitted to the members, and the members eventually carried that scheme, which is now in force.

103. By members, whom do you refer to?—Members of the society. It was managed purely by the directors, with the advice of the chief officers.

104. Is there any dissatisfaction with the scheme at present amongst members, either senior or junior?—I do not think there is. I may say some of them think that possibly it could be arranged to grant a retiring-allowance or surrender value to an officer who enters another service, or to an officer who is dismissed.

105. Supposing such a thing could not be done on the present actuarial basis, do you think the officers would consent to have the subscription increased?—I am afraid not.

106. They want to have their cake and eat it too?—That is so; they want more money than the money subscribed will allow. £25,000 was granted by the members in the first instance because of the older members on the staff at the time who had certain claims to make up for their back payments, the £25,000 being calculated on a certain rate of interest. But money has dropped since; so that, if the contributions are to be increased, for that reason there ought to be some further contribution from the society, because of these older officers. The fund at present shows a surplus.

107. *Hon. Major Steward.*] But its income is not so great as it was calculated to be on account of the fall in the rate of interest?—That is so.

108. And therefore the fund is not so strong as it was intended to be, and is not able to bear such great burdens?—Yes.

109. *Mr. Fisher.*] The scheme or fund is universal so far as the society is concerned?—Yes.

110. And all officers contribute?—Yes.

111. *Hon. Major Steward.*] And all officers know of the existence of the fund, and that it is a condition of their employment?—Yes; it is made a condition when they join the service, and in the articles of agreement which they sign it is set out as one of the conditions. They must subscribe to it; and they also sign an agreement made with the trustees of the fund that they are agreeable to the conditions stated therein.

112. So that, in point of fact, they accept salary less a reduction in view of future benefits?—Yes.

113. Do you know, roughly speaking, how many officers there are in the employ of the society throughout the colonies?—There were 267 on the 31st December last, the average age at that date being twenty-eight and a half years.

114. Can you tell us how many are drawing pensions under the scheme?—There have been two annuitants on the scheme, one of whom died on the 24th January last; and one was granted a gratuity on account of ill-health.

115. Is that all since the origination of the scheme?—Yes.

116. *The Chairman.*] This is not used in any way nor regarded as an insurance?—No; we make all clerks also enter into a bond to assure themselves; they must assure for some amount, and it is assigned to the society for the benefit of their wives and children or relatives, and so on. Every officer must be insured for the amount of his salary.

117. *Mr. Fisher.*] Do very many officers leave the service?—No; it is very seldom. None of the officers leave the society in these days unless it is for a very large increase in salary. One officer here left about eighteen months ago, but he has been dissatisfied since, and he would sooner be back in our society again. He considers it is worth more with this scheme of ours and the greater certainty of employment in an office like ours.

118. Do any return after having left?—We do not take them back. Once a man leaves the service he is told plainly he cannot come back again.

GEORGE LAMBERT was examined on oath.

119. *The Chairman.*] What is your occupation?—I am receiver of rents to the Public Trust Office.

120. You were formerly in the employ of the Australian Mutual Provident Society?—Yes, for close on twenty years.

121. Can you tell us anything about the provident fund, and how it is regarded by officers in the service?—I subscribed to that fund for years and years. The subscription to the fund was arbitrarily deducted from my salary regularly, and no acknowledgment was ever given to me for that amount, nor was any information, so far as I could learn, to be obtained from any of the staff concerning the fund. Now and again I had some circular from the head office stating that a certain amount had been received, and a certain amount disbursed, and that there was a certain amount in hand. I must say I looked upon it as a very one-sided affair altogether.

122. Was it a condition of the service when you joined that you would have to subscribe?—No; I joined the society in 1876, long before the fund was started.

123. Was any agreement sent round to officers in 1888 to sign?—Yes; I signed that, but it was annulled by the action of the board subsequently. The first provident fund established for the benefit of the clerks was a very good one indeed. It was found upon examination to work so favourably in favour of those who had been a long time in the service that the members took it up very keenly in Sydney, and opposed it, and had the fund deliberately upset. A further scheme was proposed, and the subscriptions were continued, but the benefits were nothing like the first. I had to subscribe to that fund, because it was simply taken off my salary, and when I left the service I was unable to participate in the benefit.

124. The benefit offered was that of a pension, was it not?—No, there were several benefits; there was a pension, and there was a payment on disablement, and there was another which I cannot exactly recollect. I think there were three options, so far as I can recollect, but I distinctly remember one on total disablement and one on pension.

125. You were not disabled and not old enough to have a pension?—No.

126. Then, how could you claim either of these two?—I had no claim, but I have a moral claim on the money I have paid in, because I did not come on the fund. The position I take up is that they should return to me the money I had been compulsorily compelled to subscribe; and another officer who left our office and joined another society made an application to have his money returned, and was refused point-blank. The fund is run by the head office. My idea is that it should be run by disinterested people, such as the Public Trust Office, and not by an

interested party. If you asked a question on the subject, as the case now stood, it would probably be deemed an impertinence. In regard to the evidence given before this Commission, I heard from one in the service that he would be afraid to speak; he was not such a fool as to risk his billet for the sake of giving information.

127. *Mr. Fisher.*] Then, you think that the evidence, although sworn, is not true?—I would not like to say that. I have too much respect for any man's oath. I would like to say this: that if I was now in the Australian Mutual Provident Society I would not care to speak as I have spoken to-day. I am quite willing to admit that the fund is a good scheme if administered by disinterested people, but in this case it is administered by the general manager and the chairman. You had to make your subscriptions regularly, and if, as in my case, from any cause you left the office you are deprived of the benefits. I think the honourable course is to say, "You are no longer in the fund; we shall return your money."

128. Do you know of anybody having left the service getting any surrender value from this fund?—No.

129. So it was not a question of disfavour on your part?—No; I do not put it that way. I reckon I have been wronged in the matter. I feel, as I derived no benefit from the fund, the money should have been returned to me. I do not claim interest, but I think the principal should be returned. After all these years there has been only one annuitant on the fund in Sydney, and he, for a large number of years, received a salary of £1,000 or so. I think he might, without such a fund, have saved sufficient for himself.

AUCKLAND.

TUESDAY, 29TH JUNE, 1897.

JOHN PLUNKETT STODART was examined on oath.

1. *The Chairman.*] Are you in the service of the Colonial Sugar-refining Company?—Yes.
2. What is your position?—I am a workman.
3. Do you know a fund called the employés' provident fund?—I do not know about it. I am not connected with it.
4. I thought you were the secretary?—I am secretary of the sick and accident fund: it is called the "Benefit Society of the Employés of the Colonial Sugar-refining Company (Limited)." There are two societies.
5. How long have you been in the service of the company?—A little over four years.
6. Was this benefit society in existence when you entered the company's service?—Yes; it has been about five years in existence.
7. Have you a copy of the rules?—Yes [Exhibit 50].
8. You were not in the company's service when this benefit society started, but can you give us any information as to the reason why it was instituted?—No. It was first of all started by the men themselves; they had one of their own.
9. Was the employés' provident fund run side by side with the other?—No, that was started after both of these. I am only speaking so far as this branch is concerned; the head office is in Sydney.
10. *Mr. Fisher.*] How long has this branch been in operation?—They actually commenced operations in connection with the benefit society in March, 1892, five years ago, but it was not registered until 1893.
11. *The Chairman.*] Have you a balance-sheet?—Yes [Exhibit 52].
- The Chairman:* I have here the fourth annual report and balance-sheet of the society, which I will read [Exhibit 51]. It appears to me that this society pays very full benefits. We have had societies that paid sick-allowance, and others that paid doctor's allowance and funeral expenses, and others that paid a surrender value; all these points seem to be provided for in this society.
13. *Mr. Fisher.*] How many societies are there—two or three?—There are two societies—the benefit society and the provident society.
14. Will you please say why there are two societies?—They are two separate things. One provides for sickness and accident and also funeral expenses, and the other one is like an insurance fund, which provides £100 at death; and there is also a scheme for pension at a certain age.
15. Who originated that provident society?—The head office in Sydney; there is a secretary of the branch here too.
16. *Hon. Major Steward.*] Is membership of both societies voluntary?—Yes, entirely so.
17. *The Chairman.*] Is there anything in your rules which I have not noticed that defines the amount of subscription and the contribution the company pays towards it?—You will find it at the end of the agreement between the trustees and the company. The company agrees to pay the same amount as is contributed by the men.
18. *Mr. Fisher.*] Have you read the petition of Henry McLaughlan which was addressed to the House?—I did not read it; I heard about it.
19. *The Chairman.*] I notice that in this agreement it says that "before such rules are submitted to the Registrar of Friendly Societies": is it within your knowledge that they were ever submitted to the Registrar of Friendly Societies?—It is not within my knowledge.
20. Is it your opinion if such rules, with the company subsidising the societies, were submitted to the Registrar that there would be any chance of their being accepted?—I should think so; I see no reason why they should not be. I think that alludes to the Registrar of Friendly Societies in Sydney.

21. How are the amounts collected from the members?—It is deducted from their wages every month.

22. The amount is stopped from the men's wages?—Yes.

23. *Hon. Major Steward.*] You told me that membership was voluntary?—Yes.

24. Then, the amount is only deducted from those who join the society?—Yes.

25. *The Chairman.*] Has the company interfered in any way in the control of the funds by appointing certain officers on committee?—Not so far as I know.

26. What is your opinion as to the benefit of this society?—I think it is a very good one. If you look at the statement of accounts so far as our branch is concerned, I do not see how any other opinion could be given.

27. What is the proportion of the men on the works belonging to the society?—Nearly all belong to it; I do not think more than half a dozen do not belong to it.

28. *Mr. Fisher.*] You say the society is a voluntary society?—Yes.

29. Will you listen to this statement—it does not matter by whom: “that there is a private benefit society established with these sugar-works. It is compulsory for all employés to join this society after they have been in the employ of the company for two years. Though the company deny that they use any compulsion, still the compulsion is used, as in my own case I was informed when I declined to join that they intended to shorten hands soon, and the preference would be given to retain those who belonged to the society. So I had to join or lose my position, though I pointed out that I belonged to the Oddfellows and Foresters. I was told to give those societies up.” I ask you to say whether this statement, according to your belief, is true or not true?—I think he is alluding to the other society; I do not think it is alluding to this society at all.

30. That is called the private benefit society?—I think it is alluding to the provident fund. In my opinion, his statement is not correct; no compulsion whatever is used.

31. *The Chairman.*] Not as to the other fund?—Not as to the other.

32. *Mr. Fisher.*] Is this statement true or untrue: “That there was a petition and letters got up in opposition to the Private Benefit Societies Bill introduced to Parliament”; and, again, “This was the feeling of the employés at the works, but still they were compelled to sign letters and petitions against the Bill at present before your honourable House, and I amongst the rest”: is that statement true or untrue?—I can hardly understand it. There was a petition got up, and then the company asked the men to sign another petition saying that they wished the society to be continued, and that it was of great benefit to them. They were asked to sign this, and all did except one or two.

33. Well, listen to this again: “I signed a telegram to the Premier congratulating him on the success of the Bill. For this the manager called me up and informed me that I was dismissed, and that I would have to go at the end of the week. Later on he called me up and said that I could wait till the end of the month, as he did not wish the public to say that I was dismissed for sending the telegram to the Premier. Later on he again called me up and said, ‘After what you have done in regard to the Bill, it will be impossible for you to stay on here any longer.’” Is that statement true or untrue?—I cannot say whether that was true or untrue.

34. *The Chairman.*] Practically, in regard to this society, you have heard little grumbling on the part of the men?—I have heard none whatever.

35. If legislation were introduced which would allow this society to be registered pretty nearly as it stands, would you see any objection to it being registered?—Certainly not, but the company have an objection, I believe. They say they would have no further control over the affair.

36. Would you explain what control they wish over the affair?—What they have at present under the rules.

37. I asked you the question if the rules could be registered nearly as they now stand?—There would be no objection whatever, I should think.

38. Do you know if many of the members of the benefit society are also members of the provident society?—I think so; a good many of them.

39. Have you heard anything said amongst the men that by having to contribute to this benefit society and also to the provident fund they have had to drop their subscriptions to other friendly societies as they could not contribute to so many?—I think I have heard one or two complaining like that.

40. But it is not within your knowledge that friendly societies have been hurt by this?—No.

41. *Hon. Major Steward.*] And, in point of fact, the benefits accruing from this society are quite as large as the benefits from friendly societies?—I understand they are more, according to the rate of contribution.

42. *The Chairman.*] The subsidy of the company enabling the lower rate of contribution?—Yes.

43. *Hon. Major Steward.*] Then, all these benefits mentioned can be obtained by the payment of 1s. per week?—Yes; but we only contribute under Scale A—that is, 6d.—and the company pay 3d. of it. The men only pay 3d. per week.

44. *The Chairman.*] Are the men perfectly satisfied with the amount of control they have locally?—Yes; they have full control.

45. But the head-quarters are in Sydney?—Yes. The only thing is the manager of the company is treasurer, and the committee of management are the workmen, and the officers are workmen.

46. *Mr. Fisher.*] What is the amount of your reserve fund?—The report and statement of accounts will show that.

47. Cannot you tell us what is the amount of the accumulated funds belonging to your branch?—Yes; it is all in money lodged with the company according to the rules, and the company pay 6 per cent. per annum on it.

48. Is it still your opinion that the employés have full power of control over their own affairs and the funds of the society, despite these conditions here that the company shall have the right to nominate a person to act as secretary and treasurer in Sydney, and that at each branch the company's local representative shall be elected as district treasurer?—I think so.

49. *Hon. Major Steward.*] The treasurer is only one of the governing committee?—Yes.

50. There are five altogether?—There are six besides him, counting the secretary.

51. Is your balance increasing or keeping stationary?—Last year it increased by £25.

52. Is that the usual state of things? Are the contributions much in excess generally?—No, they fluctuate.

53. Have you always had funds enough to meet demands?—So far.

54. *Mr. Fisher.*] Do I understand that in accordance with the provisions in the agreement you are nominated to the position of secretary by the company?—No; that agreement refers to the head office in Sydney. I am only secretary of the branch.

55. Are you elected by the men?—Yes; I am elected first of all as a member of committee, and the committee elect me as secretary.

56. *The Chairman.*] Can you make any suggestions to us by which the constitution of the society could be bettered in any way?—I cannot.

57. It seems to work perfectly to you?—I think so.

58. *Hon. Major Steward.*] Persons only become members on their own application?—Yes.

59. And their application is subject to the approval of the committee?—Yes; they could be refused.

60. *Mr. Fisher.*] Did you say the accumulated funds are banked at the bank in the names of six other persons additional to the trustees?—No; the funds are all with the company.

61. Is there any rule relating to the withdrawal of the funds if the men so desired?—If any member is discharged, and he has not been on the sick-pay, he gets paid back his contributions in full.

62. I will put the question in a plainer form: Suppose the whole of the men belonging to the Chelsea branch of this private benefit society wished to withdraw from the possession of the trustees the whole of their money, could they do so on a vote of their own?—No, not by the rules.

63. *Hon. Major Steward.*] Is there any power of winding up the society?—Not that I am aware of.

64. *Mr. Fisher.*] Then, the Colonial Sugar Company are masters of the fund belonging to the men?—Certainly, to that extent of the rules; but they are protected by the rules and by the agreement with the committee.

65. *Hon. Major Steward.*] Every member of the society, as I understand, can voluntarily retire?—They can leave.

66. If they do leave they are entitled to a refund of so much?—To a refund of half the contribution if they have not been in receipt of sick-pay.

67. So that if the men were all to agree to withdraw from the society they would all of them be entitled to draw it?—No; I was wrong. I should have said if they resign the company's service.

68. But if they elect to remain in the company's service they cannot withdraw from the fund?—No; there is no provision under the rules.

69. *Mr. Fisher.*] In the event of a man leaving the employ for any reason of his own, would he be entitled to withdraw anything from the accumulated funds of the society?—One-half of what had been contributed, provided he had not been in receipt of sick-pay.

70. Suppose a man leaves the service at the end of four years and a half he forfeits all he has paid in?—Yes; I forgot to mention that. He must be five years in the service before he can draw anything; but if he is discharged before five years he gets all he has paid in.

71. But if a man voluntarily leaves the service of the company after four years and nine months of service he leaves behind all he has paid in?—That is correct.

DAVID ELSTON was examined on oath.

72. *The Chairman.*] What is your occupation?—I am clerk in the office at the works of the Colonial Sugar-refining Company.

73. How long have you been in that service?—About ten years.

74. Then, you remember the employés' benefit society being formed?—Yes.

75. Can you tell us the reason why it was formed?—Well, I really cannot.

76. Can you tell us whether it originated amongst the men or with the employers?—We had a benefit society there before this one was formed.

77. One nearly on the same lines?—Well, it was not subsidised by the company.

78. The contribution then was higher?—Yes, it was just double—it was 6d. per week instead of 3d.

79. When the company offered to subsidise the new company it was entirely, in your opinion, from a desire to help the men?—Most certainly.

80. There was no other motive at all?—None that we could see.

81. Seeing that it was being established from a kindly motive on the part of the company, you voluntarily gave up the other society and joined this?—Yes.

82. Since the society has been at work, have you heard any grumbling on the part of the men in regard to it?—No, I do not think I have.

83. They join quite freely?—Yes.

84. And generally you have heard it is considered a benefit by the men?—Yes.

85. How long hours do they work at the refinery?—Forty-eight hours and fifty-eight hours a week—ten hours a day; but on Saturday as a rule they work eight hours.

86. You have not found that tell on the health of the men as shown by the sick fund?—I do not think so.

87. Have many men withdrawn from the service and taken out the surrender value which the society allows?—Well, they get no surrender value if they have had sick-pay during the time they were members.

88. Even sick-pay only to the extent of £1 or so?—Yes.

89. No matter what amount of money they have paid in?—Of course, they only pay 13s. a year.

90. Have you heard any grumbling amongst the men as to a fund which is run side by side with your benefit society?—Well, some few of the men may have grumbled.

91. Is it the idea at all that there are too many societies to subscribe to?—I do not think so; but it was at first. There has been no grumbling since the first year when the provident fund was formed—some six years ago. Just at first there was some little grumbling, but the men seem to have taken to it better since.

92. What happens to an employé who through ill-health is not allowed to join the society: does he just stay outside, or do the company send him away?—Really, we have not had a case of that kind; no one has been refused at all, to my knowledge.

93. Are the employés who are not members of this society generally boys?—No; there are some men and boys as well.

94. Why do they stand out?—They do not wish to join.

95. Have you ever heard of any pressure being put on them?—No; not the least.

96. Do you consider the members have sufficient control over the fund to which they themselves subscribe?—I think they do.

97. Has it happened, within your knowledge, that men have dropped their subscriptions in ordinary friendly societies on account of having to subscribe to this one?—It has not been done, to my knowledge.

98. Are you a member of any other friendly society?—No.

99. *Hon. Major Steward.*] Are the employés asked to join by the management of the mills at all?—Not that I am aware of.

100. Is it the duty of members of committee to ask men to join?—No.

101. Then, they come forward themselves and make voluntary application?—Yes, entirely.

102. And, as a matter of fact, it would appear that something like 90 per cent. did voluntarily come forward?—Quite that percentage of the men. Of course, a lot of the boys are not eligible; they are too young.

103. What is the limit of age?—I really forget if there is any limit.

104. How does it happen, as you say, that they are too young if there is no age-limit?—I think I must be wrong. A lot of the young boys are not members, but I do not think there is anything in the rules to prevent them.

105. Is there any limit as to a man being too old?—No limit at all.

106. Have they to undergo a medical examination before they join?—If the committee desire it they have to do so; but we have not enforced that as yet.

107. As a rule, your employés generally enjoy good health?—Yes.

108. This Chelsea society is a branch of the Sydney society?—Yes.

109. I see, also, the society is registered in New South Wales in accordance with the Friendly Societies Act of that colony?—I believe so.

110. Has any application been made to register the New Zealand branch here?—Not that I am aware of.

111. Would there be any objection to it being registered?—I really cannot say; I do not know.

112. Now, as regards the management of the branches, it appears from these rules that the men elect the whole of the committee of management, with one exception?—Yes; the treasurer and one of the committee.

113. And he is put in by the company?—Yes.

114. And the total governing body consists of how many?—Of seven, including the treasurer.

115. Of whom the members elect five?—The members are supposed to sanction the election of the company's nominee.

116. Then, they can elect five persons outside the nomination of the company?—Yes.

117. Then, on the governing body of six the men absolutely control five votes?—Yes.

118. *The Chairman.*] Can you tell me why, when the society is supposed to be voluntary, the money is stopped from the men's pay?—It saves trouble, and the men understand it is done.

119. Does the man give notice or the secretary?—They are each given a copy of the rules.

120. Then, notice has to be given to the company to stop his contribution from his wages?—Yes; 1s. per month is stopped.

121. *Hon. Major Steward.*] We understand, to begin with, that joining the society is purely optional on the part of the men?—Yes.

122. How does the company, or the paymaster of the company, become aware of the fact that certain men have joined, in order that he may make the deduction?—The secretary of the society will give a list to the paymaster of those who are members.

123. Then, upon the receipt of that list he collects the contributions?—Yes, and pays it over to the secretary.

124. *Mr. Fisher.*] You have said to a previous question that membership in this society is optional?—Yes.

125. Then, it is not compulsory to join?—Not in the least.

126. I want you to give me your opinion as to the truth or otherwise of this statement—it does not matter who made the statement: "That there is a private benefit society established with

these sugar-works. It is compulsory for all employés to join this society after they have been in the employ of the company for two years. Though the company deny that they use any compulsion, still the compulsion is used, as in my own case I was informed, when I declined to join, that they intended to shorten hands soon, and the preference would be given to retain those who belonged to the society. So I had to join or lose my position, though I pointed out that I belonged to the Oddfellows and Foresters. I was told to give those societies up?" I think it is untrue, so far as I know.

127. Very well, give me your opinion as to the truth or otherwise of this: "For this the manager called me up and informed me that I was dismissed, and that I would have to go at the end of the week. Later on he called me up and said that I could wait till the end of the month, as he did not wish the public to say that I was dismissed for sending the telegram to the Premier. Later on he again called me up and said, 'After what you have done in regard to the Bill it will be impossible for you to stay on here any longer'?"—Well, I really cannot say; as far as I know, it is untrue. Of course, I cannot say what passed between the manager and a workman.

128. *The Chairman.*] Did you sign a petition to Parliament against the Private Benefit Societies Bill?—Yes.

129. Were you asked to do so?—No.

130. *Mr. Fisher.*] I will just take your opinion as to this statement: "Letters and petitions against the Bill were drawn up by the employers and brought to us to sign, and when there was any demur as to signing we were taken in one at a time to the manager's office, handed a pen, and told to sign. In my case I told the manager that it was against my convictions and will that I was signing, but he said I must sign, and I signed the first lot of papers, but I refused to sign the last lot." Is that true or untrue?—As far as I know, it is untrue.

131. How are the accumulated funds of the society invested?—With the company.

132. Who are the trustees who have the control of this fund?—The names of the trustees are in the rules, but I do not remember them.

133. Is it your opinion that in the event of any difficult or crucial question arising, and the employés by resolution demanded possession of their funds from the trustees, they could regain possession of their funds?—They could not unless they left the service.

134. Suppose the members of this society as a body met and passed a resolution declaring that the funds shall be handed over by the trustees to them, would the trustees hand them over?—I cannot say.

135. You spoke, then, of a member of the society leaving the company's employ: does he draw what he has paid in, supposing he has not been on the sick and benefit fund?—Yes.

136. What does he draw?—The full amount of his contribution.

137. Is your statement not opposed to Rule 30, which says, "Any member not coming within the provisions of Rule 32 who is discharged from the company's employment and is not in receipt of relief shall thereupon cease to have any interest in the society, and shall be repaid one-half the amount credited to him under Scale A, provided that he has received no sick-pay from the society during his time of membership; but there shall be no refund to any member who has been in receipt of sick-pay, or who has voluntarily resigned from the service of the Colonial Sugar-refining Company (Limited) before the completion of five years continuous membership, or who may elect to discontinue his subscription to the society." You see, they must be five years in the service before they are entitled to draw any of what they have paid in. Suppose a man has been in the company's service not for five years, but for four years and nine months, how much does he take out?—He would get nothing; but if he has been in the employ five years he will get all his contribution. That works in this way: These contributions are supposed to be 2s. per month, but the company pays half that amount.

138. *Hon. Major Steward.*] I cannot see that, for the reason that there is a new rule which says, "Under an agreement made between the committee of management of the employés' benefit society and the Colonial Sugar-refining Company (Limited) the latter undertake to pay on behalf of members in their service one-half of the subscriptions levied under Scale A, thus reducing the members' payments under that scale to 3d. per week, which sum insures sick-pay, funeral allowance, and hospital subsidy in accordance with the rules." Surely it is only half of that 3d. they can withdraw?—I know it from experience, of course, because we referred that question to Sydney. Some of the men read it one way and some another. We got a reply back that it was to be half of the contribution, which was supposed to be 6d. per week. Therefore the amount to be refunded is 3d. per week, which is what the men pay in.

139. You were asked about the trustees; according to Rule 3, is there not a body of trustees altogether independent of the committee of management?—Yes, in Sydney.

140. That body really has control of the whole of the funds, both your branches and all others?—Yes.

141. Four of the trustees are elected by the members?—Yes.

142. And the other two are *ex officio*?—Yes.

143. *Mr. Fisher.*] Do you see any objection to these rules being registered in New Zealand as well as in New South Wales?—Well, I do not see any objection; I do not know whether the company would.

144. Would you please separate your answer; I ask you whether, in your opinion, it would be advantageous or otherwise to have this society registered in New Zealand?—Well, I really do not know the rules of friendly societies. I do not know whether it would alter our rules to register the society, and whether the company would contribute as they do now.

145. If the company does not object to registration in New South Wales, why should it object to registration in New Zealand?—I cannot tell you that.

JAMES HENRY HAVELOCK SPEEDY was examined on oath.

146. *The Chairman.*] You are in the employ of the Colonial Sugar-refining Company?—Yes.

147. What office do you hold?—I am engineer.

148. How long have you been in the service?—Seven years.

149. Did you belong to the society that was in existence before the employés' benefit society was started?—No; I have only belonged to the last society.

150. Now, the former had nearly double the contribution to what this one has. Was the reason you did not join it because you considered the contribution too heavy?—No.

151. What made you join the new one?—Well, I cannot remember now, but I think it was just that I was an employé there when the new one came along.

152. You saw that there were greater benefits to be given to the men from this society?—Yes.

153. Do you think that has been realised?—Certainly; the balance-sheets show that.

154. You think that any man with a reasonable amount of providence and thrift should belong to such a society?—I certainly think so.

155. Are you satisfied with the amount of control that the men have over the disposition of the funds they subscribe to?—Yes, I think it is quite reasonable.

156. You think that the company has only a reasonable amount of direction in regard to the subscription they themselves make?—Yes, I think that.

157. Do you remember at the time a petition being subscribed to in the works against the Private Benefit Societies Bill then before Parliament?—I remember it being signed; I saw it, and signed it. It was not presented to me to sign.

158. Did you hear at the time of any pressure being brought to bear in the works to obtain signatures?—Yes.

159. You tell us that quite seriously?—Oh, certainly.

160. *Hon. Major Steward.*] Did you ever hear of any one being compelled to join the benefit society?—No.

161. Or threatened with dismissal if he did not join?—None whatever.

162. *The Chairman.*] Or that any preference would be given to members of the benefit society without any absolute compulsion being used?—No, nothing further than trying to put before them the fact that it was for their own benefit as well as ours.

163. Who put that before them, the officers of the society or the officers of the company?—The officers of the society at the time; they just tried to enrol as many members as they could.

164. You are speaking of the time of the formation of the society?—Yes.

165. So far as you know, the origin of the society was purely amongst the men themselves; no pressure was brought by the company to make them form such a society?—It was quite so—formed amongst the employés.

166. *Mr. Fisher.*] You say that the men are quite satisfied with the amount of control they may exercise over the affairs of the society?—Well, that is hard to answer; so far as I am concerned, I am quite satisfied.

167. Then, you will not undertake to speak for the other men, or the whole of the men in the works?—No; it would be hard to say that. I have not troubled to take the votes in that direction.

168. Do you take very much interest in the views of other men in the employ in regard to the society and its affairs?—Well, I cannot say that I do. I think those who object are unreasonable; I am satisfied myself, and I cannot go any further than that.

169. *The Chairman.*] Do you belong also to the employés' provident fund?—Yes.

170. Is that also purely voluntary?—Yes, it is to all men paid by the day. It is compulsory on all salaried officers.

171. Have you heard any grumbling about having to pay to so many different funds?—I have sometimes.

172. Lately?—No, not lately.

173. *Mr. Fisher.*] Are you in charge of the engines?—I am in charge of the whole works. You understand there are other engineers employed, but they are employed by the week. But there is the chief engineer in charge, and I am that person.

174. *The Chairman.*] Are you a member of any other society?—Of the engineers' society, but I do not call that a friendly society. I do not belong to any other.

175. *Mr. Fisher.*] You are not in the habit of mixing up with the bulk of the men, so as to ascertain what their views might be in regard to this society?—No, not at present.

176. Are you one of the committee?—Yes.

177. Then, although you can give us your view in regard to the society, it is possible that the views of the men might be opposed to your view?—Yes.

178. *Hon. Major Steward.*] In the event of a new man joining the service, what happens to him? Does your secretary or any member of the committee approach him with a view to his joining the society?—Yes.

179. And represents the benefits of it?—We simply ask them once to join.

180. If they decline there is nothing further done about it?—That is so.

181. There is no such thing as reporting him to the employers, with a view to his dismissal?—No.

182. As a matter of fact, have you ever heard of the company discharging a man on the ground of not joining?—Never.

183. *The Chairman.*] You are a member also of the employés' provident fund?—Yes, on account of my office as chief engineer.

184. *Mr. Fisher.*] Do you know a man named Henry McLaughlan, who was formerly employed on the works?—Yes.

185. Are you aware that he presented a petition to Parliament in regard to the Private Benefit Societies Bill, then before Parliament?—Yes, I have heard of it.

186. Have you read the petition?—No.

187. Still, you are entitled to give your views in regard to the statements in that petition—in fact, three witnesses here this morning say that the society is to all intents and purposes quite voluntary; you say that too?—Yes.

Mr. Fisher.] I would like you tell us whether you consider these statements true or untrue: He says, “That a difference of opinion arose between your petitioner and his employers in reference to the Bill at present before your honourable House dealing with the private benefit societies. That there is a private benefit society established with these sugar-works. It is compulsory for all employés to join this society after they have been in the employ of the company for two years. Though the company deny that they use any compulsion, still the compulsion is used, as in my own case I was informed when I declined to join that they intended to shorten hands soon, and the preference would be given to retain those who belonged to the society. So I had to join or lose my position, though I pointed out that I belonged to the Oddfellows and Foresters. I was told to give these societies up.” That is one statement. Then, in regard to the Bill, he said that most of the employés revolted against letters and petitions being got up within the works in regard to this Bill; and then he goes on to say, “This was the feeling of the employés at the works, but still they were compelled to sign letters and petitions against the Bill at present before your honourable House, and I amongst the rest.” Then he says, “In my case I told the manager that it was against my convictions and will that I was signing, but he said I must sign, and I signed the first lot of papers, but refused to sign the last lot, and, on the contrary, I signed a telegram to the Premier congratulating him on the success of the Bill. For this the manager called me up and informed me that I was dismissed, and that I would have to go at the end of the week. Later on he called me up and said that I could wait till the end of the month, as he did not wish the public to say that I was dismissed for sending the telegram to the Premier. Later on he again called me up and said, ‘After what you have done in regard to the Bill it will be impossible for you to stay on here any longer.’” I would like you to tell this Commission whether these statements are true or untrue.

Witness: Well, I believe they are all untrue. Of course, I would explain that I do not know what he was told to do. He may have been told to give up these societies, but, so far as compulsion is used, that is untrue.

HENRY McLAUGHLAN was examined on oath.

188. *The Chairman.*] What is your ordinary business?—I have been always a labourer.

189. You were formerly in the employ of the Colonial Sugar-refining Company?—Yes.

190. When did you leave that service?—On the 2nd October, 1896.

191. How long had you been in the employ of the company at that time?—Between ten and eleven years.

192. You remember the start of the employés’ benefit society?—Yes.

193. Do you remember the start of the employés’ provident fund?—Yes.

194. Were you a member of the other society that was superseded by these societies?—Yes; I was in our own society, which was wholly carried on by the men themselves.

195. When the new society was started, did it appear to you to be a benefit at all?—No; I could not see that it was a benefit at all in the provident fund; but the other society was a benefit.

196. So it was the provident fund to which you objected most?—Yes, it is the provident fund that all the men objected to.

197. There was very little objection to the sick and accident fund?—Yes; a great many objected to throwing up our own society and letting the company carry it on. A great many did not care for that, but the majority went for the 3d. per week. We used to pay 6d. per week in our own society, and at the end of every year there was always a dividend.

198. It was a terminating society?—Yes; we always wound it up at the end of the year. It was wholly carried on by the men themselves.

199. A great many of them preferred to pay a higher rate of contribution, and be without the subsidy of the company?—Yes.

200. What was that for? Did you consider the company had any pull on you?—No; but they reckoned it would amount to the same thing, and that it would be much better to carry the thing on by themselves.

201. So that, although you practically paid 6d. per week, you got half of that refunded to you at the end of the year?—Yes.

202. *Mr. Fisher.*] And you had the government of the society in your own hands?—Yes; all in our own hands.

203. *The Chairman.*] When this society was started, in what way was the subject presented to the men? Did the officers of the company come round and insist in any way? What compulsion was used?—Compulsion in this way: I will speak in my own case. I belonged to both the Oddfellows and the Foresters, and they had been at me time after time. Mr. Holroyd, the engineer—he is not at the works at the present time—asked me to join several times. I said I could not afford it, for I belonged already to two societies, and I said I paid 1s. 2d. per week into each of these societies besides into the sick and accident fund at the works.

204. You had three funds to which you were already subscribing?—Yes; but Mr. Holroyd kept coming time after time, and he told me then, “You know men in our society, if we are slackening hands, will always have the preference of the work.”

205. You say in your petition, "I was told to give these societies up": was that by Mr. Holroyd?—Yes; he said, "Would it not be better if you gave up one of these societies?"

206. *Hon. Major Steward.*] He merely suggested it?—Yes.

207. *The Chairman.*] Did he make you understand at all that if you did not give up a society you would be a marked man?—He did not say a "marked man." He said that the men belonging to this society, when they were slackening hands, would always have the preference of the work.

208. You remember a certain period at which a petition went round against the Private Benefit Societies Bill then before the House?—Yes.

209. Were you asked to sign that petition?—Yes; I was asked to sign several.

210. You tell us who asked you, and in what way you were asked to sign?—They always sent one of the employes round with this petition, and that man would come to you and ask you to sign. If you did not sign it, well and good; he went round to some one else. Then it was left in the office, and perhaps, if you went into the office for anything, the clerk would say, "Are you going to put your name to it; it is awaiting signatures."

211. Well, there was no compulsion in that?—No compulsion.

212. Your petition went further than that: "I told the manager that it was against my convictions and will that I was signing, but he said I must sign, and I signed the first lot of papers, but refused to sign the last lot, and, on the contrary, I signed a telegram to the Premier congratulating him on the success of the Bill." Is that so?—On my oath that is what these men who came round with the petitions would tell us.

213. But the men who went round with the petitions were not officers of the company?—No.

214. Is it probable that they were doing this of their own motive?—No, they were sent round.

215. *Hon. Major Steward.*] How do you know?—They told us themselves.

216. That they were sent by whom?—By Mr. Miller, head manager.

217. *The Chairman.*] In the next paragraph of your petition you say, referring to the telegram to the Premier, "For this the manager called me up and informed me I was dismissed, and that I would have to go at the end of the week. Later on he called me up and said that I could wait till the end of the month, as he did not wish the public to say that I was dismissed for sending the telegram to the Premier. Later on he again called me up and said, "After what you have done in regard to the Bill it will be impossible for you to stay on here any longer.'" Do you still say that was the case?—Part of it is correct.

218. You wish to withdraw some of it?—Yes, as to being called up by the manager and discharged.

219. What did happen?—The majority of the men, about the time of the signing of these petitions, said they would let the Bill take its course; there would not have been any petition if it had not been for the manager, because the men would not take the trouble. They said it was a pity it could not be stopped.

220. What?—The petition could not be stopped. Some of them suggested, after the Bill had passed the Lower House, that it would be a fine thing now to send a telegram congratulating Mr. Seddon on getting the Bill through the Lower House; and that if it was in the Auckland *Star* they would likely never get any more petitions up. Well, none of them cared to do it, and I said I would do it. I said I expected to get discharged, but I would risk it. I went and published it in the *Star* on Friday afternoon, and I went over on Saturday morning quite prepared to be discharged. The manager sent for me to the office, and asked me why I did it. I said I had done it at the wish of the majority of the men, and I told him I was quite prepared to be discharged, and he said the discharging of a man was neither here nor there, and that it had nothing to do with it. He wanted to know then who authorised me to do it, and I said it was the wish of the majority of the men. I asked Mr. Miller then to discharge me.

221. You asked him?—Yes; I said, "Mr. Miller, I would sooner you discharged me now when work is plentiful than let me go out later on. Very likely I will be discharged when the hands are slackened off." He said that was neither here nor there, and also, "If I discharge you now the public will take it up."

222. *Hon. Major Steward.*] Then, according to your statement, the majority of the men desired that the Bill should pass?—Yes, the great majority of them. And then I asked Mr. Miller several times, and said it would be better for me if he would discharge me. He said, "All right, Harry, I will discharge you."

223. *The Chairman.*] You say in your petition, "Later on he again called me up and said, 'After what you have done in regard to the Bill it will be impossible for you to stay on here any longer.'" This is in direct contradiction to what you are saying now?—He did discharge me then. He said, "All right, Harry, I will discharge you. You can go." He came back again, and said that I had better wait until the 2nd October, when my five years in the society would be up, so that I could withdraw all my money. If you leave before the five years you only receive half the money you pay in, and if you leave after five years you get all you have paid in. Mr. Miller told me to wait until then.

224. Do not you think he was treating you with great kindness in doing that?—No; because according to the rules, if they discharge you, they have to refund all the money. If you leave yourself you only get half.

225. I will read the petition to you, and question you on each paragraph, "To the Hon. Speaker and members of the House of Representatives in Parliament assembled. The petition of Henry McLaughlan, of Chelsea, in the Provincial District of Auckland, in New Zealand, humbly sheweth,—(1.) That your petitioner is a workman at the Colonial Sugar-works at Chelsea, and has been working at the said works continuously for these last twelve years." Is that correct?—Yes.

226. Then, "(2.) That a difference of opinion arose between your petitioner and his employers in reference to the Bill at present before your honourable House dealing with the private benefit

societies." Is that correct?—What I meant by that difference of opinion was that the manager thought it was a fine thing for the working-man and I thought it was not. There was always that difference of opinion between the manager and the men.

227. *Hon. Major Steward.*] Were the others of the same opinion as yourself?—Yes; the majority of the men objected to it right through.

228. *Mr. Fisher.*] This difference at this time must have arisen in regard to this Bill before the House?—I am not a very good scholar.

229. This particular difference arose in regard to the Bill then before the House?—No, that is not correct.

230. *The Chairman.*] Then, the petition goes on, "(3.) That there is a private benefit society established with these sugar-works. It is compulsory for all employes to join this society after they have been in the employ of the company for two years. Though the company deny that they use any compulsion, still the compulsion is used, as in my own case I was informed when I declined to join that they intended to shorten hands soon, and the preference would be given to retain those who belonged to the society. So I had to join or lose my position, though I pointed out that I belonged to the Oddfellows and Foresters. I was told to give those societies up." To which society do you refer?—The provident fund.

231. *Hon. Major Steward.*] The provident society provides a certain amount of insurance money at death?—Yes.

231A. And so much pension at a certain age?—Yes.

232. Is it compulsory for all employes to join this society after two years' service, or does it only apply to salaried officers, and not to those on day-wages?—They did not tell us, who were on day-wages, that it was compulsory for us to join.

233. *Mr. Fisher.*] You refer only to the provident society, and not to the employes' benefit society?—I refer only to the provident society.

234. "It is compulsory for all employes to join this society." Is that true?—They do not come and tell us it is compulsory for us to join or they will discharge us, but it was what Mr. Holroyd told me. He told me about shortening hands, and those who belonged to their society would have the preference of work.

235. Then you say, "So I had to join or lose my position." Surely you understood what you were writing when you wrote this?—Perhaps if I had not joined this society they might have been shortening hands and I might have been put off.

236. "So I had to join or lose my position, though I pointed out that I belonged to the Oddfellows and the Foresters"?—They did not compel me to join it.

237. Why did you say so?—I said so only indirectly.

238. Referring, then, to the Oddfellows and Foresters, here is a separate and distinct statement: "I was told to give those societies up." Is that correct?—Yes; he told me to give one of those societies up. I belonged to both the Oddfellows and the Foresters.

239. How much do you wish to withdraw from this petition? Do you wish to withdraw this, or to allow it to stand: "Though the company deny that they use any compulsion, still compulsion is used, as in my own case I was informed when I declined to join that they intended to shorten hands soon, and the preference would be given to retain those who belonged to the society"?—You can withdraw that.

240. Will you say if we can withdraw this: "So I had to join or lose my position"?—Yes.

241. Is this correct: "I pointed out that I belonged to the Oddfellows and Foresters. I was told to give those societies up"?—Yes, that is correct. I had to give up the Oddfellows to join the society.

242. Shall we say, "I was told to give up one of those societies"?—Yes.

243. Then, at the end of clause 3 you say, "In the assurance fund of this society we have no voice in the control or management, and there are many reasons—too many to mention here, but which I am willing to prove—that make the control and management of this society unfair to the employes forced to join." Will you tell us something about the society, and what you consider the principal points that make it unfair to the employes?—Well, none of the workmen have any say in this insurance fund at all. The head engineer or the head sugar-boiler, who get big salaries, have a little to do with it, but I do not call them working-men.

244. That is to say, the control is entirely in the hands of the officers of the company?—Yes. Mr. Miller told us that in Sydney there are working-men who know about it, but we do not know about it, and we cannot find out. The working-men there may be the chief engineer and head sugar-boiler.

245. You say "There are many reasons, too many to mention here": you have given us one reason, can you give us another, why the control and management are unfair to the employes?—Well, if a man wants to leave the service to go and get a better billet he has either to forfeit half his money or do something to be discharged. There are several I know who wanted to leave, but who did not want to leave half their money, and they had to go and do something—stay off work—to be discharged. Under these rules, if a man who is insured for £100 dies, they can give his wife so much a week out of that £100—perhaps 2s. 6d. or 5s. per week.

246. Do you know of any one who has received any benefit from that insurance fund?—I know of one; a man called McPherson.

247. No more?—No.

248. Do you know of any other men who had to give up a friendly society on account of this society?—One; William Metcalf. He was discharged from the works.

249. Why? Because he would not give it up?—No, for another reason.

250. *The Chairman.*] Then the petition goes on, "(4.) This was the feeling of the employes at the works, but still they were compelled to sign letters and petitions against the Bill at present before your honourable House, and I amongst the rest." You again use the word "compel,"

though you told us just now that a man kept on going round and suggesting the men should sign it: do you wish to withdraw the word "compel"?—I will just tell you now about that compulsion. When that telegram was sent down Mr. Miller drew up a petition to repudiate it, and he sent round a man with it, and he got very few names. The following Friday was our pay-night, and Mr. Miller had the petition in his office, and the names of those who had not signed it. As the men came into the pay-office to be paid they were told Mr. Miller wanted to see them, and Mr. Miller asked each man was he going to sign this petition. Well, several men who came out said it was compulsory. They reckoned it was compulsory for the manager to have that in his office, and to ask them to sign it.

251. *Mr. Fisher.*] You leave that paragraph as it is?—Yes.

252. *The Chairman.*] Then the petition goes on, (5.) "Letters and petitions against the Bill were drawn up by the employers and brought to us to sign, and when there was any demur to signing we were taken in one at a time to the manager's office, handed a pen, and told to sign. In my case I told the manager that it was against my convictions and will that I was signing, but he said I must sign, and I signed the first lot of papers, but refused to sign the last lot, and, on the contrary, I signed a telegram to the Premier congratulating him on the success of the Bill." Is there anything you would like to withdraw?—Yes, there is one thing I would like to withdraw, and that is where the manager asked me to sign the petition. I referred then to the time when he called them into his office.

253. *Mr. Fisher.*] Is that what you referred to just now?—Yes; but he did not ask me to sign it. I signed a great many of them first; perhaps there was a petition every time the Bill came up.

254. *The Chairman.*] You thought in signing that you would suffer if you did not sign: was that the reason you signed?—Yes.

255. At last you got that you did not care?—Yes. I have heard the men say when the Bill was first brought up—when Sir George Grey brought it up—that they would not disgrace the "old man" by signing the petition.

256. Then the petition goes on, (6.) "For this the manager called me up and informed me I was dismissed, and that I would have to go at the end of the week. Later on he called me up and said that I could wait till the end of the month, as he did not wish the public to say that I was dismissed for sending the telegram to the Premier. Later on he again called me up and said, 'After what you have done in regard to the Bill it will be impossible for you to stay on here any longer.'" You want to withdraw that?—Yes.

257. It was you who asked to be discharged?—Yes, I asked him to discharge me. When I told him I would rather be put off now than when things were dull, he said, "Well, yes, Harry, it will be impossible for you to stay here now."

258. *Mr. Fisher.*] You are aware of the effect of what you have told us now—that you have, intentionally or unintentionally, attempted to deceive Parliament with this petition. Which is it to be: is the petition true or untrue? Does it express partly what you intended to express?—Yes, partly.

259. In the main or in the minor part. Is the petition, in the main, correct, or does it misrepresent you only on subsidiary points?—That is all.

260. *Hon. Major Steward.*] Then, is it a subsidiary point in the statement in the petition that the manager told you you could not stay after what you had done, whereas the real fact now is that you told the manager you wanted to leave, and on being pressed he said, "Well, it would be impossible for you to stay now"? Do you not see the difference in the position?

261. *Mr. Fisher.*] Is it so that the manager told you, "It will be impossible for you to stay on here any longer"?—When I asked the manager to discharge me, as I would rather go now when things were good and I could get other employment than for them to find fault with me later on and put me off then, he said to me, "Yes, Harry, it would be impossible for you to stay here now."

262. *The Chairman.*] You say in the next clause, "(7.) This is the system of coercion used in regard to the whole of the employés in reference to the above Bill. Your petitioner prays that your honourable House will pass some law similar to the Corrupt Practices Act, to insure that the Parliament and the people will not be coerced in regard to any legislation that the majority of the people (represented by the Parliament) may desire to pass. And also that you will grant an inquiry into the circumstances of your petitioner's case." Well, upon this petition the inquiry you pray for is being made?—Yes.

263. And you withdraw a material and considerable part of your petition. You see the position you have placed yourself in, and this Commission too?—Yes.

Hon. Major Steward. The whole point of the thing being the compulsion, on which point your evidence fails, you alter it, and on the point of being discharged you alter that too. It turns out that you pressed to be discharged.

264. *The Chairman.*] Do you know of any other man who has been discharged because he refused to sign this petition?—No, I cannot remember any just now.

265. *Hon. Major Steward.*] Were there other persons who joined you in your action?—The majority of the men joined me in my action.

266. Was it known to the employers that they had so joined?—They did not know.

267. You were the only one known to the employers as acting in the matter?—Yes.

268. *Mr. Fisher.*] Then, why did not a number of the others, or any of the others, sign this petition which you sent individually to the House of Representatives?—I suppose they were frightened.

269. What is the feeling of the men as a body in the refinery-works with regard to this society, apart from any question of signing petitions or letters: what is the inward feeling of the men?—They want to see the society "broke up"; they actually pray for the Bill to pass.

270. *The Chairman.*] That is how they represented matters to you?—Yes.

271. *Mr Fisher.*] We are trying to get now, apart from the technical language of the petition, the state of affairs in regard to the society and the Bill before the House, and the opinion of the men?—When they got up a petition a few would sign it at first, such as the officers, and they would go round and get a few more, and then the talk would go round amongst the men, “If you do not sign it you will only be put off; they will watch you.” One would sign it, and another would sign it, and they would be sorry themselves they had signed it, and they were all the time wanting to contradict this, and let the House know this petition was coming. The men were coerced into signing these petitions.

272. You think they would not have signed any letters or petitions if they had been allowed to act without pressure, and of their own free-will?—No; there would have been no petition at all.

273. *Hon. Major Steward.*] What is the amount you are called upon to contribute to this fund?—It is according to the wages; a man with 7s. a day pays 1s. per week.

274. What are the benefits? What is the amount of pension, and when does it accrue?—That lies with the company; it is not fixed. You do not know what pension you will get.

275. Do you know if Rule 21 is in force still?—Yes.

276. *Mr. Fisher.*] Were you ever furnished with a copy of the rules of 1890?—No, I never saw any rules until after I had joined the society.

277. What year was that?—I think that was in 1890.

278. *Hon. Major Steward.*] Do you know the amount payable at death?—I know this much: that a man getting £2 per week, and who pays 1s. per week to the fund, his wife is supposed to get £100 at his death.

279. How many men, on the average, are employed at the Chelsea works?—I suppose, close on a hundred.

280. *The Chairman.*] Did any boys sign that petition against the Private Benefit Societies Bill?—I never saw any of them sign it, but I have been told they signed. A man called Harris was the man who went round and asked the boys to sign the papers, and the boys, after they had signed, asked the others what it was about.

281. This is mere hearsay on your part?—Yes.

282. By the rules of this provident fund it appears as if the New Zealand men had very little control of the fund; the trustees are all either Sydney men or officers of the company; is that so?—No control whatever of the provident fund.

283. What are the powers of the local committee generally? If they cannot touch the funds, what can they do?—I cannot tell you. When they thought the Bill was going to pass Mr. Miller told this James Harris, who was the secretary of the sick and accident fund, to go round with this petition. He told him to let the men know that if the Bill passed its final stages the men would receive no money, as they had no legal claim on the money.

The Chairman: Be very careful about that.

Witness: James Harris told me that himself. He said Mr. Miller had a letter from headquarters saying that if the Bill passed we would likely lose our money; that we had no legal claim upon it. That is what the man came and told us, and he said then that the men had better get up a petition to see if something could be done. A meeting was called in the school-room to consider what they would do in the matter, and a majority voted to send a petition down. One young fellow named Thompson said, “Well, Mr. Miller, we had better state in the petition that if the Bill passes we have no legal claim on the money,” but Mr. Miller said that would not do.

284. *The Chairman.*] Then, the whole idea that was presented to the men in getting up this petition was that the passing of the Bill would put this society in an illegal position?—Yes; that we had no legal claim on the money paid in; that the company would forfeit it. I asked Mr. Miller about that, and he said it was quite right. I said that was a terrible thing, and that I did not want to lose my money, and he said, “I do not want to lose mine either, and I have more in it than you. That is what your Government does for you. The best thing you can do is to get up a petition.”

285. *Hon. Major Steward.*] Rule 13 makes membership optional for all persons other than those on fixed salaries—that is, persons employed on weekly wages are not compelled to join. Now, according to your evidence, Mr. Holroyd told you that men who joined would have the preference of work?—Yes.

286. So you say, notwithstanding that the rule says it is not compulsory, that it is the practice of the company to select for their employés those who are willing to join?—I could not say, I am sure.

287. Do you mean to say that notwithstanding that rule compulsion is affected by simply choosing those persons who will join?—Yes.

288. You say you belonged to the benefit society that existed before the present one, and into which you paid 6d. per week: what benefit did you get from it; did you get sick-allowance?—Yes; £1 per week.

289. Did you get doctor?—No.

290. Did you get medicine?—No.

291. Did you get funeral allowance?—Yes.

292. Into the new benefit society you pay 3d. per week, for what benefits? You get sick-allowance?—Yes.

293. Funeral allowance?—Yes.

294. And, if necessary, maintenance in hospital?—Yes.

295. Then, if you pay an additional 4d. per week you get a doctor and medicine for yourself?—Yes.

296. If you pay another 2d. per week you can get a funeral allowance for your wife?—Yes.

297. Besides the 3d. per week you have to pay into the provident fund?—That is according to your wages.

298. So you would have to pay 3d. per week to one fund and 9d. to the other—about 1s. per week?—Yes.

299. *Mr. Fisher.*] Are the men supplied with a copy of the rules of the provident fund?—That I cannot say; I did not have them.

300. You have been twelve years in the service of the company, and you have never been furnished with a copy of that deed?—I had one, but not for a long time after I joined the society.

301. Did the company furnish you with one?—Any one can get them by applying to the company.

302. Three witnesses this morning said that, so far as they knew, the statements contained in your petition to Parliament were untrue; you now yourself say that, although the petition is a little inaccurate as to form, in substance it is true: you still adhere to that?—Yes.

303. And you say that your opinion, as embodied in that petition to the House, is shared by nearly the whole of the men in the service of the company?—Yes.

304. *The Chairman.*] If the sick and accident benefit society could go on pretty nearly as it is at present, and be legalised by Act, do you see any objection to that?—No, that would be a benefit.

305. It is entirely the provident fund you object to?—Yes; that is what all the men objected to. They say the sick and accident fund is a good thing.

306. *Mr. Fisher.*] As three witnesses have declared your statements in your petition to be untrue, do you know of any workmen who will appear before this Commission to give evidence in support of your petition?—Yes, I do.

307. Will you please let us have their names?—Mr. Thomas Holmwood, Mr. F. Goldsmith, Mr. Walter Ripley, Mr. William Patterson, and Mr. James Patterson.

308. *The Chairman.*] With regard to the company's subsidy to this fund, which the men seem to dislike very considerably, can you tell us the opinion of the men in regard to the generosity of the company, and do they attribute any motive?—I cannot say, I am sure.

309. You do not know the motive of the company in giving this subsidy?—No.

310. It was affirmed in regard to one company into whose affairs we inquired that the company assisted the benefit society so as to get a grip on the men. Now, I do not say this is the case, but is it your opinion that was the motive?—My idea is that it was not to have a grip on the men, although they say themselves it binds both the employer and employé. They say it makes them more friendly, and the men keep their places.

311. Their only object, then, is to create a good feeling and mutual interest?—I say it is a fine thing for the company to have this money. We could never find out anything about it. They say the trustees have the money.

312. *Hon. Major Steward.*] Did you ever see a balance-sheet of this fund?—Yes.

313. *The Chairman.*] So they did issue a balance-sheet to let you see?—Yes.

314. And this society has a properly-registered fund in Sydney?—I do not know about the provident society; the sick and accident society is registered in Sydney.

315. *Mr. Fisher.*] But there would be greater harmony, and the men would probably have greater confidence in the society, if they had the control of the accumulated funds?—They have no control about it. I have heard many talking about paid-up shares, and wondering where the 10 per cent. goes to.

316. When you were in the service were your wages paid in full?—No; 1s. 3d. per week was deducted—1s. for the provident fund and 3d. for the benefit society.

317. *Hon. Major Steward.*] You are not obliged to pay to the sick and accident society?—No, I do not know that we are.

318. *The Chairman.*] Do you think the men would be quite satisfied if the provident fund were abolished, and they were left to carry on the benefit society for themselves?—Yes; they would be well satisfied.

319. *Hon. Major Steward.*] Do you mean they would prefer to forego the company's subsidy to the benefit society provided they managed it themselves?—Yes; they would prefer to go without it.

320. *Mr. Fisher.*] They would prefer to have their freedom of action rather than the so-called benefits out of the provident fund?—Yes; if any one went there and asked the men quietly they would quickly give you their opinion of the society.

321. You think there is no possible doubt about what their collective opinion would be if they had freedom to express it?—Yes, if they had freedom to express it.

WEDNESDAY, 30TH JUNE, 1897.

ROBERT THOMPSON, Jun., was examined on oath.

1. *The Chairman.*] You are in the service of the Colonial Sugar-refining Company?—Yes.
2. What is your position there?—A workman.
3. How long have you been in the service?—Ten years.
4. You remember, then, the formation of both the employé's provident fund and the employé's benefit society?—Yes.
5. Were you a member of the former society that existed?—I was in the Oddfellows.
6. I do not mean a friendly society: were you a member of any benefit society prior to the formation of the employé's benefit society?—I was not.
7. You were a member of a friendly society?—Yes; but I found that too expensive; it used to cost me 1s. 3d. per week. I gave it up and joined the one at the sugar-works, because there were the same benefits to be derived from it as from the Oddfellows at a cost of 3d. per week. In the Oddfellows I paid 1s. 3d. per week, and got £1 per week in case of sickness. Of course, after

having been in the company's service a certain time—five years—if we leave the employ we can still remain in the society.

8. Even if you are in another service?—Yes; but it is not so with the provident fund.

9. And you found your contributions to these two funds equal to the contribution you already gave to the Oddfellows?—Just equal.

10. Still, you considered there was an advantage in belonging to the company's societies?—A great advantage. I pay into the provident 1s. per week, and at death my wife gets a year's wages at 7s. per day—that is £104; and if I leave the service within five years I get half my contribution back, and if I leave after five years I get back all I have paid in, or if I am discharged within five years I get all my money back, unless I have been discharged through dishonesty.

11. We have been informed that a lot of dissatisfaction is felt in regard to the provident fund?—Yes; but every one is in favour of the benefit society. Of course, in any case there are a few grievances of some kind in connection with this fund, and there are a few grievances, I have no doubt, in connection with the provident fund. The majority of the people over there are in favour of the provident fund, and the majority would not like to see it broken up.

12. *Hon. Major Steward.*] Then, if a witness told us yesterday on oath that nine-tenths of the men wished to get this provident fund broken up that witness was not stating what was true?—That is not the case; the majority of the men over there are in favour of it. When it was commenced I was there, and the men were not in favour of it, but Mr. Muir, of Sydney, enlightened the men more about the scheme, and they seemed to like it better. After ten years in this provident fund, if a man meets with an accident, he gets a pension, or if able to do work he gets a light job.

13. What do you mean by a pension?—So much a week, or so much a year.

14. As I read the rules, it is only a lump-sum equal to a year's wages: is there such a thing as an annual pension?—Yes, as provided by Rule 21.

15. *The Chairman.*] Are there any instances within your own knowledge of men retiring on this pension?—No.

16. So you cannot tell what the actual pension is?—No.

17. Have there been many instances within your knowledge of widows receiving sums?—My father-in-law died, and his wife had died twelve months previously to him, and the children got the lump-sum. It was put into the bank, and used as they liked to use it.

18. You think at first there was some grumbling amongst the men in regard to the provident fund, but that it was afterwards allayed: can you tell us what they thought the most objectionable points?—Some of the men belonged to other societies, and they were insured in other companies, and they could not afford to pay into this one and other insurances besides. That was the only grievance, so far as I know.

19. It was nothing in the constitution of the rules?—Nothing whatever.

20. In regard to the benefit society—not the provident fund—a witness stated that the men would be very glad if they were allowed to work the society entirely, even if the subscription were doubled—that is to say, the company's subsidy would be withdrawn, but they would have the management of the affair?—The men would find themselves in a great mess if they did so. The company have contributed—I forget how much—somewhere about £150 to our subscriptions to this branch, not to the whole society, for the year, and if the men had the whole control themselves they would be unable to meet the demands.

21. That is to say, a contribution of 6d. per week would not be able to meet all the benefits?—Not if there was a great deal of sickness, because there is not the same support over there.

22. *Hon. Major Steward.*] But the contribution is only 6d. per week now, so the position would be the same if the men only contributed 6d.?—Yes; these societies were started for the benefit of the men, not for the benefit of the company. As regards the provident fund, half the money is invested in the company and half is lent to the company.

23. Now, about the question of compulsion, and I will take the provident fund first: you are aware, I suppose, that a petition was presented to Parliament during the session of 1896, signed by one Henry McLaughlan, in which, referring to this provident fund, he said that it was compulsory for all the employes to join after they had been two years in the employ: is that so or not?—Speaking from my own experience, I voluntarily joined the society myself; and I know an instance over at the works of men who have been in the company's employ for these thirteen years, and who are eligible to join the provident fund, but they are not members. They were asked if they would join, and the benefits they would get were pointed out; but they did not join it, and they do not belong to it now, and yet they are still in the employ; and, as regards the provident fund having anything to do with the work, that is not true. The provident fund has nothing whatever to do with the work; there are men at the works who belong to the provident fund who have been discharged when the company were shortening hands, while men who did not belong to the fund were kept on.

24. You are aware of Rule 13, which says that subscription to the fund shall be optional for all other employes in the company's service, but compulsory in respect to the salaried staff?—Yes, compulsory only on the officers.

25. Well, according to the rule, it would appear that what you stated was correct—that weekly men were not compelled to join?—Yes.

26. Witnesses have given us to understand that, although not avowedly compelled to join, yet preference is given to persons who are willing to join: is that true?—I am speaking for these five years since I came from Adelaide. I was in Adelaide when one was started over there. I came back here and joined the provident fund, and there has been no preference whatever in the five years, so far as I know.

27. And you state you know of persons who have been some thirteen years in the works who have not joined, and who are still retained in the employ?—Yes.

28. Do you know anything about petitions got up during session against the passing of the Private Benefit Societies Bill, which proposed that all societies like this should be registered?—Well, there have been several round the works against the Bill and for the Bill. There was only one that was for the passing of the Bill, and that was Harry McLaughlan's.

29. As regards the petitions against the Bill, was any pressure brought by the company to induce employés to sign?—Not that I remember.

30. Were you asked to sign?—I was asked to sign one that was brought round by a working-man to oppose the Bill.

31. Did you do so?—Yes.

32. You do not know of any petition brought round by or on behalf of the company or manager?—We had a meeting in the village about this Bill last year, and the facts were stated by the men.

33. Who was the convener?—It was got up by the working-men. The company did not call it. The men asked the manager to go to the meeting, and he said he would rather not have anything to do with it. They asked him to go there and explain the rules to the men, and he did.

34. *Mr. Fisher.*] What is his name?—Mr. Miller. The chairman of the society, Mr. Speedy, acted as chairman that night, and he asked who were in favour of that Bill and who were against it. The petition was there, and those who were in favour of the petition against the Bill came forward voluntarily and signed the petition.

35. *Hon. Major Steward.*] Can you tell us what was the impression at the time they took that attitude: were they under the belief that if the Bill passed both branches of the society would be destroyed?—Of course, they were under that impression.

36. That was the reason they objected to the Bill passing?—Not altogether; the majority of the men were in favour of the benefits to be derived from these societies, which were as good as the benefits from any other society in Auckland, and that was the reason they did not want the Bill to go through the House. If the societies were destroyed they would lose all the benefits.

37. Supposing the men had been informed that the Bill would have enabled the society to be carried on, but with legal recognition, would they then have opposed the Bill?—I do not know the men's mind.

38. What is your mind?—My views are that I would not like to see the Bill pass.

39. Why?—On account of the benefits derived from these two societies.

40. Suppose the Bill did not interfere with these benefits?—Then, there would be no necessity for any petitions of any kind.

41. You are aware that one of the societies is registered in Sydney?—Yes.

42. And the fact of registration does not interfere with its operation?—No.

43. What objection would there be to registering it in New Zealand?—None whatever; but the company may have some objection.

44. Then, the men believed that if the Bill passed these societies would come to an end?—Yes.

45. Suppose the Bill did not interfere with the societies or the benefits you would not have petitioned?—Certainly not.

46. *Mr. Fisher.*] Suppose such a Bill should pass, and it secures to you all your benefits, and strengthens your position by legal enactment, would you have any objection to the Bill?—If the Government will guarantee us the same benefits as we get from these societies over there that is all we want.

47. Well, I ask you, would you object to such a Bill which would strengthen your position, and not weaken it?—Of course, we would be in favour of it. I would be in favour of it if the Government would strengthen the position. But there are men over there who, when this petition went round in favour of the passing of the Bill, signed it, and then went and signed another petition against the Bill passing. They signed both petitions.

48. Is that not explainable by the fact that one petition was signed of their own free-will while the other was signed under some form of compulsion?—I have said before there was no form of compulsion.

49. Is it a fact that on one occasion when the men went to receive their wages they were at the same time sent into the manager's office, and asked in his presence to sign this petition against the Bill?—I cannot say that, but I never was asked.

50. Can you tell us whether or not such a thing happened?—No, I cannot say.

51. Can you say it did not happen?—I cannot say it did not happen, because I know nothing whatever about it.

52. Will you please repeat what is the form of refund of contributions; for instance, in the case of a man who is discharged from the company's employment, do I understand he is paid one-half of the amount credited under Scale A, provided he has received no sick-pay?—That is in regard to the benefit society.

53. Suppose a man leaves the service of the company of his own accord, what refund is made to him in regard to the benefit society?—I think it is only 3d. per week that he has contributed to the society.

54. If he leaves the company's service of his own accord after contributing continuously for five years he is entitled to one-half the amount?—Yes, to 3d. per week.

55. Why does the rule go on to say this: "Any member being entitled to a refund of his contributions under these rules, and not making application for the same within thirty days after leaving the service, shall forfeit all claim on the amount"?—A man forfeits all claim if he does not come forward for his money within thirty days.

56. What is the reason of the existence of that provision?—Well, of course, the company is not concerned on that point, and if a man is really sick, and cannot come forward for his money in that time, they would not stop it.

57. But there is the rule, you see?—The rules say every member in the company shall pass a medical examination before he joins the society, but such is not the practice, because they do not go so far.

58. *Hon. Major Steward.*] I suppose, as a matter of fact, every man who leaves the company's service after five years would apply for the money?—Of course he would—that is, if he has received no benefits out of it. Of course, he would apply for his money.

59. *Mr. Fisher.*] Can you say from recollection how many men in the works signed the petition against the Bill?—I cannot say; I suppose it might be eight or nine.

60. Against the Bill I mean?—Oh! I suppose fully 90 per cent. of the men.

61. How do you account for some, possibly a majority, of the men on the works signing a petition against the Bill and some signing in favour of the Bill?—Just to please one and please another. I know if some of these men were called up here they would go for the provident fund and not against it. Harry McLaughlan was fooled into it, and now they laugh at him.

62. Is it or is it not a fact that if the men on the works were at liberty freely to express their own opinions they would sign petitions and vote in favour of the Bill, and not against it?—If the men had liberty to express their own opinions freely in the matter they would all go and chuck the Bill out of the House, with the exception of one or two who are present in every case. The majority of the men are in favour of the benefit society and the provident fund.

63. *The Chairman.*] You are speaking entirely of that Private Benefit Societies Bill which was brought forward in 1896; but supposing the Government were recommended to bring forward a Bill to strengthen these societies which are considered to be good, and to register them very nearly as the rules stand at present, to give you a legal position, can you see any objection to that?—I can see no objection whatever.

64. The objection referred entirely to the Bill brought forward in 1896?—Yes; it was believed that if the Bill passed the societies would be broken up altogether, and that we would lose all the benefits derived from them. The company act fairly to the men so far as the societies are concerned, and the men uphold the company.

65. Have you any idea why the company subsidises so largely? Do you know what the object is?—It is just simply for the benefit of the men; they like to have the men keep in the employ of the company, and to see that they will be provided for.

66. Are you a member of the local committee?—Yes, of the benefit society.

67. Do you remember that in the previous benefit society, which was superseded by this one, there was an annual division? Do you consider that was an admirable provision, and would you like to see this society have an annual division so far as the sick and benefit society is concerned?—In the old original society, if they got behind in the funds, there would be a levy, but it was not in a good position long enough to test it.

68. *Mr. Fisher.*] You know the Bill to which the Commissioners have been referring to—the Private Benefit Societies Bill of 1896?—Yes.

69. Can you explain to us any of its provisions?—No, I cannot bring them to memory.

70. Then, why do you oppose a Bill of the contents of which you know absolutely nothing?—Well, I opposed the Bill on this ground: They tried to pass a Bill in the House to do away with our societies, and if they did away with our societies they did away with our benefits.

71. That is merely your impression?—Yes.

72. You have already been asked the question, Suppose the Bill had no such effect you would not have opposed it?—No.

73. Then, do you not think, as an intelligent man, that you should have read the Bill in regard to which you took up such a strong opposing attitude?—I read the Bill, and I read every Bill, but I do not bother about these things after twelve months' time.

74. But your opposing attitude was taken up at the time?—Yes.

75. Well, do you think it reasonable or unreasonable that you should have taken up such a strong attitude against a Bill of the contents of which you really appear to know nothing?—The Bill that went before the House last year was to put down these private benefit societies.

76. It was rather to strengthen them I thought?—We did not think so. If the Bill had passed it would have done away with our societies, and we would have had to join some other insurance companies and benefit societies, and pay higher premiums.

77. *Hon. Major Steward.*] You say positively the Bill would have done that. There is the Bill, will you point out the clause that would have done that?—It says every benefit society shall be registered three months after the Bill passes.

78. You see that Bill only prohibits making membership of these societies compulsory; you say your membership is not compulsory?—Yes.

79. Then, how on earth could it have put an end to any of your benefits?—I have no objection to the society being registered, but the company seems to have an objection. I do not know the reason why.

80. Is it not, do you think, because, if these rules were registered, the company would have to contribute, instead of it being optional now?—The company would not contribute anything to it if it had to be registered.

81. Why?—Because the Government would have taken it out of their hands.

82. Taken what out of their hands?—Taken the power out of their hands.

83. Then, you think they wish to retain the power to withdraw their contributions?—Of course, they control the provident fund of the society.

84. Supposing those rules were registered?—I do not think, myself, the company would have anything to do with it.

85. *The Chairman.*] I would like you to give an explanation of the statement “the power out of the company’s hands”: what power have they?—I should not have said power; it is taking their generosity away from them. They try and benefit the workmen as much as they possibly can by these funds.

86. And they would not continue their generosity if this society was registered?—They could do so, but why should the Government interfere with them?

The Chairman. Because yours is not the only benefit society; and others are not on such a good footing as your society.

Witness. Quite so; I am only speaking of my own society.

89. *The Chairman.*] Can you tell us why they should not continue such generosity when the society was registered? I cannot understand, if it is really from a motive of kindness to the men, why they should not continue that kindness, whether the society is registered or not?—I cannot answer that question.

90. *Hon. Major Steward.*] In point of fact, one branch of the society is registered in Sydney, and, if the registration of the society there is not fatal to the society’s existence, how can it be fatal in New Zealand?—I have no objection, but the company seems to have an objection.

91. *Mr. Fisher.*] Does it appear to you at all singular that the company should object to these things?—No.

92. I take it you understand their reasons for objecting?—Well, I cannot explain why the company objects to the society being registered in New Zealand.

93. What is there latent in your mind which you seem unable to express in regard to this point?—I cannot give you any grounds whatever why the company do object.

94. Suppose that Bill of 1896 diminishes the power, or assumed power, and control of the company and trustees without diminishing the power and control of the working-men, do you see any objection in that?—It means that if the Bill had passed the societies would have been smashed up.

95. Will you answer that, please, in a more direct way? Do you object to the transfer of some portion of the control and power which the company at present possesses to the men themselves?—If the Government can benefit us in any way better than the company can I will uphold it.

96. Is this company a prosperous company?—Yes.

97. Do you think the labour of the men contributes to that prosperity?—Well, as I said before, half of the provident money is lent to the company at so much per cent.

98. I do not mean that: do you think the labour of the men contributes to the prosperity of the company?—Certainly it does; it must do.

99. Then, why do you speak of the generosity of the company in giving back to the men some small portion of the prosperity which the men give to the company?—I do not think there is any other company in New Zealand that would show their generosity in such a way as this company does. I know companies in Auckland which grab every penny they can out of the workmen.

100. Are you aware that there are other firms in other parts of New Zealand which are equally as generous as the Colonial Sugar-refining Company, and they do not explain that they are displaying any generosity to their employés?—Well, I know the company pays the best wages throughout the colony.

101. Taking the nature of the work?—No; all the work is not laborious, and they pay the best of wages.

PATRICK DONOHUE was examined on oath.

102. *The Chairman.*] Are you in the service of the Colonial Sugar-refining Company?—Yes.

103. How long have you been in that service?—About eight years.

104. Are you a member of either the employés’ benefit society or the employés’ provident fund?—Yes, I am a member of both.

105. Are you a member of the local committee?—Yes, of the benefit society’s committee.

106. Were you elected by the men or nominated by the company?—Two resign at different periods and two are appointed. Of course, they have a meeting.

107. You were appointed to represent the men?—Yes, I think so.

108. Then, you would have a pretty good notion of what the men think on the subject of the benefit society. Is there any grumbling or anything of that sort against the sick and accident society?—No; I do not think so. I have never heard anything against the sick and accident society.

109. And the general opinion is that it is a benefit to the men?—Yes.

110. What do they think about the provident society?—Well, I have heard that there has been some grumbling about that, but I have never heard very much against it.

111. Did that grumbling take place when the provident fund was first started, or have you heard any grumbling about it lately?—There has been a rumour going round that some of them are dissatisfied about it.

112. Did you hear that it was because of having to pay too many contributions, or not having control of their funds?—Well, I have not been to any of the meetings where any points have been raised. Anything I have heard has only been a rumour about the place.

113. Generally when men grumble they have something to say for the reason of that grumbling; why do they grumble?—Really, I cannot say why they grumble. I cannot speak for the grumbling of other men. Of course, I belong to the fund myself, and have for five years. I can speak for myself, but I cannot come here and make opinions for a hundred men whose opinions are bound to differ.

114. What do you think of the provident fund?—I joined the provident fund over five years ago. I was not compelled to join it. The manager told me about it. Of course, I pay 1s. 3d. per week to the provident fund and the benefit society, and I think the benefits for the 1s. 3d. are as

good to me as I could get anywhere else. For 3d. per week we receive £1 per week sick-pay; and in the other, if we leave before five years, we get 6d. a week back, and are insured for £104 for 6d. per week.

115. Then, your opinion is favourable?—Yes; I have paid in ever since I belonged to it, and if I left now I would get the whole of my money back.

116. Were you a member of the old society?—Yes.

117. Do you consider this of far greater advantage to the men than the former society?—I never had any advantage out of the old society, but I believe this is just as good a society, and, if anything, I believe it is better. Of course, the company contributes to this.

118. Now, supposing the company withdrew its contribution, the thing could not be carried on with its present contributions and its present benefits. Do you think there would be any grumbling if the men had to pay 6d. a week?—I do not know what the opinion of the men would be.

119. What is your opinion? Would you rather see the society carried on or not?—At the present time, as it stands, I would rather see it carried on. If we could do any better than that I would be satisfied with it, but I am satisfied with the present society.

120. Do you remember petitions going round against the Private Benefit Societies Bill?—Yes.

121. Did you sign any of them?—Yes.

122. On which side?—I signed the petition against the Bill.

123. *Hon. Major Steward.*] Because the impression was that the Bill would do away with the society?—That was not the reason I signed against it, but there were some who signed because of that.

124. What was your reason?—Because I wished the society to be kept on.

125. Supposing the Bill did not interfere with the society at all, and authorised it to be carried on, then you would not have signed the petition against it?—No; if it allowed the society to be kept on I would not have petitioned against it.

126. Then, the reason why you signed the petition was because you believed the Bill would do away with your society?—Yes.

127. *Mr. Fisher.*] Who interpreted this Bill to a whole lot of the men? Who told the men what the Bill meant? From whom did you receive your impression?—I suppose we could read the paper. We saw the Bill which Mr. Millar brought up in Parliament.

128. Did you ever receive the Bill that was introduced to Parliament dealing with private benefit societies?—Yes, the Bill that was brought in by Mr. Millar.

129. No, the Bill introduced by the Premier in 1896; that was the Bill that was petitioned against in the sugar-works. Who explained the Bill to you? Who told you what it contained? Who told you what its effects would be if it passed?—I do not know that any one told us what the effects of it would be.

130. Did you yourself see the Bill of 1896, as introduced by Mr. Seddon?—I do not know anything about it; I may have seen it.

131. Did you sign a petition against the Bill of 1896?—I signed a petition against the Bill.

132. Am I correct in taking your previous answer to be that you had never seen this Bill?—I have seen a Bill about friendly societies; I suppose I have read it in the papers.

133. This is the Bill Mr. Seddon introduced. Have you seen it before?—Yes; I have read that where they have to register within a stated period.

134. What is your objection to that Bill?—I do not know that I have any objection to it. I signed to have the society kept on because it suited me, and because I was satisfied with it.

135. If I say to you that the Bill, if passed, would have had exactly the opposite effect to that represented to you—that it would have kept it on and strengthened it—would you have signed that petition against the Bill?—We would not have required to sign any petition.

136. *The Chairman.*] In the petition sent down to the House it was said “that the feeling of the employés at the works was against the petitions, but still they were compelled to sign letters and petitions against the Bill at present before your honourable House, and I amongst the rest. Letters and petitions against the Bill were drawn up by the employers and brought to us to sign; and when there was any demur to signing we were taken in one at a time to the manager’s office, handed a pen, and told to sign.” Is that the truth, so far as you know it?—There was no compulsion about me signing it, because I went to the first meeting, and I signed the petition.

137. No compulsion was needed in your case?—No.

138. *Mr. Fisher.*] Is this the case: Did one of the subordinate officers go round with the petition, which some of the men hesitated to sign, and then, on pay-day, when they went to receive their wages in one office, they were walked in one by one to another room, where Mr. Miller, the manager, sat and asked them to sign the petition?—I heard that some did not sign the petition at one time, and that they signed it afterwards.

139. Is it a fact that they were walked in one by one to the manager’s office?—I do not know.

140. Did you ever hear of anything of the kind taking place?—I heard that they went into the office and signed, but, of course, I cannot prove that they did so. I was not there to see it.

141. Is this a fact or not in regard to the men who signed this petition against the Bill: that if they had had the exercise of their own free-wills they would not have signed at all?—It would be hard for me to say what was the free-will of every man in the place. Of course, some might have been against signing it, but I cannot say.

JAMES HARRIS was examined on oath.

142. *The Chairman.*] Are you in the service of the Colonial Sugar-refining Company?—Yes.

143. What position do you hold?—I am a workman.

144. Have you been long in that service?—Nearly twelve years.

145. Do you belong to either or both of the benefit societies?—I belong to both.

146. You have had experience of the working now for some years. Is your opinion favourable in regard to these societies, or to one more than the other?—It would be quite natural for the men to be in favour of one more than the other. From the benefit society, of course, the men derive benefits, but from the provident society you do not receive anything until you come to a certain age, or your family would receive it at your death.

147. Are you a member of the committee of the benefit society?—Yes.

148. The contributions have always been sufficient to meet all demands that are made on the society?—Yes.

149. What becomes of any surplus at the end of the year?—The whole amount is made up and the funds are all kept in Sydney.

150. It is then paid into the hands of the trustees in Sydney?—It is paid into the hands of the treasurer, who is the local manager, and it is then paid into the trustee's hands, and becomes part of the accumulated funds, on which the company pays 6 per cent. each month.

151. In regard to the provident fund, are the men generally well satisfied with the provident fund as well as with the benefit society?—Of course, I cannot answer for anybody else.

152. You are satisfied with it yourself?—I do not see where I can draw the same benefits for the same contributions.

153. *Hon. Major Steward.*] Is it quite optional for anybody to join the society?—Certainly.

154. That is so in the rules, but, notwithstanding that, it is said that preference is given to anybody in the societies in the way of employment?—I do not say it is true, but I can understand it. I would not say it would be fair or right to turn me out after I have been in the service for twelve years, and other men not in the benefit societies kept on.

155. That is not the point. Suppose two men apply for employment, and one expresses his willingness to join the societies and the other does not, would preference be given to the man who expresses his willingness to join?—I do not believe it would.

156. Is it true, as stated by one witness, that there are some men in the employ who have been there thirteen years, and have not contributed to the provident fund?—Yes.

157. Then, if it is optional for any man to join or not, there is nothing to complain about?—Of course, there are some men who want to have the whole control; there is some dissatisfaction about the control. I myself never joined the society until I had thoroughly studied the rules, and saw it would be a benefit for me to do so.

158. What do the men desire with regard to the control of the provident fund: do they want to have the election of trustees, or what is it?—I do not know, I am sure.

159. Do you recollect any petitions being got up during the year of 1896 against the Private Benefit Societies Bill?—Yes; I am the man who went round with the petition.

160. Can you tell us why that petition was got up against the Bill?—I think it was about the 20th or 23rd April last year, just when Parliament began to sit, that notice appeared in the public papers that the Private Benefit Societies Bill was going to be brought forward again.

161. What did you understand by that?—That it was similar to the one brought forward by Mr. Millar, Sir George Grey, and Mr. Reeves, and every time this Bill had been brought forward before we had forwarded petitions against the passing of the Bill.

162. Why; because you thought the Bill would do what?—That it would deprive us of the benefits to which we had been subscribing for a number of years.

163. You were under that impression?—Certainly.

164. And it was for that reason you petitioned against the Bill?—Yes.

165. But supposing a Bill—we will not say that particular Bill—which would simply require all societies such as this to be registered and known to the law, and would not interfere with the operations of the society. were brought forward, would you object to it?—So far as I know, the company would not contribute towards the fund.

166. You know that the benefit society is registered in Sydney?—Yes.

167. Then, the company contributes notwithstanding that?—Yes.

168. If it has no objection to the society being registered in Sydney, and contributes notwithstanding, why should it object to these very rules being registered in New Zealand?—I do not suppose the company would object to the society being registered in New Zealand; it is the provident fund they object to being registered.

169. But supposing that the registration of this society took place in New Zealand, and it did not interfere with the carrying-on of this provident fund, would there be any objection then?—I was secretary of the benefit society last year, and I believe, so far as I can remember, I was informed that, if the Bill passed, and one society was required to be registered more than another, the company would not contribute to either, and that further, both societies would be broken up.

170. *The Chairman.*] Can you understand what reason the company has in subsidising these societies?—I have heard that Mr. Knox went to a great deal of trouble in instituting these societies, and I should like to go back. Some ten years ago it used to be the regular thing with us when perhaps a man would be ill, or something like that, and be laid up for several weeks, to get up a subscription-list at the end of every week. However, myself and several others who had some little experience of this kind of thing—when I was in London, before I came to the colonies, we used to contribute 3d. per week, and if we were ill we received the sum of 10s. per week, and we divided the funds at the end of the year equally between each member. I happened to have one of these old rules, and, on having a talk with several of the men, we tried to get up a society to prevent these subscription-lists coming round. That was the object of our first sick and accident fund during the time the house was being run by the New Zealand Sugar Company. Well, we had this society in existence some five years when the company, hearing we had such a society, and that a number of their other houses also had societies, decided, I believe, to amalgamate the whole into one society, to which they agreed to pay a subsidy of pound for pound.

171. Now, they had some motive: was it sheer kindness towards the men?—I do not see how it could be anything else, so far as the benefit society is concerned.

172. The provident fund is on a different basis?—In the provident fund you have no way of getting your money except by being discharged or death.

173. I want to try and get at this, because a previous witness has told us that the company would leave off the subsidy if the society were registered, and he told us it was because the company would lose its power: what power has it got?—I do not see myself; I am at liberty to leave to-morrow.

174. You would leave some of your funds?—No.

175. If you had been in the service four years and six months you would?—Certainly.

176. Do you not think that gives the company some power over the men?—I do not see that.

177. Supposing it did this out of sheer kindness of heart to help the men, can you tell us what reason they would have for withdrawing the subsidy if this society could be registered just as it stands?—I do not know what reason they would have unless it was the control of the money. One-half of the money from the provident fund is invested in the company in shares. Of course, the funds of the benefit society are entirely under the control of members, just as much as any other friendly society in the colony; but the provident fund is not.

178. *Mr. Fisher.*] Where are the accumulated funds of the private benefit society banked, and with whom?—They are banked by the trustees in Sydney.

179. Then, if that is so, why do you say the funds belonging to that society are under the control of the men?—What I mean by that is that there is a local committee elected by the members, and none but members of the society sit on the local committee.

180. Supposing a hundred workmen at Chelsea were to meet and pass a resolution demanding that the accumulated funds belonging to that society shall be distributed amongst the men, would effect be given to that resolution?—In the rules it distinctly states you must give six months' notice.

181. Suppose you gave six months' notice, would the money be distributed?—So far as I read the rules, the majority of the different local committees would have to give an opinion on that as well; you see it is a general fund.

182. Then, which do you prefer in principle, a voluntary terminable society, with a distribution of the funds at the end of twelve months, or a society such as this, which has its funds banked with the company?—Well, so far as the society goes, and so far as my principle goes, I am just as much satisfied with this society as I was with the other. I have that amount of faith in the company that I do not think they would treat me dishonestly unless I deserved it. No society in the colony can give me the same benefits as I am receiving from these two societies.

183. Then, all the men cheerfully subscribe to this benefit society?—Yes.

184. There is no objection?—They have to be three months in the employ of the company.

185. I believe deductions are made from their wages?—Yes.

186. And they consent quite cheerfully?—When this society was first formed, the secretary at that time being Mr. Hubble, each member on joining the society, after we had broken up the smaller society, was requested to sign a paper that he was agreeable to the contributions being deducted from his wages, and so far as I know each did so. I did so.

187. *Hon. Major Steward.*] The deduction is made at their request?—Yes.

188. *Mr. Fisher.*] Has there since been any complaint amongst the men in consequence of this deduction being made from their wages?—Not that I have heard.

189. *Hon. Major Steward.*] There are a few of the members who are not members?—Yes; there are a number of the employés who are not members of the benefit society. During last year I think I entered something like thirty new members.

190. *Mr. Fisher.*] I take it you have read the petition of Henry McLaughlan?—Yes.

191. What do you say generally as to the truth or otherwise of the statements in that petition?—I could bear out one statement—that is, that those hands who belonged to the fund would have preference of work in the event of a reduction in the number of hands.

192. Then he goes on to refer to pressure, coercion, dismissal, &c.: are any of these things true?—No; not to my knowledge. That petition, so far as I can see, is only the outcome of a letter sent to Mr. Pinkerton last session, which in my presence McLaughlan denied.

193. You remember the petition against the Bill?—Yes.

194. You say the men signed voluntarily and willingly?—I was home for a fortnight, and previous to my being ill the committee had been discussing the question of sending petitions to Parliament against the passing of the Bill. In April a general meeting of the employés was called to ascertain what action should be taken in the matter, and as we had sent a petition to the Hon. Mr. Swanson the year before, asking him to use his utmost endeavours to oppose the Bill passing through the Upper House, it was thought that I should write to Mr. Swanson, and ask him to do so again.

195. Did you carry round amongst the men a petition against the Bill?—Yes.

196. Did you have any difficulty in obtaining signatures?—None whatever. I merely said, "Will you sign," or "Do you wish to put your name to it," and if they asked me what it was about I read the petition to them.

197. Why was it necessary, if you experienced no difficulty in getting signatures to the petition, for Mr. Miller to take the petition into his office, and call the men in there one by one and ask them to sign it?—That was not signatures to the petition that was presented to Parliament.

198. Did anything like that take place in connection with any other matter?—Yes.

199. Why was it necessary for any signatures to be taken under that form of compulsion?—It arose through the telegram sent to the Hon. Mr. Seddon congratulating him on the Bill passing

through the House. We found by the Auckland *Star* that a telegram had been sent by one Henry McLaughlan. A couple of days afterwards I received a telegram from the Hon. Mr. Seddon, in which he told me that the Council had thrown the Bill out. This telegram was addressed to the secretary of the Colonial Sugar-refinery Company's benefit society.

200. Whether it relates to the petition you took round or whether it relates to the petition that Mr. Miller had in his office which the men were called in to sign, would these signatures have been given by the men if there had been no compulsion in the nature of being called into the manager's room and asked to sign by him?—I cannot say; I cannot give a direct answer to that, because I should not like to answer for other people. Besides, it was not a petition, it was a telegram to the Premier to repudiate the telegram sent by McLaughlan to the Premier.

201. *The Chairman.*] You did not sign that?—Yes; because I knew nothing about the telegram sent by McLaughlan.

202. *Hon. Major Steward.*] McLaughlan's telegram to Mr. Seddon was apparently on behalf of the employés of the works, who knew nothing about it, and the other telegram you refer to was to repudiate having authorised McLaughlan's telegram?—Yes.

203. *Mr. Fisher.*] Then, you cannot explain why the company wish to retain a hand in both these societies?—No, I cannot.

FREDERICK HUBBLE was examined on oath.

204. *The Chairman.*] You are in the service of the Colonial Sugar-refining Company?—Yes; I have been employed as a clerk there for the last eleven years.

205. I think the administration of the provident fund is in your hands?—I keep the books for the Chelsea branch, just an account of what the men contribute. There is only one secretary of the provident fund, and he resides in Sydney.

206. Have you a copy of the rules of the provident fund?—Yes [Exhibit 53].

207. You have nothing to do with the sick and accident society?—Nothing whatever.

208. What are your duties in connection with the provident fund?—The contributions are taken off the men's wages, and each man has a book, and I credit each man with the amount he pays.

209. *Hon. Major Steward.*] Is the deduction made with their consent?—It is made in accordance with the rules which each man has signed.

210. *The Chairman.*] After that is done, is the money then sent to Sydney to the treasurer?—The money is credited to the men in the ordinary way, and it is paid into the credit of the funds.

211. How long does it remain here in your bank account?—Of course, I do not know whether it is paid into a separate account or not; but we send particulars to Sydney every six months of the total amount credited to each man.

212. And these funds have to be invested by the trustees?—Yes.

213. *Hon. Major Steward.*] Do you remit the balance at the credit of the fund every six months?—We only account for the money received at the works. This is the annual report and balance-sheet [Exhibit 54] made up to the end of June, 1896. We shall have another soon.

214. *The Chairman.*] So all the money is invested in the company?—About half the money is invested with the company at 6 per cent. for them to do what they like with it.

215. So that really, if anything happened to the company, the whole of the men's provident fund would go?—I do not know how it is fixed at the other end. I can only state what is on the balance-sheet. I suppose we should come amongst the creditors.

216. Supposing you were going to start a society of this sort, to benefit the men, do you not think it would arise in your mind that if you invested the money which they had contributed in good security it would be safer than in a mercantile company?—I do not know; if the company be as successful in the next twenty years as they have been in the past I should say it is a very good thing.

217. There is always a risk?—But there is a risk in everything. I know persons who have invested in property, and have not realised all they put in. The company is very well managed; but, of course, you do not know what the future will be.

218. It seemed to me, in asking that question, that it would be hard upon a man, because if anything happened to the company they would not only lose their present employment but their past payments?—Of course, the company may have fixed it up in such a way that the men would not lose it. I do not think they have lent it outside the company.

219. *Mr. Fisher.*] But the future of no company can be positively assured?—Of course not.

220. As to the fund, what is invested in company shares?—£22,382.

221. Suppose this company failed, would you have any more preferential right than any other shareholder?—I am not in a position to say. I may allow you to say that.

222. When a man joins the service of the company, what is it he signs?—He signs the rules.

223. Does every man who enters the service of the company sign the rules on entering?—No; only when he joins the fund, and it is entirely optional whether he joins or not. There are eight or ten men who are eligible for this fund who are not members. It is compulsory for the salaried staff, but not for the daily workmen.

224. *Hon. Major Steward.*] Now, is it absolutely optional, or is preference given to those who do not join?—During the time I have been there the most we have ever had on the books were sixty-one, and in the employ there are about a hundred and twenty men and boys.

225. How many would be eligible if they wished to join?—There are only forty-nine on the books of the provident fund, and I should say there are about fifty-seven eligible—eight more.

226. As regards these eight, have they been long in the service or not?—They have been over two years, and one man has been there over thirteen years. Since the fund started at Chelsea thirteen have left of their own accord, and nineteen have been discharged in slack times. The total

amount received by the nineteen who were discharged was £150, and the thirteen who left on their own account received £50. Of the latter, eleven received half their contributions, which amounted to £25, but the nineteen who were discharged received the full amount.

227. I should like to get a definite answer to a statement made here—I dare say you will recognise the words—"that there is a benefit society established with these works." It was explained to us that it was the provident fund that was meant: "It is compulsory for all employes to join this society after they have been two years in the employ of the company. Though the company deny that they use any compulsion, still the compulsion is used, as in my own case I was informed, when I declined to join, 'that they intended to shorten hands soon, and the preference would be given to retain those who belonged to the society.' So I had to join or lose my position, though I pointed out that I belonged to the Oddfellows and Foresters." Is that a true statement?—I do not know whether that is true or not; I do not think so. I have never heard anything of that. I know nineteen men have been discharged in slack times who belonged to that society.

228. It has never been in your experience that any compulsion has been used with wages-men to make them join?—No; I have never known any compulsion. When the fund started in 1890 ten men gave in their names at once.

229. There is another thing I would like to ask you: It is alleged that certain petitions were presented against the Private Benefit Societies Bill of 1896, and that the employes were practically compelled to sign those petitions: do you know of any such compulsion?—All I know about it is that the men started the petition first of all; they got it up and they brought it round to the men, and they signed it. I was never asked to sign it.

230. The petition was not promoted, then, by the company itself?—Not to my knowledge.

231. Referring to the benefit society, this society is registered under the Friendly Societies Act in Sydney?—Yes.

232. Do you see any reason why that society should not be registered in New Zealand—that is to say, with the same rules?—For myself, I do not. Of course, the company contribute one-half, but I dare say it could be managed just as well. I see no objection.

233. Then, is there any ground for the statement made by some of the witnesses that they believed that the company would object to registration, and that even if it were registered without any alteration as to its constitution they would immediately withdraw their contribution?—They may not object to the benefit society being registered, but of course the provident fund is a big thing. You see, there is a lot of money, and the company subscribe pound for pound.

234. Taking the sick benefit society, with its rules as they now stand, do you see any reason why the company should cease their contribution?—No; for if you take one half-year the men more than absorb what they contribute to it. They only contribute 3d. per week, but the sick-pay is more than that.

235. We have been given to understand that the men signed the petition against the Bill under the belief that the Bill, if passed, would immediately put an end to this society: do you know whether that was so or not?—I do not recollect anything about that.

236. Did you sign any such petition?—Yes.

237. What was your impression when you signed it as to the effect of the Bill?—I thought the company might stop their contributions.

238. Why should the company stop?—When they subscribe so much it is only reasonable that the company should have some say in the management.

239. I am saying if it were registered as it now stands?—I do not see why they should object if the thing is vested in the company just the same.

240. On the other hand, would it not be an advantage to have the brand of the Legislature on the society?—The men thought at the time that if it were registered in New Zealand it would mean that the men would have the control of the money, and the company would not agree to that.

241. *The Chairman.*] Do you know what actuarial authority the company had in framing the contributions—I mean, whether the fund is good enough to meet the cases of a great many men who are in the prime of life now, but who when they get old will require pensions?—We have an actuarial report here. He says, "I find that the fund is at present sufficient to allow pensions to be paid to members entitled to such other than to those who have served in the tropics at the rate of a hundredth for each year of service of the average yearly salary, and emoluments upon which subscriptions have been paid; such pensions to be entered upon at the age of sixty or earlier, in accordance with the provisions of Rule 21, in case of members disabled or incapacitated after ten years of service."

242. Do you know the name of that actuary?—His name is Mr. E. M. Moors, M.A., A.I.A. As regards the tropics, there is another rule under consideration, which has been before the local committee, and they are making new rules. Of course, the more men who leave the better it is for the society, as the trustees point out, "With reference to the rate of pension fixed by the actuary, which is much below that expected when the fund was established, the trustees would point to two matters that have not in their opinion been taken sufficiently into account. In the first place no allowance has been made for the sums that must in future revert to the fund through resignations from the company's service, though the revenue from this source, after repaying the contributions to members in question, was, during the first five years, £2,500." Every member who leaves only withdraws the money he has paid in, while the company has paid pound for pound on what he has paid in.

243. *Mr. Fisher.*] Do you know how many, if any, beneficiaries there are under the pension portion of this scheme?—There are none at Chelsea, and I am not in a position to say what there are in other places.

244. *The Chairman.*] Do you know how many widows have received a pension out of this fund?—Two; I am not sure whether the last has received all yet, but it is in process of payment. It is left to the trustees. I know one widow was paid a lump-sum.

245. Are you a member of a friendly society?—No.

246. Do you know if any of the men are?—Yes, a good number.

247. Do you hear any grumbling about having so many funds to subscribe to?—Yes, there has been some grumbling.

248. *Mr. Fisher.*] The men at the Chelsea works, you say, are contributors according to their wages?—Yes, it is $2\frac{1}{2}$ per cent. on their wages.

249. But the workmen numerically exceed greatly in number the men who are in receipt of high salaries?—Yes; but they pay in the same proportion.

250. Although numerically very much stronger, what control do they exercise over the funds banked with the company?—I do not know that they have any control; the money is just invested in the company.

251. Your answer depended on this further question I was going to ask you—namely, how could they possibly have any control?—Of course, the rules would have to be reconstructed altogether if the men were to have control.

252. I should say these rules would have to be reconstructed out of existence altogether?—Yes.

253. It seems to me that the contributors have no control over the funds?—None whatever.

254. Can you give any reason why the company insist upon maintaining the responsibility of the employé's benefit fund, and in particular this employé's provident fund?—I am not in a position to say. On the other side, in the other refineries, they say the thing is very popular with the men; they know the trustees, and have more faith in the thing.

255. *The Chairman.*] There are £22,000 invested in shares in the company?—Yes.

256. Supposing the company were to fail, the £22,000 on deposit would be owed by some of the shares of the other £22,000; one would be the creditor of the other?—It looks so.

257. *Mr. Fisher.*] Are the shares taken up by the fund in this company fully-paid-up shares?—Yes, and the dividends are credited. The dividends received in the funds altogether since the fund started amount to over £5,000, and the company also paid interest to the extent of nearly £5,000.

258. This is distributed over all the branches?—Yes.

259. *Hon. Major Steward.*] In the event of a subscriber wishing to retire from the provident fund without retiring from the company's service, could he withdraw any part of the money he has paid in?—According to the rules he could not. He would have to leave the service.

260. *Mr. Fisher.*] We have the evidence of many of the highest officers of the Bank of New Zealand that the whole of the staff throughout New Zealand are compelled to contribute to a fund for the benefit of about twenty pensioners: does it appear to you that the position is about the same here?—Well, I do not know that any one is receiving a pension at present. Of course, it may be so.

261. Does it appear to you it will probably work out that way?—It is hard to say what may be done. Of course, they keep on leaving and changing hands, which is all the better for those who remain.

262. *Hon. Major Steward.*] I understand they could continue to pay in after leaving the service?—Not into the provident fund.

263. *Mr. Fisher.*] Does that mean that if a man has been paying in for thirty years he would get the whole of his contributions back?—Yes; a man only gets back what he has paid into the fund, and the amount the company have put in as subsidy remains there.

SAMUEL SLIMMOND KINNAIRD was examined on oath.

264. *The Chairman.*] What position do you hold in the Sugar Company?—I am a sugar-boiler.

265. Have you been there long?—I have been with the company for about nineteen years.

266. You know the benefit society and the provident fund in connection with the works?—Yes.

267. Are you an officer of either committee?—I only belong to the provident fund; I do not belong to the benefit society.

268. Is it your opinion that this fund is received favourably by the great majority of the men?—I think by the majority.

269. They consider they have benefits to gain quite equivalent to their contributions?—I think the benefits we gain are sufficient for the $2\frac{1}{2}$ -per-cent. contribution.

270. Were you present at the works when the petition was taken round against the Private Benefit Societies Bill of 1896?—Yes.

271. Do you know whether the men took it round of their own will, or whether it was done by the company through their officers?—If I mind rightly, there was a meeting of the men, and it was decided to have this petition sent down. I was not at the meeting.

272. The initiative, so far as you know, was from the men?—I think so.

273. Was there not a person who took a prominent part in the explaining to the men the nature of the Bill they were petitioning against?—I do not know.

274. Did you sign the petition?—Yes.

275. What was your object? Did you consider the Private Benefit Societies Bill would hurt the provident fund?—Yes; I thought the provident fund was a very good thing, and I did not want it destroyed.

276. Why did you think it would be destroyed? Did you think, if the Private Benefit Societies Bill passed, the company would withdraw their contribution?—My idea was that if the Bill became law we would have to give up our membership in the thing altogether.

277. Have you read the Bill?—No; but that was my impression. I do not know that I have ever seen the Bill.

278. You had no idea that if the Bill passed the company would withdraw their contribution?—I had no idea; I only thought it would destroy our branch of the fund.

279. Have you seen that petition which Henry McLaughlan sent down to Parliament?—No.

280. You have not even an idea of what the gist of it was?—I saw by the papers.

281. That is a fairly full account of the petition: is it your opinion, in the main, that the statements made by Mr. McLaughlan, except as to his having been discharged, which I may tell you he withdrew, were true or untrue?—I think they were untrue, so far as I know. I have advised men for their own good to join it.

282. You have always heard the society spoken well of?—Yes.

283. Why did you not join it? Are you an Oddfellow or a Forester?—No; but I have otherwise provided for myself.

284. Then, I understand, if the Private Benefit Societies Bill had been just for the purpose of legalising the constitution of the society, without altering it in any way, you would not have objected?—No.

285. You are one of the local committee?—Yes.

THOMAS WEBB was examined on oath.

286. *The Chairman.*] What is your occupation?—I am contractor at the sugar-works.

287. Does that mean you are not on regular pay?—No; they give me so much a ton for the work done.

288. Have you seen the petition that Henry McLaughlan sent to the House?—No.

289. I might, perhaps, read you a few words of it, as I want to get your opinion as to the truth of it. He says, "There is a private benefit society established with the sugar-works. It is compulsory for all employés to join this society after they have been two years in the employ of the company. Though the company deny they use any compulsion, still compulsion is used, as in my own case I was informed, when I declined to join, 'that they intended to shorten the hands soon, and preference would be given to retain those who belonged to the society.' So I had to join or lose my position." To your knowledge, is that statement true or false?—I never knew the company to use any persuasion to make a man join.

290. Even if the compulsion was to be in the way of preference for employment?—That might be the case; I think it would be only natural to retain men who belonged to the society when slacking off hands. I would do so if the matter rested with me.

291. *Mr. Fisher.*] Do you know McLaughlan personally?—Yes.

292. Is he an evil-minded man or a prevaricator? The point of the question is this: Is he a man who, from evil intent, would invent such a story as is contained in this petition?—I have never known him to tell an untruth to me.

293. *The Chairman.*] You think he would not do this thing wilfully?—No; I think a lot of the fellows egged him on.

294. He says, "This was the feeling of the employés at the works, but still they were compelled to sign letters and petitions against the Bill at present before your honourable House, and I amongst the rest." Do you know of any such compulsion?—Yes.

295. You remember the petitions going round?—Yes.

296. Did you sign any?—Yes; I signed the first one.

297. Was any compulsion used?—Not with me.

298. McLaughlan says, further, "Letters and petitions against the Bill were drawn up by the employers and brought to us to sign, and when there was any demur as to signing we were taken in one at a time to the manager's office, handed a pen, and told to sign"—Yes, I remember about that; it was a petition to repudiate a congratulatory telegram sent by McLaughlan to Mr. Seddon, and those of the men who did not sign it were called before Mr. Miller and asked their reason for not signing. That is all I know about it; I had already signed, and was not asked.

299. *Mr. Fisher.*] But it is, then, within your knowledge that men were called into Mr. Miller's office and asked why they did not sign?—Yes.

300. Did they sign then?—I cannot say.

301. How is it that witnesses who are on the works, and who ought to know as much about the matter, have appeared before us and said they knew nothing about being called before Mr. Miller?—The petition was on the table on Friday night, and when I went in to draw my pay the clerk told some of the men that Mr. Miller wanted to speak to them.

302. Would it not appear to you singular if men on the works appeared before you and said they knew nothing about that?—I think they all knew of it pretty well.

303. It means that the men could speak more fully if they chose to do so?—I only know they told me.

304. *The Chairman.*] Would you consider that the manager calling the men in and asking them why they did not do this or that would have a very strong influence in men in such a matter?—I suppose it would; some of them did sign both petitions, simply because they were asked.

305. *Hon. Major Steward.*] I think you said only those persons were called in whose names were not appended to the petition?—That is what I understood.

306. Would it not appear that witnesses who came here and said they knew nothing about it were men who had signed the petition and were not called in?—That is so.

307. *The Chairman.*] It is not within your knowledge that any man has ever been dismissed from the works because, on account of holding certain political opinions, he would not sign petitions or anything of that sort?—No. The only time I knew about McLaughlan's case was when we saw a telegram in the paper, and we knew very well what would happen then.

308. I wish you would explain that?—We saw a telegram congratulating Mr. Seddon on the Bill having passed the Lower House, and we thought he was bound to get the run for that.

309. In his evidence he said he requested his own dismissal?—I know nothing about that.

310. You thought that if he did not so request he would get there all the same?—I suppose so.

311. Is it within your knowledge that there has been considerable grumbling amongst the men as to the provident fund?—There has been a bit of grumbling.

312. Is it because they have no control over the fund?—Yes; and another thing, some of the men after being in the provident fund have a certain amount coming to them, and they like to get it.

313. You think they would leave their employment in order to get hold of a lump-sum of money?—Yes; I know some of them have done so.

314. *Mr. Fisher.*] Although this amount, after being there for five years, is £15 or so: who are the most likely to reach pension age, and derive the most benefit from the £40,000 on deposit, the fixed staff or the men in the works?—I think the fixed staff will live longest.

315. Can you give me any idea as to the average time the men remain in the service?—I have been there about thirteen years.

316. Can you give me, roughly, the time the average man remains in the service?—Some of them have been there since the works started, and some five years, and some six years. The majority if they get into a good easy billet keep it.

317. Are there many who enter the company's service and leave it after one, two, three, or four years?—Yes.

318. Would they form the majority, or would those who remain over five years form the majority?—The latter form the majority; in Sydney they have one man who has been there over forty-one years. I know of several who have been there over twenty-five years.

THURSDAY, 1ST JULY, 1897.

BANK OF NEW ZEALAND OFFICERS' PROVIDENT FUND.

The following letters having been received by the Chairman, were read by him, and ordered to be added to the evidence:—

SIR,—

Cathedral Square, Christchurch, 25th June, 1897.

In the interests of the ex-officers of the Bank of New Zealand who have voluntarily retired without receiving any benefits from the provident fund I desire to draw the attention of the Commissioners to the fact that under clause vii. of the deed of settlement it is provided that the interest acquired by any officer who might resign should revive immediately upon his reappointment. If I read the clause correctly, an ex-officer who (like myself) had contributed to the fund for, say, fourteen years and a half would, upon rejoining the bank and completing six months' additional service, be entitled to receive the pension claimable by an officer of fifteen years' standing or over should he again retire from ill-health or other physical disability; and his first period of service would also be counted in determining the amount of the pension to be granted upon his compulsory retirement at the prescribed age. I therefore hold that every person who has contributed, unless he be debarred by age or other causes from re-entering the service, has a contingent interest in the fund, and, consequently, that the division of the assets amongst the present officials (which, I understand, has been proposed) would be a very iniquitable proceeding.

As it would appear from the evidence that membership is no longer obligatory, I think the right way of dealing with the matter would be to divide the assets amongst all who have contributed in proportion to the payments exacted by the bank, especially as an alteration of the settlement in the direction of increasing the benefits might operate unjustly towards those who had previously retired.

I have ventured to address you on the subject in order that the claims and interests of the ex-officers may not be overlooked in the formulation of any scheme for the abolition or reconstruction of the association.

I am, &c.,

WALTER I. MOORE,

The Chairman, Royal Commission on Private Benefit Societies, Auckland.

DEAR SIR,—

C/o Mrs. Stirling, Alton Road, Auckland, 30th June, 1897.

In view of the inquiry at present taking place into the working of private benefit societies, it was my intention, as an ex-member of the Bank of New Zealand Provident Fund of over fourteen years' standing, to have tendered evidence, but, having been suddenly called away on urgent business to the Great Barrier, from which place I cannot return to town before Thursday, the 8th proximo, I beg to submit my statement in writing, and shall be prepared, if necessary, to subsequently confirm the same on oath.

I joined the Bank of New Zealand in 1882, and regularly paid my subscription to the bank's provident fund, of which I had been forced to become a member, until February, 1895, when I resigned. In May, 1896, I rejoined the service at Blenheim branch, and my interest in the fund was revived.

About three months ago, owing to the death of my mother at Auckland, I was compelled to immediately proceed to that city to attend to the funeral, wind up the estate, and look after my unmarried sisters, who were without a protector. For this purpose I applied at head office for transfer to the Auckland branch, an arrangement which the local accountant assured me could easily have been carried out, or, at any rate, for two or three weeks' leave to enable me to adjust matters. My application was in both cases refused, and I was consequently obliged to tender my resignation.

Before I could draw the salary due to me I was forced to sign a memorandum resigning all interest in the provident fund. I would particularly point out that my membership to the provident fund was under protest, and my resignation as an officer of the bank compulsory under the circumstances, and I therefore consider that, in the event of the fund being split up, I am morally entitled to some compensation, or, at any rate, a refund of my contributions.

Commending the above to your favourable consideration,
The Chairman, Private Benefit Societies Royal Commission, Auckland.

I remain, &c.,

HENRY WINKELMANN.

RICHARD JOHN MOVERLEY was examined on oath.

1. *The Chairman.*] Are you in the employ of the Colonial Sugar Company?—Yes.
2. What is your position in the works?—A labourer.
3. Have you been long in that service?—About three years and five months.
4. Do you belong to either of the benefit societies which run in connection with the service?—I belong to both.
5. Have you heard any grumbling amongst the men as to the subscription to the provident fund?—Yes; I have heard some of them growl about the provident fund.
6. Lately, or was it just when you entered the service?—Well, some of them are always ready to growl about it.
7. Do they grumble because they have to subscribe, or because they have no say in the management of the fund?—If you really ask them they could not tell you.

8. It was just from sheer cantankerousness?—I do not know, but some of them would say they considered the men did not control the funds; and then, again, others would say they were compelled to join it, and they did not believe in being compelled.

9. They did not give you any idea of what the compulsion consisted?—That is what they cannot do.

10. *Hon. Major Steward.*] Is it true they are compelled to join?—Not that I am aware of; I was not compelled to join.

11. *The Chairman.*] If you had not joined voluntarily, do you think you would have been compelled to join?—I do not think so.

12. *Hon. Major Steward.*] As a matter of fact, there are some in the service who are not members?—Yes.

13. And some of them have been there a long time?—Yes, I believe so.

14. *The Chairman.*] Are you a member of any other friendly society besides?—No.

15. You consider these benefits are sufficient without joining any other friendly society?—Yes; I have always been satisfied.

16. Have you any idea what would become of the funds of the society, or how much of your money you would get back, if misfortune should overtake the company?—No.

17. Were you present at the works when a petition was sent round asking that the Private Benefit Societies Bill should not pass?—Yes.

18. Did you sign that petition?—Yes.

19. Did you understand that if the Private Benefit Societies Bill passed it would have the effect of breaking up your benefit society?—Well, I do not know about breaking it up, but when I heard the Bill of 1896 read I understood that the company would be compelled to register their society in New Zealand, and that they would stop subscribing to the funds.

20. Why should they withdraw their subsidy?—I really do not know.

21. I suppose the notion in your mind was that they would not have such complete control over the funds as they now have; the funds are invested with the company?—I believe so.

22. And your notion was that if they could not handle these funds as they are doing now they would not subscribe any longer to the society?—Well, yes, that was about the truth of it.

23. Do you know Henry McLaughlan?—Yes.

24. What is your opinion of him generally: is he a straightforward sort of man? Do you think that in causing this petition to be presented to Parliament he was doing it in honour and good faith?—Is it necessary that I should give my opinion of McLaughlan?

25. No; I only want you to give us your notion as to whether he is a careful man or a deceitful man?—I would not like to say.

26. *Hon. Major Steward.*] As a matter of fact, I suppose you saw the petition he sent to Parliament?—No.

27. He states in it that there is a private benefit society—he means by that the provident society—with these sugar-works, and continues, “It is compulsory for all employés to join this society after they have been in the employ of the company two years. Though the company deny they use any compulsion, still compulsion is used, as in my own case I was informed, when I declined to join, that they intended to shorten hands soon, and preference would be given to retain those who belonged to the society. So I had to join or lose my position.” Are you aware of any such compulsion having been used at any time?—No.

28. I suppose you know the rules provide that, as regard wages-men, none are compelled to join the society unless they like?—No man is compelled to join that I can see.

29. And you are not aware of any one being compelled in this way: that preference would be given to any one belonging to the society?—Not of any man being told so by the manager. I believe it was said that men who joined the society would get the preference of the work if they were discharging hands.

30. That is, that they would retain those in the society rather than the others?—Yes.

31. There is a further statement in the petition: “This was the feeling of the employés at the works, but still they were compelled to sign letters and petitions against the Bill.” Do you know of any such compulsion being used?—No.

32. McLaughlan says, further, “Letters and petitions against the Bill were drawn up by the employers and brought to us to sign, and when there was any demur as to signing we were taken in one at a time to the manager’s office, handed a pen, and told to sign. I told the manager that it was against my convictions and will that I was signing, but he said I must sign.” Was any such compulsion used in your case in regard to the petitions?—None whatever.

33. Do you know of it being used in regard to any one else?—No one ever told me from their own lips; of course, you hear all sorts of rumours about the works.

34. Have you heard of any man being called into the office by the manager?—I have heard the men say so.

35. *The Chairman.*] It was just a rumour in the air: was it used by any one in authority?—No.

36. It was a rumour amongst the men themselves that those who belonged to the society would have preference of work?—It was stated by Mr. Harris when he took round his petition; I do not know whether he was authorised to say that. At least, that is what I have been told; he never said anything to me about it.

37. Do you consider that, as the men pay half the money into the funds and the company provide the other half, more representation should be given to the men in regard to the investment of the trust fund?—That, of course, I cannot say. I have been satisfied with it myself. I prefer to leave financial matters like that to the company.

38. But, apart from the money matters, which are generally a pure matter of faith as compared with the rest, if the whole thing could be put on a legal basis, and the representation could be more

in accordance with the amount contributed, do you not think that would be fairer than at present?—I think cleverer men than me should decide that.

39. *Hon. Major Steward.*] To make such a change as that would require the consent of the company?—Yes.

40. If it were made without their consent they would object?—Yes; we were led to understand that if a change were made they would withdraw their contribution.

41. *The Chairman.*] Do you know of any man belonging to the Oddfellows or Foresters or other friendly society who has had to drop his contribution to his lodge on account of having to contribute to this fund?—No.

42. Are you a member of the committee?—No.

ALEXANDER ROLLO was examined on oath.

43. *The Chairman.*] Are you in the employ of the Colonial Sugar Company?—Yes.

44. What is your position?—I am master of their steamer.

45. Do you belong to the benefit society?—No.

46. Do you belong to the provident fund?—No.

47. Are you paid weekly or monthly wages?—Weekly.

48. How long have you been in that service?—A little over seven years.

49. Have you ever been asked to join either of these societies?—I have been asked on several occasions by both the managers, Mr. Philson and Mr. Miller.

50. What argument did they use?—They just asked me to join it.

51. Did they tell you that your position would be better in the company?—No.

52. They simply told you of the benefits?—They asked me to join the society, and I said I was insured in the A.M.P. Society, and had quite sufficient to do to keep up that.

53. Do you belong to any friendly society such as the Foresters?—No.

54. *Hon. Major Steward.*] There has been no attempt at compulsion?—No.

55. You are a sailor?—Yes.

56. Do you think, if you were a workman at the refinery, you would be in exactly the same position as you are now in regard to joining or not joining?—That I cannot say.

57. Did you ever hear amongst the men any grumbling at what they called being compelled to join the society?—I have not.

58. Do you remember a petition being got up in April against the Private Benefit Societies Bill?—I heard of it.

59. Did you ever see it?—No.

60. Were you ever asked to sign it?—No.

61. Do you know if there are many more men in the employ of the company who are not in the provident fund?—I think there are very few—only the engineer with me, so far as I know personally. There may be others.

62. I suppose you are not actually employed in the works in any way?—We are not employed in the works at all. I just take the sugar from the works at Chelsea and deliver it at the wharf here.

JOHN HENRY STUBBS was examined on oath.

63. *The Chairman.*] What is your employment?—I am engineer of the s.s. "Kotuku," belonging to the Colonial Sugar Company.

64. You have been some time in the service of the company?—Five years next month.

65. Do you belong to either of the benefit societies?—I belong to the benefit society.

66. You joined that of your own free-will, thinking it was a good thing?—Yes; I was never asked to join.

67. You are still of opinion it is a good thing?—Yes.

68. You are not a member of the provident fund?—No.

69. You have never been asked to join?—Yes.

70. You declined to do so?—Yes.

71. Can you tell us why?—I was not in a position at the time to join.

72. You could not spare the money?—I could not.

73. Are you insured in any other way?—Not myself, but I have other insurance to meet.

74. *Hon. Major Steward.*] Are you paid weekly wages?—Yes.

75. No pressure has been brought to bear to induce you to join the provident fund?—No; Mr. Miller came down and asked me to join, and I said "No."

76. *The Chairman.*] Was it represented to you by Mr. Miller that you would be in a better position in regard to the company if you joined the provident fund?—No.

WILLIAM JOHN WILLMOT PHILSON was examined on oath.

77. *The Chairman.*] What is your position?—I am manager of the Colonial Sugar-refining Company in New Zealand.

78. Have you held that position long?—Roughly speaking, about thirteen years.

79. You remember, then, the origin of the employés' benefit fund and the employés' provident fund?—Yes.

80. Most of your men, I believe, belong to the benefit society?—Yes; I should say pretty well all, so far as I am aware. I have no record, of course.

81. Have they joined quite voluntarily?—Yes.

82. So far as your experience goes, it has been a benefit to the men?—Most certainly.

83. With regard to the provident fund, was the same desire shown by the men to join this as the benefit society?—Well, at first we did not find the men take to it.

84. Did they give any reason why?—No; we put it down more to carelessness—that they were not desirous of studying the rules to see what benefits they would derive. You know you do find

men sometimes who have made no provision for the future, and who, if you bring proposals before them to show them how they can benefit, seem careless about it. They seem to think a shilling in hand better than a pound in the future, though that is more the case with young men who do not think about making provision for the future.

85. I wish to ask you about the funds. It seems to me that if the company contribute half to the men's half the men should be better represented in the disposal of the funds: do you see any reason why the company should keep the whole control or management of the fund in their hands?—I can hardly answer the question, of course. The fund is not entirely under the control of the company, because the members of the board of trust are officers in the company and workmen in the company. For instance, Edward William Knox is general manager, Waldemar Henrik Rothe is a clerk, Thomas Utrick Walton is the chemist. These three men represent the various departments of the business. The general manager represents the directors of the company, Mr. Rothe represents the ordinary staff of the officers, and Mr. Walton represents the chemical department, which is a large department in itself. Then, George Henry Robertson and William Dickie represent the men.

86. *Hon. Major Steward.*] These men, being foremen, are chosen under the rule which says that two of the trustees shall be foremen of the Pymont refinery: how many foremen are there in the Pymont refinery?—That I cannot say; probably between eight and a dozen.

87. Then, they have the choice amongst eight or twelve for those two?—Yes.

88. *The Chairman.*] The rule says that the two foremen who are trustees are not to be members of the local committee, and are to be chosen by the directors of the company: do you really think that the board of management, consisting of the general manager and other high officers of the company and two representatives, not exactly of the men but overseers of the men, chosen by the directors of the company, would be anything like a fair representation of the men, considering that the men themselves subscribe to the funds?—Of course, I would say that the reason for such a rule is that most probably these men are chosen for their business capabilities.

89. *Mr. Fisher.*] These men are the brains of the company?—I should think so; they represent the most intelligent in each department of the company's service. It would never do to choose men absolutely ignorant of finance to control the fund. They would be simply useless on the board.

90. *The Chairman.*] I can understand that if they had anything to invest, but in this case it seems that half the amount of the fund is in shares and the other half is lent to the company, and the amount of brains required for a financial operation such as that is not large?—I do not know; I fancy the reason that the money was placed on debenture by the company is because it is the best investment they can get.

91. Still, is it not the case, to use a vulgarism, that they have all their eggs in one basket, so that if anything should happen to the company the men would lose not only their employment but the savings of years?—The same would apply to investments in the A.M.P. Society or any other insurance company, but with this difference: that there would be no liability on the shares of the Sugar Company. In the A.M.P. Society, I believe, if they were to come to grief in their operations, they could draw upon you for their liabilities.

92. These shares are fully paid up?—Yes, there is no liability.

93. So that the men would not be further liable for the other £22,000?—No, I would like to make a further remark about that, because one of the clerks said something about further liability on the shares in the company. There is no liability on the shares. This man assumed that not only would the men lose their contributions, but would have a further liability on their shares. That is totally erroneous; there is no further liability on the shares whatever. They are fully paid up.

94. *Mr. Fisher.*] Can you make any statement in regard to the petition of Henry McLaughlan, which really is the basis of this inquiry?—You would like to know what led up to this petition, or, rather, what led to Mr. McLaughlan making the petition?

95. Yes; the whole substance of the petition is contained in paragraphs 3, 4, and 5—first as to the coercion used in compelling men to join the society, then letters and petitions got up on the sugar-works as against the Private Benefit Societies Bills; it is really confined to these two points?—This Bill, of course, has been up before Parliament three times, and, naturally, on each occasion of the Bill appearing the local committee of the society called a meeting of the men, and at this meeting resolutions have been passed praying the House not to pass the Bill, or, if it was necessary to pass the Bill, to exempt the sugar company from its operations. On each occasion a petition has been signed without any attempt at coercion. The secretary of the committee, as the executive of the committee, I suppose would take this resolution round to the men, and would ask them to sign their names at the bottom of it, and there would be nothing to prevent a man refusing to sign it. Any man is at perfect liberty to refuse to sign such a document. There is no coercion used. On the two first occasions this petition was signed and sent to Wellington, and on the third occasion it was signed in the same form, and the signatures were got in exactly the same way as previously.

96. *Hon. Major Steward.*] No man has ever been dismissed for refusing to sign, or threatened with dismissal?—Never; no such thing would occur. I think it was a few days after this last petition was sent that a small notice appeared in the *Auckland Star*, in the evening, stating that "The following telegram was sent to the Premier last evening: 'Congratulate you on the passing of the Bill.—H. McLAUGHLAN, Secretary.—To the Hon. Mr. Seddon.'" On seeing this telegram in the paper I, as a member of the provident fund—not of the benefit society, because officers are not admitted to the benefit society—naturally felt astonished, and on looking at the thing again I thought this must be irony. Next morning I connected with the refinery by telephone, and inquired the meaning of it, but could obtain no information about it. Well, the telegram having been sent, it naturally put the committee, who had sent the petition, in a very awkward position. They had represented to the House in Parliament assembled that the men who had signed this

petition were desirous that the Bill should not pass, and that the men should be allowed to have the benefit society and the provident fund unchanged. The only course that seemed open to us was to ask McLaughlan whether he signed this telegram, and on being asked he said, "I did send the telegram," and I think he said, "I suppose I am to be dismissed," or "I wish to leave." However, Mr. Miller will be able to tell you which. Well, Mr. Miller came to me at the telephone, and said, "McLaughlan admits the fact of having sent the telegram, and wishes to be dismissed, or has expressed the opinion that he is to be dismissed." I said, "McLaughlan's offence, if it be an offence, is not against the company, but an offence against his comrades; and, further, the company has no voice nor inclination in the matter." Well, when Mr. Miller told the man this he (McLaughlan), as far as I can remember, gave a week's notice to leave, and I believe Mr. Miller said, "Well, Harry, in a fortnight's time your five years in the provident fund will be up, and you will be able to draw the whole of your contributions in accordance with the rules." And so it was agreed upon. The next thing that appeared in the newspapers was a copy of an outline of the petition sent by McLaughlan, and some remarks made by Mr. Pinkerton in the House, which contained such a gross misstatement of facts that McLaughlan was again sent for, and he was asked, "Did you make these statements?" He denied them point-blank, and said, "I have a copy of the letter," which he promised to produce. Further, failing to produce the letter, or to verify his statement that he was not responsible for the untruths contained in the published report of the petition presented by Mr. Pinkerton, Mr. Miller told McLaughlan that, as he had deliberately told a falsehood, "We will pay you your wages up to the end of five years, and you can take your dismissal from now."

97. *Mr. Fisher.*] Then, following up the point of your last statement, what do you say to this, which is in the petition of McLaughlan, and which is a part of the petition he does not withdraw: "Later on he again called me up and said, 'After what you have done in regard to the Bill it will be impossible for you to stay on here any longer.'" Will you please give us, in your own language, your statement as to the truth or otherwise of these words of McLaughlan?—I can give no opinion on that. Mr. Miller will be able to explain that. I will tell you what probably was the cause, not with reference to his attitude as regards the Bill, but as to his attitude in having made statements which Mr. Pinkerton was supposed to have uttered, and having denied them, and yet, not having produced his letter to refute these statements—a man who would do that sort of thing, and who was allowed to go about the machinery, might do the company an incalculable lot of harm.

98. Taking your statement as to the falsity and non-production of the letter, it follows that these statements must be false: is that so?—As regards the statement, "It would be impossible for me to stay on here any longer"?

99. Yes?—McLaughlan's statement that he had been dismissed by the company for sending the telegram, and that the men were coerced into signing the petitions, was false. McLaughlan gave the manager of the refinery notice that he wished to leave. Finally, being unable to produce his letter, he was dispensed with before the notice expired, but his wages were paid up to the date of the expiration of the notice.

100. If your version is a truthful version, it follows that this man's must be false?—This statement was made as regards Mr. Miller, and, of course, I cannot say that Mr. Miller made such remarks. I can only say it is most improbable he did make such remarks.

101. I am only putting it that both versions cannot be true?—Quite so.

102. *The Chairman.*] In paragraph 5 of the petition he states, "Letters and petitions against the Bill were drawn up by the employers and brought to us to sign, and when there was any demur as to signing we were taken in one at a time to the manager's office, handed a pen, and told to sign"; but in his evidence he stated that it was not any petition but a disclaimer or protest in regard to the telegram which he had sent to the Premier. We have asked certain witnesses about this, and some of them told us they had not been called in, and consequently it was not within their personal knowledge. Is it within your personal knowledge that men were called in to sign a document by the manager, and asked by him why they did not sign it?—You will understand the position we were in when the telegram appeared in the paper. This would come between the time when the telegram appeared in the evening paper and we saw it the next morning and the ultimate suspension of McLaughlan. You can understand, then, the feeling of uncertainty that prevailed in our minds as to the fact of a petition having been put before the House presumably signed by 90 per cent. of the men and a telegram purporting to come from the employés and signed by McLaughlan as secretary.

103. McLaughlan not being secretary at all?—So far as we knew, there could be no such person in the refinery; there could be only one secretary. Friday, being our pay-day, was a day peculiarly well adapted for the purpose of getting all the men, and, as far as I am aware, the petition or disclaimer was laid on the counter—I cannot say whether on the pay-table or on the manager's table—and as each man came in he was asked to read the telegram which protested against their names having been put on the other telegram, and they were asked if they approved of this telegram to sign it.

104. That was all?—Yes. As to putting a pen into the men's hands and telling them to sign it—well, if we did desire to make men do what we wanted we would not go about it in that way; the workmen are much too independent for that. The fact is, as I have stated, there was no compulsion. It was desired to get an expression of the opinion of the bulk of the men, and pay-day was a very good day for the purpose of getting this opinion.

The Chairman: I do not agree with Mr. Philson as to compulsion; I think when an employer has a paper lying on his desk, and men are asked what reason they have for not signing that—

Witness: They were not asked that. I say a telegram protesting against their names being included amongst the names of those having sent the previous telegram was lying there, and as the men came in to be paid they either expressed their disapproval of the thing and signed it or did not

sign it. But as regards carrying it beyond that Mr. Miller will give you decided statements. I am quite sure of this: that Mr. Miller would not have taken it upon himself to put a pen into the men's hands and ask them to sign.

105. *Mr. Fisher.*] We have this in evidence, and we can only take your opinion on this statement: "That if the majority of the men had had perfect freedom to express their own will, instead of signing the petition against the Bill, they would have signed a petition in favour of the Bill"; what is your opinion in regard to that statement?—I would say that it is quite news to me.

106. *The Chairman.*] In fact, you would not believe it?—I would not believe it.

107. *Hon. Major Steward.*] You referred to the Bill that was brought in in 1896 by Mr. Seddon, and also to the previous Bills; the company object to these Bills, I understand?—Yes; the society objected to them.

108. Now, am I to understand that the reason of objection was that if these societies were registered under any such Bill their constitution or their rules would have to be altered in some way: was that the impression?—I think so.

109. The question I want to put to you is this: You have two societies, one called the provident fund and the other the benefit fund; now, as regards the second one, I find it is registered in Sydney?—Yes.

110. Now, if a Bill were passed in New Zealand which enabled that particular society to be registered with its rules as they stand, would there be any objection to registration *per se*?—That I cannot give an opinion upon.

111. I should like to know from the part of the company whether they would object to it in that case?—It is quite possible that the company might, unless the two societies were accepted for registration, decline to continue them.

112. *Mr. Fisher.*] Why; the two are not registered in Sydney?—No; only one.

113. *Hon. Major Steward.*] You are not able to say whether the company would agree to continue their contributions if both societies were to be registered as they stand with their rules?—I should say the company would not have the slightest hesitation in continuing the subscription.

114. They would have no objection to legal recognition provided it did not mean an alteration of the rules or constitution?—Speaking as I do, I should say they would be very happy to comply with the law.

115. Supposing a modification were asked in connection with the two societies to the extent that the contributors of the two societies should have a *pro rata* share in the management, do you think that would be a fatal objection in the company's mind?—I cannot say whether that would. The New Zealand society represents a very small proportion of the body as a whole, and, as far as I am aware, the members of the body in the other branches are all strongly in favour of the societies and their rules as they stand; so that really the loss of the New Zealand business to the company would not endanger the security of the fund.

116. *Mr. Fisher.*] If registered in Sydney, what can be the objection to registration in New Zealand?—Well, of course I am not aware of the variation between the Friendly Societies Act in New South Wales and in New Zealand. I have read over the Friendly Societies Act in New Zealand, and there is no provision for any outside body contributing in addition to the members.

117. With a view to laying down that legislation, would the company have any objection to registration under any Act which would be sufficiently elastic to allow of these societies being carried on on the same lines as now, or nearly so?—As far as I remember, Mr. Button was requested to ask the Premier if this Bill were passed could certain clauses in it which would have come into conflict with our rules be left out, in which case the company would see no bar to registration. Without reference to my correspondence I cannot say which are the clauses I refer to.

118. *The Chairman.*] Is there anything further you wish to bring before us?—I also wish to make this remark: that, generally, reading the questions which have been asked and the evidence given on certain lines, there has been some wonder expressed. I think that the men in the society should not be able to draw the whole of their contributions when they please—that a man who is a member of the benefit society cannot resign his membership from the society and draw what he has paid in. I may say, in reference to the benefit society, a man may not withdraw his money until he has been contributing continuously for five years, when he is allowed to take half what he has paid, less the amount of benefits received.

119. *Hon. Major Steward.*] Is it not that he is entitled to half up to five years, and after five years the whole?—No; that is the rule of the provident fund. I may say, with regard to the provident fund, that a man may at any time within five years, on voluntarily leaving the service, take out half of what he has paid in; but if he is discharged he gets the whole, or after five years he is entitled, whether he is discharged or resigns, to receive the whole. Now, as regards the benefit society, a man who has been contributing towards it (at 3d. per week) pays 13s. in the year; he may have been contributing for five years, or less than five years—we will suppose he contributed £3 5s. Now, that man at any time might have been receiving £1 per week for twenty-six weeks. Why should he be entitled to a refund of his amount; every man is liable to fall sick.

120. The hardship is in the 1st subsection. Suppose a man leaves after four years and nine months' service, and has not drawn any sick-fund benefits?—He receives nothing; but then we argue that, even supposing he has been contributing for that period, he has paid £2 18s. 6d. At any time during that period, if ill, he would be entitled to draw £26—£1 per week for twenty-six weeks. You see it is in justice to the society; you cannot allow a man to deplete the funds of the society because he is dissatisfied with his present position, and wants to get a better billet.

121. *The Chairman.*] You mean that if I have a fire policy, and my house is burned down, I do not get my premium back?—There is no comparison between a sick benefit society and a fire policy.

122. *Mr. Fisher.*] What does the last subsection mean in regard to the thirty days' notice?—That I meant to tell you; I do not think our experience has been that the men on leaving the service wait thirty days before claiming their contributions.

123. *Hon. Major Steward.*] In regard to the provident fund, I think Rule 13 only makes membership compulsory on persons having annual salaries, and the rule says distinctly that it shall not be compulsory on the wages-men. Now, there have been allegations made that, although the rules so provide, compulsion is exercised in a sense—that is to say, by preference being given in employment by the company to persons who choose to join: is that true?—I have seen it stated in McLaughlan's evidence that Mr. Holroyd said that when they were going to shorten hands benefit-society men would have the preference. Mr. Holroyd is not with us now, he is in Queensland. But I can only say that such a thing might be said, but it would be entirely an action on the part of the person who said it. I am sure it would not have the sanction of the company.

124. Then, so far as you know and believe, the first three lines of Rule 13 may be taken to be literally carried out as to what is the practice—namely, that “the subscription to the fund shall be optional for all employes in the service of the company at the date hereof, and compulsory only for the salaried staff”?—I say most emphatically that has been acted upon steadily so far as the company is concerned. A manager may, perhaps, in his desire to forward the interests of the society, have done such a thing, but it has certainly never been an instruction or rule of the company.

125. Then, if that be the case, any petition sent to Parliament alleging the contrary, and asking for legislative interference on that ground, is an unjustifiable position?—I should say so most decidedly. In shortening hands the manager would in all cases retain his best men, whether they were members or non-members of the societies. I may say I am very glad to have been called to give evidence, because the society is undoubtedly looked upon by the salaried staff as a valuable acquisition, and it is undoubtedly of valuable assistance to the men. If you look through this matter of death claims there are numbers of cases where a man has been contributing for under a year, and paying at the outside 1s. or 1s. 6d. a week for insurance, and has died, and his widow has got from £150 to £200.

ERNEST VALENTINE MILLER was examined on oath.

126. *The Chairman.*] You are in the service of the Colonial Sugar Company?—Yes.

127. What is your position?—I am manager of the refinery.

128. Have you held that position long?—About twelve years and a half.

129. You remember, then, the origin of both the benefit society and the provident society?—Yes.

130. You remember also the old benefit society?—Yes.

131. Can you tell us the difference between the position in regard to the contributions and benefits of the old society and the new benefit society?—I cannot recollect the scale of payments for the old benefit society; the subscription was 6d. per week for the men, and at the end of the year, if there were any funds left over, they were divided amongst the members.

132. This contribution was entirely paid by the men?—Yes.

133. Then it was thought advisable to start another society, which was subsidised by the company, and superseded the old one?—Yes.

134. And the amount the men had to pay was some 3d. per week in the new society?—Yes.

135. And the company paid the other 3d. per week?—Yes.

136. Has that been successful, so far as you know?—Very successful, I consider.

137. And a great boon to the men?—Yes.

138. Was the old society broken up?—I may say there was a society at the Pymont refinery, on the Sydney side—I am not quite sure whether the company subsidised that in any way—but, at any rate, in connection with that society, the question came up as to whether they could not make a larger thing of it, and the company took the whole matter up, and agreed to subsidise the Sydney society in this way, and extend the benefits of the society to all the refineries and mills that were willing to accept them.

139. And the motive expressed by the company at this time was entirely a kindly one—to help the men?—Entirely so.

140. You heard no intention so far as to gaining possession of the funds?—None whatever.

141. Do the men subscribe with the same cheerfulness towards the provident fund?—A large number of them; there is some grumbling by some of them.

142. What is the cause of that?—I have tried to find out what is the cause of this discontent, and it has invariably been certain of the rules not having any connection with the disposal of the funds.

143. *Hon. Major Steward.*] But they need not join unless they like?—No, it is not compulsory for the wages-men.

144. Why should they complain of the constitution of a thing they need not join unless they like?—I suppose, if a man does join, he may think there are improvements that could be made in the rules.

145. Some of those who have joined are dissatisfied?—Yes, dissatisfied with certain points in the rules.

146. Can you name the rules? Is it as to the appointment of the trustees?—No, I have never heard any complaint about the appointment of the trustees.

147. The trustees have to be certain officers of the company, plus two men who have to be elected from the foremen?—Yes.

148. They do not complain of the restriction in the choice of these two?—No, I have never heard any complaint of that nature.

149. Are they satisfied with the amount of benefits they derive?—Yes, I think so; I have never heard any complaint that they should receive more than is provided in the rules.

150. Then, if they do not object to the government of the body and the benefits, what do they object to?—On the death of a member the rules empower the trustees not to pay the amount due in a lump-sum, but in instalments if they think fit, and I find the men object to that rule.

151. *The Chairman.*] Is not the real fact in your mind, if you know these rules at all well, that the weak point in the whole of the rules is clause 36, which says, "The trustees, or a majority of them, at any time, may add to or alter the present provisions of this deed, and may add fresh provisions thereto, provided that such alterations or additions shall first receive the sanction of the board of directors of the company and the approval of a majority of the local committees." Now, you notice that, as a rule, the committees are dominated pretty well by the company's officers?—Two of the company's officers are on the local committee. It never struck me that was an unfair rule.

152. Is not Rule 36 wholly governed by Rule 2, which provides that the whole of the funds shall be under the control of five trustees?—But I would say at the same time that if I were to get my life insured in any insurance company I would have absolutely no voice in the management of the department.

153. That is quite true; but did you ever know the rules of any insurance company by which they could alter the whole of the regulations if they thought fit?—Certainly not.

154. Now, considering that the whole of these funds—some £44,000—are invested in the company by the trustees in shares and on deposit, is it not rather dangerous to the men who have subscribed half of this money that the trustees should have power to alter any of the rules of the society into which they have been paying?—Of course, I am interested in this thing myself, because I am a member of it, and it never struck me there was any great danger about it. I was quite willing to take that risk.

155. *Hon. Major Steward.*] You have given us one point about which there is dissatisfaction: can you give us any other?—Yes; the rule which provides for the repayment of only half the subscription in case of a man leaving the service voluntarily before five years' membership.

156. They wish to be paid in full?—I suppose so; they did not say.

157. They are paid in full after five years?—Yes, or a discharge. Most of these complaints were not brought forward lately, but were brought forward at the inception of the fund.

158. And they have not arisen since?—Not very many; they have arisen occasionally.

159. Are there any other points?—I have heard it also said by men, when asked whether they would join, that they did not wish to have any life insurance at all, and did not care about life insurance.

160. But I referred to persons who have joined: are there any other points?—I do not think so.

161. *The Chairman.*] Have you ever heard men say that, since they subscribed half of the funds and the company half, they should have a fair share in the representation and the control?—No, I have never heard that.

162. Does that not strike you as a reasonable thing: that the men should have some voice in the matter of the funds, and how they shall be vested?—Well, the argument that I brought up before would meet that: if you pay into an insurance company you do not expect to be able to say how the funds are to be invested.

163. *Hon. Major Steward.*] And the men seem to have entire confidence in the officers?—I have never heard anything to the contrary.

164. *Mr. Fisher.*] Insurance companies invest their accumulated funds in the best securities: do you know if any insurance company in Australia or New Zealand has invested any portion of its funds in the Colonial Sugar-refining Company?—I cannot say.

165. Do you think it wise that the whole of the moneys belonging to the provident fund should be invested partly in the company and partly in shares in this company?—It might perhaps be better to invest them elsewhere, but I do not think it is a matter of great importance.

166. *Hon. Major Steward.*] On the other hand, if the company contributes pound for pound, and make it a condition that the funds should be invested as they are, would it be probable they would withdraw their contribution if the funds were invested otherwise?—I think it is probable.

166A. *The Chairman.*] What becomes of the 6 per cent. interest and the dividends: are they added to the fund?—Yes.

167. So the company use it again?—Yes, except what is drawn out for death payments.

168. *Hon. Major Steward.*] And this Chelsea branch is only a branch of a large organization the head-quarters of which are in Sydney?—Yes.

169. And it would hardly be fair that they should alter the rules here?—It is hardly fair.

170. *The Chairman.*] Suppose the company found a great many men nearing the time of their pensions, you could not prevent the company from discharging the men and only paying them the money they have paid in?—It is a matter for the trustees to pay pensions, not the company.

171. I mean, what security is there; the provident fund is not registered?—No.

172. *Mr. Fisher.*] Do you agree with the opinion that this fund is primarily a pension fund?—I really cannot say whether it is primarily a pension or primarily an insurance fund.

173. If the great bulk of the company's workmen in Australia and New Zealand believe that this pension fund is a pocket fund subscribed to by the great bulk of the workmen for the benefit ultimately of a few of the superior officers of the company, are they right or wrong in the belief?—If the great bulk of the men determine to leave, of course it is evident that they would draw no pensions.

174. Would they get any part of the money they had paid in?—Yes; if they had been subscribing more than five years they would get the whole of their payments back.

175. Well, supposing the bulk of the men, despairing of ever getting pensions, would like to withdraw from the society?—In that case there is not provision in the rules for returning contributions.

176. You see, that is the weak point: it is voluntary going in, but it is not voluntary going out?—It is; if they leave the service.

177. Is this not something in the nature of a tontine, mainly for the benefit of those who remain longest?—I do not know anything about a tontine fund, but certainly this fund would be for the benefit of those who remain in longest.

178. *Hon. Major Steward.*] Do you know anything about a petition that was said to have been handed round the works when a Bill dealing with private benefit societies was before the House?—Yes.

179. Have you ever seen or heard of a petition presented to Parliament by one McLaughlan?—I have seen a report of it.

180. Do you know the allegations contained in that petition?—Yes; I can recollect them pretty well.

181. What do you say as to the allegation that compulsion was used in regard to joining this society?—So far as I am concerned, it is untrue, and I believe it is untrue altogether.

182. You are aware that Rule 13 provides that persons shall not be required to join the society except persons on salary?—Yes.

183. The allegation is that, although the rule so provides, yet compulsion is exercised by reason that the management select only those persons who are willing to join as their employés?—That is not so. When persons are selected as employés I am quite ignorant as to whether they are going to be members of the society or not, and I never make it a question of choice.

184. Then, in the case of a reduction of the staff, it is alleged that if you had to dispense with one person out of two you would dispense with that person who was not a member of the fund, and did not choose to join it, irrespective of whether one was a better workman than the other?—No; the chief thing I go by is whether one man is better than the other. But if there was no choice I would most likely keep the member.

185. Then, there was a further allegation that a petition was introduced into the works against the passing of the Bill brought in by Mr. Seddon, and that employés were practically compelled to sign it, the compulsion being used as follows: that on pay-day the men were called into the office and had a document placed before them, and in the presence of Mr. Miller were asked to sign it?—This refers to another document, not to the petition.

186. It was in reference to a document which practically repudiated a telegram sent by McLaughlan to the Premier?—Yes.

187. Were they in any way induced to sign it, or were they simply shown it, or simply asked to append their signatures?—They were not induced in any way. I may say this petition was sent round the works, and the men were asked to sign it. A large number of signatures were given to it, but a certain number of men did not sign it, and I wished to see these men when they were getting their wages paid. I used no compulsion whatever in the matter; and they were not brought in one by one, but just as they came up to the pay-table. I told them what the document was, and allowed them to read it, and simply asked them whether they wished to sign it.

188. There was no consequence which followed in the case of those who would not sign it?—No; no man has been dismissed, and two or three did refuse to sign it.

189. Are you in a position to say whether the allegations, in the main, of McLaughlan's petition are correct or incorrect?—All the important allegations are incorrect.

190. You are aware that petitions were sent against this particular Bill of Mr. Seddon's in 1896. Can you tell us why, seeing that the benefit society was registered in Sydney, your company objected to the registration of the society in New Zealand, always supposing it to be registered with the same rules? Is there any objection to that?—I cannot speak with certainty, but I do not think the society could be registered under the present law, with its rules.

191. But supposing a Bill were brought before the House to enable your society to be registered as it stands, would you see any objection to legal recognition?—I would see no objection at all.

192. Now, as regards the provident fund: Supposing provision were made in the same way, that the society should be registered in New Zealand providing its constitution were in no way altered and its present rules were accepted, would the company object to that?—I am unable to answer for the company, but personally I do not see any objection.

193. Well, supposing there were a modification of such societies, and that all contributors to the society should have a certain amount of proportionate representation, would your company accept that as a fair thing?—I can hardly take it upon myself to answer that.

194. What is your opinion?—It would all depend upon the extent of the operation. If it did not extend too far, I do not think the directors would object.

195. *The Chairman.*] This provident fund, although not in name a guarantee fund, is, in fact, a guarantee fund?—Yes; there is a clause which makes it a guarantee fund.

196. McLaughlan has corrected his petition by some evidence that he gave here, and I want to ask you whether his evidence is, in your opinion, true—namely, "Some of his fellow-workmen suggested, when the Bill passed the Lower House, that it would be a fine thing to send a congratulatory telegram to Mr. Seddon. He said that he would send a message, but expected to be discharged for so doing. It was on Friday when he sent the message, and on Saturday morning he went to work prepared to be discharged. The manager asked him why he had sent the telegram, and he said he did so because it was the wish of the majority of the men, and that he was quite prepared to be discharged. Mr. Miller (the manager) said the question of his discharge was neither here nor there, and asked him again for his authority for sending the telegram. He there-

upon asked Mr. Miller to discharge him, thinking it would be preferable that he should be discharged at once, as there was work to be found then, whereas the discharge might otherwise have come at a later period when things were slack, and there was no chance of getting a job. Mr. Miller said he did not want the public to think he had been discharged because he refused to sign the petition against the Bill, but subsequently said, 'All right, Harry, I will discharge you; you can go.' At a later stage Mr. Miller told him that he had better wait till the end of the month, when his term of five years' membership would be up, and he could then withdraw his full contribution to the society and leave." To the best of your belief, is that pretty nearly a faithful record of the conversation?—No.

197. Would you let us have your record?—When I saw McLaughlan on that morning he asked me to discharge him, and said, "In any case, I suppose I will have to go." I said I had not decided about that. He said, "Then, I will leave in a fortnight's time, when my five years' subscriptions to the fund will be complete"; and after some further conversation I agreed to discharge him, in order to let him get his full benefits and leave at once, as he wished. But immediately afterwards I saw it might be made the cause for a grievance by some unscrupulous person, and I retracted that, and, as it was within a fortnight of the time when he would complete his five years' membership, he could then leave the service, and withdraw his total subscriptions.

198. So you were acting in a friendly way to protect his interest?—Yes.

199. You would have had to pay him the amount of his subscriptions if you had discharged him in any way?—Yes.

200. *Mr. Fisher.*] Is Mr. McLaughlan an evil-minded person; is he a prevaricator; is he an inventive story-teller? Generally, in answer to these three questions, would you give us your opinion of the character of McLaughlan?—I think he is rather a weak man, who is led away, and very fond of talking about things of which he has not sufficient knowledge. I do not wish to say anything against McLaughlan; in fact, I have nothing to say against him.

201. How comes this petition of McLaughlan? Are all these specific statements pure invention?—My idea of it is that the petition was actually composed by somebody else not in the works, and who did not understand very much what was going on, and who was much more bitter against the provident fund than McLaughlan was.

202. *Hon. Major Steward.*] That he was made a catspaw?—Yes.

203. *Mr. Fisher.*] Suppose he were made a catspaw, he must have supplied to whoever the person was this direct statement: "Later on he again called me up and said, 'After what you have done in regard to the Bill it will be impossible for you to stay on here any longer'?"—There is some truth in that.

204. Then, that is not invented?—But it does not really represent the conversation, although I did actually make use of such words.

205. Is this statement true, in regard to the protest against the telegram which McLaughlan sent to Mr. Seddon: that when the men went into the pay-room to receive their wages they had to go into your room one by one to sign the petition which was laid down in front of you?—A certain number of the men were taken into that room, not one by one, because there were sometimes two or three in the room, and they were requested to sign, not the petition, but the statement that they repudiated the telegram.

206. Then, again, that statement of McLaughlan's is not entirely incorrect?—No; I can quite well see what it refers to.

207. It is needless to go through the whole petition, but in these two instances clearly the petition, although inaccurate in form, is not altogether baseless?—I should say it was very much exaggerated—that is, referring to these two statements only.

208. Is this statement true: that "letters and petitions against the Bill were drawn up by the employers and brought to us to sign, and when there was any demur as to signing we were taken in one at a time to the manager's office, handed a pen, and told to sign. In my case I told the manager that it was against my convictions and will that I was signing, but he said I must sign, and I signed the first lot of papers, but I refused to sign the last lot, and, on the contrary, I sent a telegram to the Premier"?—There is not a particle of truth in that.

209. *Hon. Major Steward.*] You see that in this allegation, on which Mr. Fisher is now examining you, the signing of the telegram to the Premier congratulating him on the success of the Bill is made a matter subsequent to the signing of this document in your office, whereas, as I understand you, the position is actually reversed?—That is so.

Mr. Fisher: Up till now this petition has been *ex parte*, and it is important to have your refutation.

210. *Hon. Major Steward.*] Then, the truth really is that the paper signed in your office was so signed as a protest or disclaimer of the telegram sent already by McLaughlan?—That is so.

211. *The Chairman.*] I want to get a clearer notion of the position of the men and the company in regard to the benefits of the provident fund. Now, as I understand it, the man who subscribes to the funds anticipates first a pension and secondly a contribution from the death fund?—At death he gets the amount of his insurance, and if he lives he gets a pension.

212. Are there any other benefits?—He gets a surrender value.

213. What does the company get out of its contribution? The first value it gets is a moral value—that is, it gets steadiness in the men, as the men who have a stake in the company in the matter of a pension are more identified in the interests of the company than the floating workmen?—Yes.

214. And they get rid of a certain amount of fully-paid-up shares for cash?—Yes.

215. The next is, they have the use of some £22,000 as a floating fund?—Yes.

216. Then, although they represent they are paying 6 per cent. interest, they really do not have to hand over that interest, but it is consolidated and put to the other funds, so that they have the use of the interest?—Yes.

217. Then, in case of any employés in their service becoming defaulters they do not bear the loss, but the society does?—To a certain extent. A man might steal the whole of the refinery's wages, and the amount the directors would get from him would be very small, only three times his contributions.

218. Well, these advantages to the company are very solid advantages are they not, and afford a reason for the company taking an interest in the fund?—Yes; but I do not think these advantages are at all commensurate with the subsidy the company gives to the society.

219. *Mr. Fisher.*] Why did you and the company so strongly object to the Private Benefit Societies Bill of 1896?—Because I understood, if that Bill became law, our societies could not be registered without an alteration of the rules, which would not be accepted by the directors of the company. They would therefore withdraw their subsidy.

220. You cannot say, then, what the company would be likely to do in the event of a different Bill being provided which would have greater regard to the interests of the company and the interests of the workmen. We are seeking information, and, as a result of that information, it is very possible that a better Bill will be provided; and, suppose a Bill be provided which will not be too stringent one way or another, do you think the company would still object to the passing of the Bill?—I do not think so, and I have some grounds for so thinking, because the benefit society, which is registered in Sydney, could not be registered until some little alteration had been made in the law in Sydney. That shows the company were quite willing to have it done.

221. Why do the company, the society being registered in New South Wales, object to registration in New Zealand?—That, again, I imagine is because the society, as the rules stand at present, cannot be registered in accordance with the New Zealand law. I know that is so with regard to the provident fund, but I am not quite sure about the benefit society, although I think it is so.

222. *The Chairman.*] Are there any other points which you would like to bring under our notice in regard to any of the evidence you have seen in print, or in regard to putting the company's view more fairly before the Commission? Can you give us any hints by which we could suggest legislation which would help in any way to make the society stronger or better, either for the men's interests or the company's interests?—I was hardly prepared for such a question; it is rather a difficult one.

The Chairman: We shall be very glad if, after thinking the matter over, you would furnish us with suggestions in regard to a new Bill; and, if you wish to make additions to your evidence or to make additions to any other evidence, we shall be very glad to hear you in connection with these other points.

223. *Hon. Major Steward.*] Do you know whether that petition was signed by McLaughlan as an individual or a representative of the company?—As an individual.

224. Do you know whether the telegram sent to Mr. Seddon was signed by him in a representative position or whether he attached any office thereto?—He signed as secretary.

225. Was he secretary?—No, not that I know of.

226. Then, he had no authority to sign that?—None whatever.

227. *The Chairman.*] Then, you think it was a piece of wilful deceit?—Yes, combined with ignorance. He perhaps did not know that what he was doing was as bad as it was. I imagine he thought it was rather a trifling matter to put secretary after his name.

228. *Mr. Fisher.*] I understand you to say he was worked upon by designing persons from behind?—I think so.

229. *Hon. Major Steward.*] Do you know if he signed as secretary of your own knowledge?—I do not think he denied that he signed the telegram as secretary.

230. Was he ever taxed with having signed it as secretary?—I cannot remember, but I think he was almost sure to be taxed with it. I believe I taxed him with it, and if I did he did not repudiate it.

231. Did you receive anything in reply from the Premier to that telegram of McLaughlan's?—Yes, I saw the telegram.

232. And it was addressed to whom?—To the secretary.

FRIDAY, 2ND JULY, 1897.

LEONARD BOULTON was examined on oath.

1. *The Chairman.*] What is your employment?—At present I do a bit of farming on my own account.

2. Were you ever in the employ of the Colonial Sugar-refining Company?—Yes, I was there about thirteen years.

3. How long is it since you left?—Last February twelve months.

4. Were you in the company's service at the time McLaughlan left?—No; I left just before him.

5. Were you a member of the provident fund when you were in the service?—Yes.

6. What induced you to join that fund?—It was merely to save my job, as I looked at it. I was one of the last to join, and the manager came and told me it was best for me to join. He said they would be shortening hands shortly, and those belonging to the fund would have the preference of employment, and I thought to save my billet it would be better to join.

7. You considered that as a form of compulsion?—Yes, that is how I looked at it.

8. Were you on weekly wages?—Yes.

9. How long were you a member of the provident fund?—About three years and six months.

10. When you left did you get your money back?—I got it all back.

11. You were dismissed?—Yes; but, of course, by their rules I had to absent myself from work for three days in order to be dismissed. I went to the manager and told him I wanted to leave, but the trouble was I said that I wanted the money I had paid in.

12. *Hon. Major Steward.*] You were dismissed by arrangement?—Yes.

13. *Mr. Fisher.*] You were one of the men who left to obtain a lump-sum of money?—Yes; I did it purposely.

14. *The Chairman.*] At the same time you acknowledge the company did not behave shabbily to you?—I do not think they acted shabbily, only they threatened to stop the refund altogether as it was a kind of fraud to be dismissed in that manner.

15. Do you know anything about McLaughlan's petition?—Only what I have heard in the street.

16. *Mr. Fisher.*] You have nothing to complain about?—No. Of course, if I had not obtained my money back it would have been a bit hard.

17. *The Chairman.*] Were there many men who joined when you did under the same conditions as yourself?—Yes; the whole of them. They all seemed to be dead against the thing; they really did not want to join. Of course, I want you to understand that I am not in their employ now, and that if I was in their employ I would be frightened to tell you this.

18. *Mr. Fisher.*] You mean you are in a position to speak independently?—Yes.

19. *Hon. Major Steward.*] Did you belong to the benefit society?—Yes.

20. Did you join that voluntarily?—It was much the same, but the company did not seem to talk to us so much about it as they did about the provident fund. We were satisfied with the old benefit society we had amongst ourselves.

21. Do you not think that the difference in the rate of contribution in the newer society was a better arrangement?—I do not know, because in the old society if there was any surplus at the end of the year it was divided amongst the members.

22. And you had the entire management yourselves?—Yes.

23. And you preferred that state of things?—Yes.

24. That is your own view?—Yes.

25. Was that view shared by many of the men?—I think it was.

26. Then, you think they joined the new organization rather out of deference to the wishes of the employers than of their own wish?—Yes.

27. *Mr. Fisher.*] If as you say all the men objected to contribute to the provident fund, how do you explain the fact, as stated by Mr. Miller yesterday, that 90 per cent. of the men in the works signed a petition against the passing of the Private Benefit Societies Bill, which would have put the men themselves in a better position?—The only thing I can say is that they really did not know the meaning of the Bill, and to save their jobs they would do anything to please their employers. But with regard to saying that all the men objected to the fund, I only referred to what I heard the men talking about.

28. You see the two positions are diametrically adverse; either your statement is correct or Mr. Miller's is correct?—I understand. I know on one occasion I was grumbling and growling about signing a petition, but yet I went and signed the petition as though I were willing to sign it.

JAMES PATTERSON was examined on oath.

29. *The Chairman.*] What is your occupation?—I am in the employ of the Colonial Sugar Company.

30. How long have you been in that service?—About twelve years.

31. Do you belong to either the provident fund or the sick and accident fund?—To both.

32. How did you come to join these societies: were you asked by any person to join them?—Yes.

33. There was no argument used to get you to join to the effect that the men who belonged to these societies would have the preference over the other men?—Well, there was an official there at that time of the name of Holroyd, head engineer, and he came to me first about this provident fund, and said to me, "I want you to join this provident fund." I said I could not see the pleasure of joining it, because the rules did not comply with my wishes, and he then asked me had I looked over the rules, to which I answered Yes. He said, "You had better join it," and I said, "I think I won't." He said, "Look here, suppose they were shortening hands here, you might perhaps have to shift to town; perhaps it might be as well for you to join it." I said, "Well, I won't join it for you any way." So he never came back. In about a week or two our present manager, Mr. Miller, came to me and said, "I see you have not joined this provident fund." I said, "No"; and he said, "You had better think it over and let me know." Well, I thought over the thing, and I thought that perhaps it would be better for me to join it on my own account. I went to Mr. Miller and told him I would join it, and would pay 1s. per week. So of course he had to report me to head-quarters before I got admitted, and word came back that I was a member.

34. And since then your part of the provident fund has been to have certain deductions made each week?—Yes, 1s. per week to the provident fund and 1s. per week to the sick and accident fund.

35. Then, you anticipate that when you get old in the company's service you will have a pension; either that or at death you will get a lump-sum?—That is so.

36. Before we leave this part of the subject I would like to ask you what were your objections to the rules; did they arise from the fact that the men who subscribed part of the money had no control over the way the funds are invested?—That was part of my objections. I thought when I looked over the rules that this thing was got up entirely on the one side, and that my employer had got half a dozen chances to my one, and I thought I would be better out of it.

37. *Hon. Major Steward.*] Are you a wages-man on weekly pay?—Yes.

38. You know, I suppose, that the rules provide that it is not compulsory for any wages-man to join this fund?—There is no compulsion used that I know of; at least, no compulsion was used to me.

39. *Mr. Fisher.*] First of all you objected to join either society?—Well, yes.

40. Then Mr. Holroyd came to you?—Yes.

41. Then Mr. Miller came to you?—Yes, afterwards.

42. And you still objected, and he advised you to think it over?—Yes.

43. Why did you think these two high officials in the service of the company came to you to persuade you to join the society: was it done wholly for your own benefit?—I did not see that.

44. What would have happened suppose you still had persisted in your refusal to join?—I cannot say what would have happened.

45. But their representation that in the event of shortening hands if you did not join you would be one of the first to suffer, did that influence?—That is the meaning I took out of it.

46. *The Chairman.*] You were at work for the company at the time that the Private Benefit Societies Bill of 1896 was before the House?—Yes.

47. A petition was sent round or brought round to the men asking them to sign against the Bill passing: was that so?—Yes.

48. Did you sign that?—Yes, to keep the society on.

49. Did you sign that under persuasion?—No, I signed it voluntarily; I did not want the society broken up.

50. So that, although you did not want to join the societies, after you joined them you did not want them to be broken up?—I was content with the societies afterwards; I am quite content with them now.

51. Have you seen anything of a petition sent by Mr. McLaughlan to the House?—No, I do not know anything about that.

52. I want to examine you on one or two points: McLaughlan's petition says "that there is a private benefit society (alluding to the provident fund) established with these sugar-works. It is compulsory for all employes to join this society after they have been two years in the employ of the company. Though the company deny that they use any compulsion, still compulsion is used, as in my own case I was informed, when I declined to join, that 'they intended to shorten hands soon, and the preference would be given to retain those who belonged to the society'": is that true or untrue?—They are supposed, so far as I can see, after two years to join the provident fund, but I do not know whether it is compulsory or not.

53. But is the compulsion used in the way of saying that preference would be given in the event of shortening hands to men who belonged to the societies?—Yes.

54. *Mr. Fisher.*] If you know nothing of compulsion, what does this mean—you joined these societies after two refusals?—Yes.

55. What does that mean?—I mean that I joined them so that I would have no more bother about it; so that nobody would be asking me again.

56. *The Chairman.*] McLaughlan goes on to say, "So I had to join or lose my position, though I pointed out that I belonged to the Oddfellows and Foresters. I was told to give those societies up. In the assurance fund of this society we have no voice in the control or management, and there are many reasons—too many to mention here, but which I am willing to prove—that make the control and management of this society unfair to the employes forced to join"; that was your impression in regard to certain of the rules, you thought they were rather unfair to the employes?—I thought so at first sight.

57. Then he goes on to say that letters and petitions were got up by the employers against the Bill, and that when the men would not sign they were taken one by one into the manager's office and told to sign: is that true?—I know nothing about that.

58. It happened that McLaughlan sent a telegram to the Premier congratulating him on the Bill having passed the Lower House; and he either signed it as secretary or the Premier thought he was the secretary, and he sent him a telegram thanking him. Mr. Miller said he then got up a disclaimer on the part of the men saying they had not signed the telegram, and it was that document which the men signed in the office: were you ever called into Mr. Miller's office and asked to sign?—No.

59. So you have no personal knowledge of any such thing?—There was some telegram or other—I could not tell you in fact, because I did not know anything of what McLaughlan was doing; but there was a form or paper drawn up for the men who did not know anything about this business of McLaughlan's to sign. I signed that paper.

60. Did you sign that in the manager's office?—Yes.

61. On the pay-day?—It may have been.

62. *Hon. Major Steward.*] Were you pressed to sign that paper?—Oh, no. It was lying on the desk, and the clerk said, "Jimmy, did you sign it?" and I said Yes, because I thought I had signed it. I looked over it and saw I had not signed it, so I signed.

63. *The Chairman.*] Did you sign it because you thought your employers wished you to sign it?—I signed it because I did not know anything about McLaughlan's business.

64. *Mr. Fisher.*] If a witness tells us that he, like you, objected to join these two societies, but he joined them, like you, in order to save his job, do you think that man would be correctly expressing his position relatively in regard to these two societies?—I do not know. As far as I was concerned I was under the impression that perhaps I would be knocked about, and I joined it on that account almost.

65. *Hon. Major Steward.*] Did that apply to the benefit society as well as to the provident fund?—To the provident fund only.

66. Do you consider you were compelled to join the benefit society?—I was not compelled to join either of them.

67. You told us you understood there would be preference in the event of a reduction of the staff in favour of those who were members of the provident fund as against those who were not?—Yes; Mr. Holroyd told me so.

68. Does the same thing apply to the benefit society?—I do not know that.

69. What was your impression when you joined: did you join it voluntarily or under the impression that it was in your interest to do so?—I thought I told you why I joined.

70. You told us as to the provident fund?—Yes.

71. Well, as to the sick fund?—No pressure was used to make me join the sick fund; none in the least.

72. *Mr. Fisher.*] If a witness says all the men in the works object to the provident fund, do you agree with that statement or do you not?—I do not agree with that statement. I want the provident fund and the benefit fund there now as long as I am there.

73. *Hon. Major Steward.*] Are many of the men of the same mind as yourself?—I expect so.

74. *Mr. Fisher.*] Then, what do you say to any statement that if the men had been at liberty to exercise their own free-will they would not have signed the petition against the passing of the Bill of 1896?—For my part I signed it voluntarily; I did not want the societies broken up.

75. What were the provisions in that Bill?—I cannot say.

76. Why did you sign the petition against it?—Because the petition, it was said, was to keep the societies together.

77. Who made that representation to you about the contents of the Bill?—Nobody; but I heard the men saying the petition was to be for that.

78. Is it your habit to put your signature to papers you do not understand?—Well, I understood it was to keep the societies going. That was the reason I signed my name to it.

79. *Hon. Major Steward.*] You understood the object of the Bill was to break up the societies?—No.

80. *The Chairman.*] You thought it was merely a petition to keep the societies as they stood?—Yes.

81. *Mr. Fisher.*] Do not you think, looking back at your action, that, to say the least of it, it was indiscreet to sign a petition against a Bill of the contents of which you knew nothing whatever?—It was because I understood the petition was to keep the societies as they were.

RICHARD THOMPSON was examined on oath.

82. *The Chairman.*] Are you in the employ of the Colonial Sugar Company?—Yes.

83. What is your position?—Labourer.

84. Are you on the local committee of one of the benefit societies?—No.

85. How long have you been in the works?—About eleven years.

86. You have seen the published evidence given in reference to these societies belonging to the works?—Yes, I have read the evidence.

87. Is there any point in that evidence to which you would like to add, or is there anything you wish to refute?—No; the biggest part of it is the same as I would give myself.

88. You are not alluding now to Mr. McLaughlan's evidence?—No.

89. Is there any point in McLaughlan's evidence you would like to say anything about?—No; I never saw McLaughlan's petition. I heard of it going around, but what it was I could not say.

90. There was a petition got up on the works against the Private Benefit Societies Bill?—Yes, by some of the men.

91. Did you sign that?—No, I never saw it.

92. Then, in regard to the telegram that McLaughlan sent, there was a disclaimer written out by Mr. Miller and left in his office to sign to say the men had nothing to do with the telegram sent by McLaughlan?—Yes; and I signed it under the impression that the Bill that McLaughlan was in favour of was against the provident fund, and this paper in the office was to contradict that.

93. Are you a member of both funds?—Yes.

94. *Hon. Major Steward.*] Do you know whether any form of compulsion was used to induce men to join these societies?—There has been no compulsion. I was not compelled, and I know of nobody else.

95. Were you ever told that in the event of the staff being reduced men not members of the provident fund would be the first to be dismissed?—I was told that, but not by the manager. I was told that by the contractor, who is dead now, that those in the provident fund would have the preference.

96. Were you ever told anything of the same kind in regard to the benefit society?—No; we had a society before this one of our own.

97. The company does not interfere in any way to induce men to join the benefit society?—No.

98. *Mr. Fisher.*] Do you ungrudgingly contribute to the provident fund?—Yes.

99. What benefits do you hope to derive from the provident fund?—If I left to-morrow I would get £14, because no man would think of putting by 1s. per week for five years. The provident fund is a fair benefit in my idea.

100. We have this statement in evidence: that all the men in the works object to contribute to the provident fund; what do you say to that?—They do not. Where you are working in a place with seventy or eighty men you find differences of opinion.

101. *Hon. Major Steward.*] Which way is the majority?—The majority are in favour of the provident fund.

102. *Mr. Fisher.*] We had a witness here this morning who strongly objected to join the fund, and he said he joined to save his job; what is your opinion of the accuracy of that statement?—A man might look at it like that, but I would look at it differently.

103. May we take it as your opinion that the majority are in favour of the fund?—The majority are in favour of it. But you must bear in mind that when it started we did not understand properly how it was going to work, and the men all jumped to wild conclusions about it.

104. *Hon. Major Steward.*] Then, there was discontent at that time which has since disappeared?—Certainly.

105. *Mr. Fisher.*] What were your impressions in regard to the Bill of 1896: did you know anything of the contents of that Bill?—I forget now; I might have read it at that time.

WILLIAM METCALF was examined on oath.

106. *The Chairman.*] What is your occupation?—A labourer.

107. In the Sugar Company's employment?—No.

108. Were you at one time in their employment?—About ten years and a half.

109. How long is it since you left?—I was discharged about nine months ago.

110. At your own request?—No; the company's.

111. You remember the formation of the two benefit societies?—Yes.

112. Did you join either of these societies?—I joined both.

113. Can you tell us the reason why you joined the provident fund?—I was asked to join by the manager, Mr. Miller.

114. What argument did he use to make you join?—He did not use any. He just told me the benefits I would arrive at by joining. I told him I did not want to join the societies at all, as I was already provided for.

115. What argument did he use then?—He did not use any. I told him I did not want to join, as I was already provided for.

116. Were you a member of a friendly society—Yes; of the Oddfellows.

117. At that time you objected to join the provident fund?—I told him I did not want to join.

118. What happened then to make you alter your opinion and join?—Of course, I thought if I did not join I might lose my employment.

119. What led you to think that: did you infer it from the manager's manner?—The other men led me to believe so.

120. But you were not informed on authority?—No; Mr. Miller did not tell me so.

121. It was a sort of general impression among the men?—Yes.

122. Was there any persuasion on the part of any official to make you join the benefit society?—No; I thought it was a very good society.

123. Was there any impression on the part of the men that it was necessary for them to join to save their billets?—None whatever; I joined the sick and accident fund, and I did not want to join the other.

124. You thought it would be better for you if you did join the provident fund?—Yes; but the manager did not tell me so.

125. *Mr. Fisher.*] Is it a common impression amongst the men in the employ of the company that if they did not join this fund they would lose their employment?—It was so amongst the men when I was there; I do not know what it is now.

126. *The Chairman.*] Can you tell us what were the principal points to which you objected on joining: was it because you did not want to pay any more contributions?—I could not afford to join that and keep on the other. I told Mr. Miller I would have to throw up the one I was already in, and I did so.

127. Besides having a contribution which you did not think you could afford, was there any other objection in your mind as to the rules—namely, as to the men not having sufficient representation?—No; I did not think so.

128. It was wholly because you could not afford to join?—Yes; of course, he showed me the benefits I would arrive at by joining, and I found out since I did not arrive at those benefits through being discharged.

129. But when you were discharged you got back all you had paid in?—Yes.

130. So you did not lose anything?—Oh, yes, because I was out of the Oddfellows.

131. And if you wanted to join now you would have to pay a higher rate of contribution?—Yes, I would have to pay 6d. more. Mr. Miller pointed out that in the event of my getting too old I would get a pension, and in case of being unable to do work I would get a lighter job at smaller wages. I found the work I was doing was injuring my health, and I wanted to get a lighter job at reduced wages. He gave me a lighter job for some months, and then he asked me to go back to my old work again, and I declined to do so, and I was discharged.

132. Do you remember a petition going round against the Bill of 1896?—Yes.

133. Did you sign any of them?—No.

134. Were you asked to sign them?—The paper came round and was shown to me, but I declined to sign any of the papers.

135. Do you remember anything about a telegram sent by McLaughlan to the Premier?—Yes.

136. On this telegram being sent the Premier replied to Mr. McLaughlan as secretary, and Mr. Miller then drew up a document in which the men disclaimed McLaughlan as their mouth-piece?—Yes.

137. It was stated by Mr. Miller that this paper was put in his office, and the men were asked to sign it?—I did not sign it, because it was my last week in the employ of the works.

138. *Mr. Fisher.*] In fact, you signed no papers or petitions?—No.

139. Is this the case so far as you know: that, although the men in the works may express themselves in favour of the provident fund, if they had perfect freedom to express themselves their views would be in a contrary direction?—I could not say; I would not like to say.

140. If a witness tells us that he joined the provident fund solely to save his job, as he expressed it, would you believe that to be true?—I do not know; I would not like to say it would be true.

WILLIAM PATTERSON was examined on oath.

141. *The Chairman.*] What is your occupation?—I am a fireman at the Colonial Sugar-works.

142. How long have you been in that service?—The last time about five years; but I was there before ever they started to refine—about fourteen years ago.

143. Are you a member of either of the benefit societies connected with the works?—I am in both.

144. How came you to join the provident fund; did any one ask you to join?—Yes, Mr. Holroyd.

145. What inducement did he hold out; did he show you it was for your own good?—Yes. I was not insured in any other insurance. He came and explained the rules, and told me that after I had been in five years, or if I was discharged before then, I could withdraw the whole of my money, but that if I left before five years I could only get half my money. I told him I did not intend to stay five years in the company, but I would let him know later on. Some time afterwards he came back, and I said I would join. He did not say it was compulsory, and he did not in any way make any threat.

146. It was purely through your own wish?—Yes; I said I would like to become a member.

147. Did any one ask you to join the other society?—No; all the men were in favour of the other society.

148. That implies that some were not in favour of the provident fund?—No; I heard a deal of grumbling about the provident fund.

149. What was the cause of the grumbling?—They seemed to think they had not sufficient control of the money they had paid in.

150. Why did the men who grumbled at joining such a society join it; was any inducement held out to them?—I could not say it was compulsory for them to join.

151. Were they told that in any case between two men the man who belonged to the provident fund would be kept while the other had to go?—That was talked about. I heard that the men who belonged to the provident fund would most likely be the men retained in the event of shortening hands.

152. Was that told by any one in authority?—It was spoken of at a meeting; I was not present, but I heard some of the men saying that Mr. Muir had said so, and he also explained why that was so. Sometimes there is a bit of a rush on in sugar, and more hands are employed than at other times, and he reckoned it would keep the men of the company more together when they belonged to the provident fund, and they would not be so likely to leave the company when there was extra work on.

153. They would have an interest in remaining?—Yes.

154. Do you remember petitions going round amongst the men against a certain Bill before the House?—Yes; I remember certain petitions, but I cannot remember what they were.

155. Do you remember a petition last year against "The Private Benefit Societies Bill, 1896"?—Yes.

156. Did you sign that petition?—Yes.

157. What induced you to sign it; was it by your own free-will?—Yes. Mr. Miller, the manager, never asked me to join the provident fund, nor yet ever asked me to sign petitions.

158. *Hon. Major Steward.*] What was your impression as to the effect of the Bill if it did pass?—I thought it would have done away with our societies.

159. *The Chairman.*] You have seen the petition sent to Parliament by McLaughlan?—Yes; I saw it in the evening paper.

160. Would you tell us whether the main substance of that petition is correct, as to whether he was compelled to join the provident fund or compelled to go because he had sent a telegram to the Premier?—I could not really say. He was not compelled to join the provident fund, that I know, because there were men there who were eligible to join the provident fund when I joined, and they did not join, and they are still there, and have not been discharged from the works.

161. McLaughlan sent a telegram to the Premier congratulating him on the passing of the Bill through the Lower House, and signed it as secretary, and then Mr. Miller got up a disclaimer to that telegram and asked the men to sign it: did you sign that?—No; when a man came round the works with it I said I had signed enough papers, and Mr. Miller never asked me to sign, or why I had not signed the document.

162. *Mr. Fisher.*] Never mind the motive or aim in establishing the provident fund, what is the effect of it: does it enable the company to have a greater grip or hold on the men?—I cannot say exactly; I should think it would. Of course, I do not think the men are so much against the provident fund now as they were, because the greater part of them are five years in it, and any who are going now can draw all the money they have paid in.

163. We have evidence here from a witness who is not now in the service of the company to the effect that all the men objected to contribute to the provident fund: is that statement correct or incorrect?—Well, I did not object to it.

164. Do you know of others?—I heard the men grumbling amongst themselves on several occasions, and saying it was not right.

165. Is it a fact that the men who signed the petitions and protest or disclaimer to McLaughlan's telegram, if they had been left to the exercise of their own free-will, would not have signed the petition against the Bill, but would have signed in favour of it?—Some of them would, but I could not say for all of them.

166. We have evidence to this effect: that men who object to contribute to the provident fund ultimately agree to contribute in order to save their job: what do you say to that?—Well, I have

heard men saying they simply joined the provident fund to hold their job, but I do not think that is right, because there are men there at the present time who are eligible to join the provident fund and are not members, and they are still retained on the works.

167. I want to know how far that feeling extends amongst the men?—I have heard men say they have joined the provident fund, and “I give a shilling a week for my job.”

168. Is this putting it too strongly: that through the influence of this provident fund the men are married to the sugar company?—Not now; it would make no difference to me. If I wanted to go I would go. Before the five years were up I would not have liked to go and leave half my money behind; but now I feel as free as any of them.

169. If we have witnesses here who say they would have lost their employment if they had not joined the provident fund, would you say that was correct or incorrect?—I would not say it was correct, because we have proof to the contrary over at the works. No threats were ever used to me.

170. Here is a witness who says he is first asked by Mr. Holroyd to join the provident fund. He declines. He is then asked by Mr. Miller, and again declines. He is told to think the matter over, and ultimately joins. How do you account for the anxiety of the principal officers of the Sugar Company that the men should join the fund?—I suppose they have got word to get all the men into it. They say they are doing it to benefit the men.

171. You put it that they are moved by purely philanthropic motives?—Yes.

172. It is called a pension fund: do you ever hope to draw a pension from it?—I cannot say about that. I do not know of any one receiving a pension now.

173. How much money has the provident fund at credit with the company?—I cannot say. I do not bother about it. I think there is £22,000 invested in the company in shares.

174. Do you think the funds so invested are safe, having regard to the interests of the contributors?—No; I do not think they are safe. That is why the grumbling takes place. The men want more control over the amount.

175. Then, is there a desire on the part of the men to have greater control over their funds?—Yes; that is what I hear them saying.

HENRY MCCARTHY was examined on oath.

176. *The Chairman.*] Are you in the employ of the Colonial Sugar-refining Company?—Not at present.

177. How long is it since you left the service?—About eighteen months; I was working there casually about four weeks ago.

178. How long had you been in the service then?—Thirteen years.

179. You remember the formation of the two benefit societies?—Yes.

180. Did you belong to both?—Yes.

181. What made you join these societies; were you persuaded to do so by any of the officers?—Indirectly I was persuaded; it took them about six weeks to get me to join the provident fund.

182. At first you did not like the idea of joining?—I did not like it at all.

183. There were several others, perhaps, who did not like it?—Yes.

184. Can you tell me what argument was used?—Mr. Holroyd came to me perhaps once a week for six weeks, and I told him I was already insured in the Colonial Mutual for £400, and at that time could not possibly pay into the three places at once—namely, the sick and accident fund, the provident fund, and the Colonial Mutual. But I got sick and tired of him coming to me, and I asked him one day, “In the event of my not joining the provident fund what would be the consequence: would it mean dismissal?” He said, “I do not know what would happen.” I said, “If it is only 1s. 3d. per week I will join, but it will put me to a great deal of inconvenience, and I will have to reduce my insurance in the Colonial Mutual,” and eventually I did do so to £200.

185. *Hon. Major Steward.*] Then, Mr. Holroyd gave you to understand that the continuance of your situation was dependent upon joining this society?—Yes.

186. Did you recognise Mr. Holroyd as speaking with any authority: did you understand him to represent directly the employers?—Yes.

187. Does, then, the chief engineer exercise authority of dismissal over the staff?—He was the means of discharging me. The chief engineer kicked me out like a dog, so I acknowledge him as my boss.

188. I want to understand whether the chief engineer was looked upon by you as representing the views of the company and capable of enforcing them?—Yes.

189. *Mr. Fisher.*] What was his reason for kicking you out like a dog?—Well, to tell you the truth, I do not know his reason at all. He discharged me for an alleged fault in connection with the management of the machinery.

190. I wanted to know whether it was on the ground of incapacity or drunkenness?—No.

191. *The Chairman.*] Was any such importunity used towards you by any officer in regard to the sick and benefit society?—No; I was not pestered about that.

192. A doubt never arose in your mind whether it was important to join the provident fund because the company were using the money of the provident fund?—I cannot say that it struck me in that light.

193. Do you remember certain petitions going about to be signed by the men?—I was not there in 1896. The petitions that went round when I was there were in 1893, 1894, and 1895, and they were sent round by the company's officials, and not by the men themselves. Mr. Hubble went round with the one in 1893, Mr. Elston in 1894, and Mr. Speedy in 1895. I would like to explain about the position of matters in regard to my insurance when I dropped this £200. When I got my discharge I got back £13 7s. 9d. from the provident fund, my wages having been reduced after I joined the provident fund.

194. *Mr. Fisher.*] Why?—I cannot say; they gave me no reason.

195. Does your book show how much you paid in during the whole time?—Yes; but I have never drawn it up. I got back what I had paid in without any interest attached. Coming back to the insurance question, after I was discharged I came over to Mr. Ward and asked him what he would reinstate me for in the Colonial Mutual at the £400 again, and he said he could not do it under £30. I said that I had not £30, and that I would therefore have to stop out. I consider that if I had not joined the Colonial Sugar Company's provident fund my wife and family would be £200 better off at my death.

196. *The Chairman.*] You consider that the local committees, whether they are nominated by the company or members or elected by the men, are still very much under the thumb of the company?—If I am not mistaken the company reserve the right to appoint these men, and you have to vote them.

197. As members of the local committees are officers under the control of the company, do you think that if you were in such a society again it would be safe to have a rule that any of these regulations could be altered at the will of the trustees?—Well, I do not consider that a safe thing at all.

198. Where is the security for the men's money?—We have no security. We go in and get our wages, less 2½ per cent., and we do not know where the money goes to. I never got any receipt for it.

199. *Mr. Fisher.*] I understand you to say that the company and its officers have also taken an interest in opposing legislation of the character of the Private Benefit Societies Bill?—Certainly; they have always opposed them. They have called several meetings and the men would not go up. Mr. Philson took a journey over to see if he could induce the men to go. I did not go, but I remember it well enough.

200. Then, do you confirm or deny the correctness of the statement that all the men in the works objected to contribute to the provident fund?—I cannot say that all of them did. Talking amongst ourselves they all objected; there was not a man over there in favour of it.

201. *Hon. Major Steward.*] From your knowledge of the sentiments of the men do you think, if they were entirely free agents, they would have nothing to do with the provident fund?—Yes.

FREDERICK WILLIAM GOLDSMITH was examined on oath.

202. *The Chairman.*] What is your occupation?—I am just a labourer.

203. Where are you employed at present?—In the Colonial Sugar-works.

204. How long have you been in that service?—A little over eight years.

205. Do you belong to either of the benefit societies?—I belong to both.

206. Have you belonged to the provident fund since it started?—Not from the beginning; I have been in it a little over five years.

207. Were you persuaded to join?—No.

208. Did it come into your head that you would like to join?—I would not have joined at all had I not been asked to join by the manager, Mr. Miller.

209. Did he tell you it would be to your advantage to join?—Yes.

210. Do you mean as to the benefits to be derived from the society or in connection with your employment?—He merely said it would be a good thing, and that I had better join it. The first time he asked me I said I could not join it; and when he asked me again he said it was hardly worth while standing out, and I said "All right."

211. These were the only arguments he used?—Yes.

212. He did not say it would be better for the stability of your employment to join?—I think he made a remark that those in the provident fund, when they were shortening hands, would most likely get the preference of work.

213. Did he try to persuade you to join the benefit society?—No; I joined it of my own free-will, thinking it was and is a good thing.

214. Do you think this provident fund is a good thing for the men?—I did not care for the provident fund.

215. If you had your own free-will you would not join it?—Of course, I had my own free-will; nobody made me join it, but I had an idea that if I did not join perhaps when they were slackening hands I would be left out. So I thought it would be better to join it.

216. Have you got that opinion still?—Well, no.

217. *Hon. Major Steward.*] Suppose a society exactly like this, affording the same benefits at the same rate of contribution, were started outside the company, would you join?—No.

218. Then, you really joined the provident fund because you thought it would please your employers?—Yes, and because I thought it would keep me in my position.

219. *The Chairman.*] Do you know Henry McLaughlan?—Yes.

220. Is he a pretty reliable sort of fellow generally?—Yes, so far as I know.

221. You are aware he sent a petition to Parliament about the provident fund?—Yes.

222. He says in it he was compelled to join, and was asked to sign the petitions which went to Parliament against the Bill: do you remember a petition going round last year against the Private Benefit Societies Bill?—Yes.

223. Did you sign it?—Yes.

224. Can you tell us what was your reason: what effect did you think it would have?—I really thought it would have no effect—that the Bill would pass, and it would not matter whether I signed it or not. I did not think it would make any difference.

225. *Hon. Major Steward.*] And if you had thought your signature would have stopped the Bill would you have signed the petition?—I would not.

226. *The Chairman.*] Do you remember a document which was sent to disclaim on the part of the men that McLaughlan had been sending congratulatory telegrams on their behalf?—I do.

227. McLaughlan says the men were taken in one by one: do you remember that paper?—I think it was taken round by a man called Jackson. I do not think they were satisfied with the number of signatures, and as the men were paid they were asked to go into Mr. Miller's office. I was not asked to sign it, but a lot of the men told me they would not sign it when it was going round the works, but they did when it was in Mr. Miller's office. They were frightened.

228. *Mr. Fisher.*] Is this the case in regard to signing that disclaimer or protest: that on that pay-day the men received their wages in one room, and then were taken one by one to the manager's room to sign the disclaimer?—It is the case so far as I have heard from others; those who came out told me they were just merely asked to sign it.

229. Is it a fact that those who had not already signed were taken into the manager's office and asked to sign there?—To the best of my belief it is a fact.

230. Does it appear singular to you that some of the men working in the works have denied that anything of the kind has taken place?—Yes, it is singular to me.

231. It tests the value of the rest of their evidence?—Yes.

232. *The Chairman.*] Have you any idea why you were not asked to sign?—I usually receive my pay on Friday, but sometimes, if I am working a bit late, I have to wait a lot of time for my money, so I leave it, and get it on Saturday morning. Very likely I was not asked because I did not happen to be there that night.

233. *Mr. Fisher.*] Can you give us any explanation of the evident desire of the company to get men to join the provident fund?—I cannot.

234. Is it a fact that they do take great pains to induce men to join?—It is a fact.

WALTER RIPLEY was examined on oath.

235. *The Chairman.*] What is your occupation?—A plumber at the sugar-works.

236. How long have you been in that service?—About ten years.

237. Do you belong to either of the benefit societies?—To both.

238. Were you asked by any person to join the provident fund?—Yes.

239. By whom?—By our chief engineer at that time, Mr. Holroyd.

240. In asking you to join, did he say it would be entirely for your own benefit?—Yes; he pointed out the pension fund and the allowance at death.

241. Did he say anything to you about it being an advantage in case of work being slack?—No, he never mentioned that.

242. He did not at all hint that any preference would be shown to you if you joined?—Not the slightest.

243. You were and have been perfectly satisfied with the fund since you have belonged to it?—Not with the provident fund altogether.

244. What are the points on which you disagree?—There is not sufficient security in regard to the investment of the funds, and as to how my legal representative would receive the money at my death, whether in instalments or in a lump-sum or in any specified time. I disagree with that.

245. Were you a member of any friendly society?—No.

246. You only belong to these two benefit societies?—That is all.

247. Were you present in 1896 when the petition was going round against the Private Benefit Societies Bill?—Yes.

248. Did you sign it?—I did.

249. What was your reason for signing?—It was rumoured about the works that if the Bill became law the subscribers to the fund would forfeit the money they had paid in.

250. It was only just a rumour in the air?—I did not hear it from any of the officers of the company.

251. Did you suppose the company would get the money?—I really could not say; I supposed it would be the company.

252. *Mr. Fisher.*] Where did the impression originate regarding the provisions of the Bill: who gave out in that form what the contents of the Bill were?—I could not say; it was a rumour going about, but I could not say how it arose.

253. Did any one amongst the workmen take the trouble to get a copy of the Bill from your representative in Parliament?—Not that I know of. They did not know the contents of the Bill—at least, I did not.

254. The impressions existing amongst the workmen in regard to the contents of the Bill appear to have been entirely erroneous, but you cannot tell us how those impressions originated?—No.

255. *The Chairman.*] Do you further remember a document which was sent as a disclaimer on the part of the men in reference to McLaughlan having congratulated the Premier on the passing of the Bill?—Yes.

256. Do you remember signing that?—I did not sign it.

257. Were you asked to sign it?—No; it was brought to me by one of the workmen, and I refused to sign it.

258. You were never called into Mr. Miller's office and asked to sign?—I was not. I was never asked my reason by any one for not signing it. I simply said "No," and the man passed on.

259. *Hon. Major Steward.*] The wages are usually paid on Friday?—Yes.

260. Were you paid on Friday?—No, on Saturday.

261. Perhaps that accounts for your not being asked to sign it?—No; because a young fellow with me was asked by the manager, but I was not.

262. *Mr. Fisher.*] Did Mr. Holroyd ask you more than once to join the provident fund?—Yes, several times.

263. Does that imply that several times you had declined to join?—No; I simply told him I had not made my mind up; I had not studied the rules.

264. Can you give any explanation of the evident desire of the company to get men to join?—I cannot.
265. *Hon. Major Steward.*] The company does not press men to join the sick fund?—No.
266. But it presses men to join the provident fund?—Yes.
267. For what reason you cannot tell?—No.

THOMAS HOMEWOOD was examined on oath.

268. *The Chairman.*] What is your business?—I am driving the hydraulic lift at the sugar-works.
269. How long have you been in that service?—Twelve or thirteen years.
270. Do you belong to either of the benefit societies?—To both.
271. What was the reason of your joining the provident fund; were you persuaded to do so?—No; I joined it of my own accord; no one ever asked me.
272. Did you think it would be of great benefit to yourself hereafter?—Not altogether; I heard that men who joined would have the preference of work, and, as I was just married and settled down, I thought I would do this for security of employment.
273. Had you any reason for thinking that; did any officer tell you?—No.
274. It was just a rumour amongst the men that this would be so?—That is all.
275. Were you a member of any other friendly society?—No.
276. Did you join the sick fund at that time?—We had a little society of our own then, which was broken up, and I went on with the other. I only paid half the amount of contribution for the same benefits.
277. Were you present at the time a petition was going round against the Private Benefit Societies Bill?—Yes.
278. Did you sign any petitions?—Yes, I signed them all when they came round.
279. You did not think your signature one way or the other would prevent the Bill being passed?—I just signed it to save any bother.
280. *Mr. Fisher.*] You did not care very much about the provident fund, but you joined it to secure your job?—Yes, as much as anything.
281. If you could have secured your job without joining the provident fund would you have joined?—Oh, I think so. They said I would be insured for £100, and if I was in for five years I would get my money back on leaving. I have been in the provident fund six years.
282. *The Chairman.*] Did you ever know that the fact of a man being able to draw his money was a temptation to the men to go on the spree?—I do not think one has left after being in for five years.
283. *Mr. Fisher.*] Where did you work before you joined the sugar company?—I was navvying at the Piako.
284. Were you bothered with any other societies before in your other employments?—No. I was not bothered with this one. I joined it of my own accord.
285. *The Chairman.*] Do not you think every workman should join some society in order to secure his wife in case of death?—I think so.

HERBERT JONES was examined on oath.

286. *The Chairman.*] What are you by occupation?—A fruit-grower.
287. You are aware that we are engaged in collecting evidence in regard to a petition by one Mr. McLaughlan?—Yes, I have read so.
288. Can you add to the evidence that has been given, or do you wish to refute anything?—I may say, in the first place, I have been called here unexpectedly. I can refute some of the statements made. In 1893 I was president of the Birkenhead Political and Chelsea Liberal Association. One of your previous witnesses named Harris was a member, and he often came to me complaining about the state of affairs at the sugar-works in connection with the benefit society, and asking me to write to the Premier, as he stated he had been compelled to sign a petition in favour of the benefit society although he was opposed to it. He was compelled to do so because he was afraid of losing his work, as he had been previously discharged once because he was connected with the Knights of Labour, also adding that, in spite of Mr. Miller, the manager, he had been reinstated there, being a Mason. I may say that several of the other men also waited upon me and asked me, as president of the Liberal Association, to write to Mr. Seddon to persist with the abolition of benefit societies. I may say I took an active part in the election of the member for Eden, who was the late Mr. J. M. Dargaville, and later on Mr. Malcolm Nicol, and in speaking at Chelsea two questions were put to you: first, "Will the candidate vote for the abolition of private benefit societies?" and the second question invariably was, "Will he vote in favour of the Eight Hours Bill?" I was also requested by some of the men to put these questions to the candidates, saying they dared not put the questions themselves for fear of getting into trouble with the manager. On one occasion Mr. Dargaville was refused the school-room there for an election meeting, although it had been previously used before, and he had to hold an open-air meeting. I suggested that one of the men should be chairman, as it would be better than having an outsider, and he said he dared not be chairman, and he asked me to do so, which I did.
289. *Hon. Major Steward.*] From which you gathered that many of the men at the works object to the society?—I am decidedly of opinion that nine out of every ten on the works object to the provident fund, seeing, as I have said before, they have repeatedly asked me to write to the Premier.
290. *The Chairman.*] So that if four or five men come across and tell us that they were in favour of the provident fund you think they were doing so in their own interests, or were not wholly speaking the truth?—I would decidedly think so. I do so in the case of the witness Harris,

because he has repeatedly asked me to write to the Premier to get private benefit societies abolished.

291. What is your opinion of some of the witnesses: they gave their evidence on oath?—Yes; I am sorry to see it, but I can quite understand a poor man with a large family, and depending on his situation, not speaking the truth. I know they have told me differently.

292. If they were speaking the truth here they could not have been speaking the truth to you?—Certainly they could not.

In the matter of the inquiry by Royal Commission into the working of private benefit societies. I, EDWARD WILLIAM KNOX, of Sydney, in the Colony of New South Wales, make oath and say,—

1. I am the general manager of the Colonial Sugar-refining Company (Limited), a company duly incorporated under the Companies Act of the said Colony of New South Wales.

2. The statement contained in the six pages of type-writing attached hereto, and signed by me, contains a true and faithful statement of the facts therein respectively set out.

EDWARD W. KNOX.

Sworn at Sydney, in the Colony of New South Wales, this 16th day of July, 1897, before me—James Wm. Johnson, a Commissioner of the Supreme Court of New South Wales, and a Commissioner of the Supreme Court of New Zealand for taking affidavits in New South Wales.

THE STATEMENT OF EDWARD WILLIAM KNOX.

I am the general manager of the Colonial Sugar-refining Company, and in such capacity was instrumental in establishing the provident fund and benefit society for the employés of the company. I have, moreover, since their inception been in a position to watch their working, and have taken a continuous interest in their administration. The provident fund was started some seven years ago for the purpose of providing life insurance and pensions for the staff and wage-earners in the employ of the company, the deed under which the fund was inaugurated having been signed in September, 1890. The fund was intended to absorb a confessedly imperfect one which had been maintained for the staff for a few years, and it was modelled in most of its details on that of the London and North-western Railway Company, notable exceptions being, however, that in our case the company has a much smaller voice in the administration, though giving directly and indirectly more largely to its support, and while the English fund is for the benefit of the salaried staff alone ours places staff and wage-earners on the same footing.

The basis of the institution is the subscription by the members of $2\frac{1}{2}$ per cent. on their pay, a like sum, up to a maximum of £3,500 per annum, being contributed by the company, who, in addition, pay 6 per cent. interest on half the accumulated funds, while the other half is invested in shares of the company, or in such other manner as the trustees, with the approval of the board of the company, may decide. Every officer now appointed—with the exception of the general manager, who cannot become a member—must, on entering the service, pass a medical examination, and become a subscriber. Of the wage-earners, only those who had been in the employ could join hitherto, but this rule has been modified so as to permit entrance after six months' service. In case of dismissal at any time, or resignation after five years' service, all contributions are returned. When a subscriber resigns after less than five years' service he receives half his contributions, this return of subscription being an unusually liberal provision for societies of this nature. The direct contributions by the company (including the payments to the old fund) amount, to the 30th June, 1897, to £20,761, to which may well be added a large proportion of the interest paid on the accumulated funds. At no time since 1890 has any money been borrowed by the company at 6 per cent., and now deposits of considerable sums are being taken at an average of 3 per cent., so that the payment of 6 per cent. to the trustees represents a further subsidy of about £700 a year, while the security for the sum thus invested by them is about the best obtainable in Australasia. There are at present nearly nine hundred members, and the trustees hold now more than a thousand £20 shares in the company, only twelve shareholders holding in their individual capacity more shares than the trustees of the fund.

During the whole period of the working of the fund no difficulty has been experienced. The members generally recognise that it confers on them important advantages, and in almost every case where death has occurred the sums paid for life insurance have proved to be a large share of the estates left for the widows and children of the deceased members. From time to time changes have been made in the rules as circumstances demanded without friction of any sort occurring, the most important of these being the diminution of special benefits for those members serving in the tropics, actuarial investigation having shown that the benefits originally granted to such members could not be allowed to new entrants with justice to those serving elsewhere. No pension has yet been paid, the only one granted having ceased immediately by the death of the member, whose heir then received the full life insurance. It is hoped that in a few years' time it will be possible to pay a large proportion of the average salary received during the period of membership to men compelled to retire by age or failure of health, and it is interesting to note that the London and North-western Railway Company's fund, above referred to, is able now to pay to members retiring after forty-two years' service the full average salary on which contributions have been paid.

The provident fund is not registered, as there is no need to register any such association in New South Wales, where the trustees are domiciled and the funds are held. The Auckland branch is one of seventeen in six colonies, and comprises about one-sixteenth of the whole number of members.

As some reference has been made in the evidence taken in Auckland to the possibility of the company winding up, I would state that a company with so large a paid-up capital—£1,700,000—and so small a proportion of indebtedness is not at all likely to be wound up, and in such event the cash on deposit would be more than sufficient to repay all the contributions of the members when the business was closed.

I attach hereto a copy of the last annual report of the fund, and a proof of the revised rules now being printed for issue to members [Exhibit 60].

The benefit society was established in its present form in March, 1893, to take over the funds and liabilities of the societies then existing at some of the company's factories, and it was registered at the same time under the New South Wales law, the rules having been drafted so as to conform with the terms of the Friendly Societies Act in this colony. This society is supported by a yearly grant from the company of an amount equal to that subscribed by the members (last year £1,173), and, in addition, 6 per cent. interest is allowed on all accumulated funds which are held by the company on deposit. The administration is entirely in the hands of the wage-earners, with the exception that the company retains the right of nomination of the secretary and of one member of each district committee, this reservation being solely for the purpose of insuring the proper working of the accounts and that there shall be one member on each committee who will report if any action is taken which may be deemed hostile to the interests of the company. This provision has not, however, been availed of yet in any instance, and practically all the officers of the society except the secretary have been elected by the members. The appointment of the local managers as treasurers is simply to insure the safe custody of the funds. The fees payable are less than in any other society of which I have knowledge, while the benefits are at least as great, and in no other similar institution, as far as I am aware, are members who leave the service permitted to draw half the sum contributed by them when they have not during their term of membership received any benefits. All wage-earners are required to join the society on accepting work from the company, this rule having been made on the unanimous recommendation of the district committees. Under Rule 32 members who leave the service may under certain conditions retain their membership, but in such case the company is not liable for the payment to the society of an amount equivalent to their contributions. This rule was introduced to meet the cases of men who have reached an age at which they cannot join other societies without forfeiting some benefits or paying subscriptions on a higher scale.

The society is now in a good financial position, and its operations have been of great service to the employés. There has not been any trouble in its administration, the district committees as a rule performing their duties very satisfactorily, and during the four years that have passed since its institution I cannot call to mind one instance of a complaint being made to me of an alleged grievance against the society on the part of one of the members. The number of subscribers fluctuates greatly on account of many men being employed during part of the year only at our mills: in 1896 the members numbered over nineteen hundred, of whom there were at Auckland eighty-nine. There are now seventeen branches in active operation, two having been added this year.

Copies of the rules and of the last balance-sheets are attached hereto.

I do not attach any particular importance to either the provident fund or the benefit society as factors contributing directly to deterring the wage-earners from combinations or strikes. We have never had a strike at any of our factories, mainly because the conditions of service have always been reasonable and the pay higher than was obtainable elsewhere, and other attractions are not therefore needed, but the existence of both fund and society has certainly helped to steady the men and to make them less anxious for the purposeless change of employment so noticeable among wage-earners in Australia, while both for salaried staff and wage-earners the advantages given by these schemes have been incontestable. Every employé knows how large is the proportion of men, even among the more highly paid, who are disposed to sink their savings in foolish ventures, and it is a distinct boon to them as well as to the more prudent section that a portion of their pay can week by week or month by month be set aside without trouble and on very favourable conditions, which will help largely to make provision against death, old age, or disabling sickness. From this point of view the fund and society are of the greatest importance, and indirectly of value to the company, while directly they tend to relieve us from the claims of old servants who become past work, and from those of relations of deceased employés who have failed to provide for them—all these having under the arrangement now in force a right to the aid which they had formerly to seek as an act of grace or charity.

EDWARD W. KNOX.

This is the statement referred to in the annexed affidavit of Edward William Knox, sworn before me this sixteenth day of July, 1897.

JAMES WM. JOHNSON,

A Commissioner of the Supreme Court of New South Wales for taking affidavits,
and a Commissioner of the Supreme Court of New Zealand for taking
affidavits in New South Wales.

MONDAY, 5TH JULY, 1897.

HENRY BUCKLETON was examined on oath.

1. *The Chairman.*] What is your occupation?—I am accountant in the Bank of New Zealand.
2. Did you see any of the evidence in regard to the Bank of New Zealand Officers' Provident Fund as published in the southern papers?—I saw the reports telegraphed to the Auckland papers.
3. You saw a condensation of the evidence?—Yes.
4. Is there anything in that evidence you would like to refute or to which you would add?—I do not know, speaking from memory, if there is anything I would care to refute; but I would like to make a personal explanation in regard to the letter sent to the Commission by Mr. Winkelmann, in one part of which he referred to me, as he is endeavouring to make capital against the bank out of the incident. He said that he applied for a transfer from Blenheim to Auckland, an arrange-

ment which he states the local accountant assured him could easily have been carried out. What I really said was this: that so far as the Auckland office was concerned it would suit to make the transfer. The manager telegraphed to the inspector at Wellington suggesting that one of our staff could be sent to Blenheim in place of Mr. Winkelmann; but the inspector telegraphed back that the proposal would not suit, and the inspector alone is in a position to say what transfers can be made. I afterwards found out that Mr. Winkelmann's salary was more than the position at Blenheim was worth, and the officer I suggested should be sent to replace Mr. Winkelmann was drawing a still higher salary, so that he would practically have been disrated had the change been made. That was the reason the transfer did not suit the bank, and I do not see how it could have been made. Mr. Winkelmann was under me in the Sydney office, and he says in his letter he joined the provident fund under protest. I am quite certain he did not pay any premiums in Sydney under protest; he would not have been permitted to do so. So far as I am personally concerned, I have always told juniors on their joining, or their parents, of the provident fund, and guarantee fund as well. There is always a certain amount of grumbling when we collect the premiums, but I do not think that any one pays under protest. There is no option in the matter; if officers do not like to pay their contributions to the fund they are at liberty to leave the bank's service.

5. The senior officer would regard any protest as a breach of discipline?—Certainly; I would report the matter to the manager at once. No doubt he would send the matter on to the general manager.

6. Is it, then, within your knowledge that there is serious dissatisfaction about the fund?—Yes; and I think it is because officers do not properly understand the fund, and because there is not sufficient information in regard to the administration.

7. *Hon. Major Steward.*] Do not you think there is dissatisfaction in respect to the absence of a surrender value?—Yes, there is; and, if it is within the province of the Commission to receive suggestions, I would like to state the lines on which the fund should be continued. The fund is a good thing, but it should be reconstructed. In the first place, all the officers who hereafter enter or are now in the bank's service should be required to join the fund. It is a hardship to the old Bank of New Zealand officers that the ex-Colonial Bank officers should have been taken on and not compelled to join the fund. They have started a No. 2 fund, which is a guarantee fund only, and a lot of the juniors are joining it instead of the old fund. The old guarantee fund was a good source of profit to the provident fund, but through these new men joining the No. 2 fund we will no longer have that source of profit.

8. Is there not another source of dissatisfaction from the fact that, whereas a man on attaining the age of sixty may voluntarily retire on a pension, there is nothing for the widow of a man who may die at fifty-nine years and a half?—No; the widow has no right to anything. My opinion as to how the fund should be worked is that the Colonial Bank officers who were taken into the service on the absorption of that bank should be required to join, and they should either be loaded or should receive proportionately less pension than the old Bank of New Zealand officers. We should also increase our contributions so as to provide a surrender value.

9. That is, in point of fact, you would rather increase the contributions in order to adjust the benefits so that every one might get his proportion?—Certainly. No one should be entitled to draw anything out of the fund unless he has been in the service fifteen years. The bank does not want boys to come into the service, receive a certain amount of training, gain a knowledge of the business, and then leave. When a man has been in the service fifteen years he has some claim upon the bank. Then, again, I would give a larger surrender value after twenty years than for a fifteen-years service, and so on, upon an ascending scale. Again, when the trustees issue the annual balance-sheet the report should state the existing pensions and the basis on which they were granted.

10. You know clause 23 of the provident fund, which enables the trustees, subject only to the consent of the directors, to alter, or add to, or strike out any of the rules at their pleasure?—Yes.

11. Is that a safe power?—Perhaps it is not very safe; but, after an experience of the fund for nineteen years, I would still leave that power in the hands of the trustees. I do not think the contributors should have any more power than to have full information supplied them as to what is being done by the trustees.

12. I mean as to the selection of the trustees?—I think the trustees are the president, general manager, and the chief inspector; if we have not confidence in them we ought not to remain in the bank.

13. *Mr. Fisher.*] You say the objection to the provident fund is because the men do not understand it?—A great many of them do not.

14. Do you suggest that Mr. Hobart, Mr. Litchfield, and Mr. Sommerville do not understand it?—They understand it perfectly, but it is mostly the juniors who object to it. These men wish it put on a proper basis; personally I object to the fund as it stands. I want to see it reorganized.

15. *Hon. Major Steward.*] I have an article in a paper in the South in which it is represented that only a minority of the staff objected to the fund as it at present stands; now, is it not a fact that when a vote was taken on the subject amongst the officers of the bank at least 90 per cent. of them wished to have the fund put on a different footing or ended?—I can only speak for the Auckland office, and the majority was certainly against continuing the fund—very largely against.

16. *Mr. Fisher.*] Mr. Gibbs, secretary of the association, told us on oath that 90 per cent. of the officers throughout New Zealand voted against the continuance of the fund?—I can quite believe that.

17. Then, this statement in the paper that refers only to a minority is utterly incorrect?—I should say so. One reason why many senior officers are dissatisfied with the fund is that they do not know what is being done. If the trustees reported what arrangements are made on behalf of the provident fund we should know then. But there is dissatisfaction because it is not known

what is being done. For instance, when the pensions were reduced some time ago it appears that Mr. Murdoch's pension was not reduced in the same proportion to the other pensions. It may be possible that under the reduced scale it is quite right to pay Mr. Murdoch the pension he draws, but the staff do not know that.

18. *Hon. Major Steward.*] It is a fact that in Mr. Steele's case something like three-eighths of his pension was struck off: do you know if there is any guarantee that another readjustment will not be necessary under the present circumstances?—None whatever, and under any circumstances I think the existing pensions should be still further reduced; I do not see how the fund can go on paying them. Interest on investments is taken at a 6-per-cent. basis, which cannot possibly continue. I think it should be taken on a basis of 4 per cent. It is the present staff of the bank who joined since inception of the fund who are entitled to most consideration. Take the case of Mr. Murdoch. I should say Mr. Murdoch paid £300 into the fund. Very well; take the position of a junior who joins the bank at fifteen years of age. He works his way up and becomes general manager; and I do not think under any circumstances his average salary is likely to be more than £1,000 a year—that is a high average, and we will say he completes his full service of forty years. He will then have paid £400 into the provident fund and £110 into the guarantee fund, altogether £510, which is very much more than Mr. Murdoch paid, yet he would not get as much pension as Mr. Murdoch is getting, though he would have paid more into the fund.

19. *Mr. Fisher.*] And that is putting the extremest of extreme cases?—Yes. Take my own case, I joined the bank when the fund started in 1878, and I have paid in every year. I shall have to serve the bank for forty years before I can draw a pension.

20. *Hon. Major Steward.*] You say the scale is actuarially unsound, and that the calculations are based on too high a rate of interest—you think it should be 4 per cent. instead of 6 per cent.; but is it not unsound from another point of view, inasmuch as owing to the existence of this No. 2 fund which all the young men are joining you are diminishing the area of the contributions of the old fund, while, of course, you will have an increasing number of beneficiaries from time to time, so that the thing must be put on a different footing?—Yes; it would be a great pity to see the fund divided if it can be arranged to put it on a sound footing. A pension fund is a good thing for a big bank.

21. You would, I presume, allow the Colonial Bank officers' service in the Colonial Bank to count in this fund?—Certainly not; they should either be loaded or get a proportionately less pension. I understand every man over the age of nineteen or twenty who joins the fund is a dead loss.

22. Is there any limit as to the amount of salary that is liable for contribution to the fund; it is alleged that supposing an old officer were receiving a salary of £3,000 a year, or above £1,000, then he would only be required to pay on £1,000?—Not that I am aware of. How could Mr. Murdoch have paid £300, which Mr. Fisher, I think, says he did, under that rule. He paid 1 per cent., and I understand his salary was £2,500, therefore his contribution at 1 per cent. for twelve years would reach £300.

23. I asked the question because it is alleged there is a limit of salary on which the contribution is collected: you deny that?—I am not aware of it, and I think it most unlikely, because pensions are based on the amount actually paid into the fund. I have audited the provident fund accounts, and would have noticed that in the books.

24. *Mr. Fisher.*] May I take it that in general terms you condemn Rule 23 of the deed of settlement?—No; I am rather inclined to give a good deal of power to the three trustees, because they are at the head of the bank, and we should have every confidence in them. If I had no confidence in my senior officers I would look for another opening.

25. Do you know the three trustees at the present time?—Mr. Tegetmeier, the general manager, Mr. Callender, assistant inspector, and I understand Mr. Sommerville is third.

26. Do you know who the trustees were in 1893-94?—I fancy they were Mr. Holmes, Mr. John Murray, and Mr. Butt, but I am not certain on that point.

27. Is it a rule in this pension fund that a man who leaves the service of the bank forfeits all he has paid in?—Yes; but under certain circumstances he would have a claim on the consideration of the trustees.

28. But at the discretion or prerogative of the trustees?—Yes. But you should not lose sight of the fact that in many instances the bank gives men who have no claim on the provident fund retiring allowances. I may say two years and a half ago the staff was reduced, and the men who left were very liberally treated; some of them got nine months' pay.

29. You will begin to see now the point of my first question, which was whether you approved or condemned in general terms Rule 23?—Personally I am willing to give the trustees very great power indeed.

30. Do you approve of any trustees, whoever they may be, and at any date, altering the rules specially in their own favour?—No.

31. Do you approve of Mr. Butt—I mention him now in particular—who had left the service of the bank to become Government Auditor, as trustee, making an alteration in the rules, under Rule 23, which would enable him to come back on the fund and claim a pension?—I would hardly say Mr. Butt was justified in doing it for himself, but I would say the other two trustees were fully justified in doing it for him. Mr. Butt was a very old officer of the bank, entitled to every consideration, and his leaving the service was under special circumstances. In fact, he is doing special bank work for the Government, and in a sense has not severed his connection with the bank.

32. Do you not think he should have considered that point before leaving the service of the bank to accept other service?—Yes, I suppose he should have considered the point.

33. Then, is it fair or honourable that a man, no matter who he be, but who, being a trustee, should alter the rules under the extreme power given in Rule 23 in his own favour as against what

is due to all the other contributors to the provident fund?—One of the trustees has no power to alter the rules; there must be a majority of them. I do not think for a moment that Mr. Butt, had he had sole power, would have done so. No doubt he laid his case before the trustees, and they said it should be done. I believe in giving every consideration to old officers.

GEORGE SCHWARTZ KISSLING was examined on oath.

34. *The Chairman.*] You were formerly an officer of the Bank of New Zealand?—Yes, for twenty-seven years.

35. About how long ago is it since you left?—I joined in 1861 when the bank was opened, and I left in 1889.

36. You contributed during that time to the provident fund?—Yes.

37. On leaving did you get anything from the provident fund?—Perhaps I had better explain the circumstances under which I retired from the service of the bank. In 1889 I had been then twenty-seven years in the service, and I was then ordered to proceed to Levuka. I could not accept that position; circumstances prevented my doing so. I may say I would not be entitled to a pension until I was sixty years of age, and I was only then forty-six or forty-seven years of age. There is a clause in the articles of the association which provides that the trustees can make an allowance by way of pension to an officer of unblemished record of twenty or twenty-five years' standing although he is not entitled to a pension. I applied under clause 5 of the regulations. The bank admitted that I had that unblemished record, and I believe the trustees were disposed to extend to me consideration under that clause. They said, however, it would be necessary for them to take legal advice as to their power to do so in consequence of my having refused to go to Levuka.

38. Could they not have considered it as an error of judgment on your part?—Possibly it was a very great error. I can see now. They took legal opinion, I believe. I was told that they were debarred from extending that consideration in consequence of that step. I have never seen that legal opinion; I was only informed by one of the trustees that such was the opinion, but I do not know the question that was submitted to the lawyer. But it appears to me this is an easy way of getting rid of a man, to offer him an impossibility. I had another offer of a similar character from the bank which I could not accept.

39. What happened then?—Well, believing that the legal opinion was binding on the trustees, there was no recourse left to me but to make the best terms I could with the bank for a payment on retiring from their service. I represented to them my length of service, extending over twenty-seven years, and also the position in which I stood in regard to the pension fund; and the consideration I received from them was, I believe, a year's salary. I have not the figures handy, but I believe it was about £1,000. It was compensation, and no doubt my position in regard to the provident fund was taken into consideration by the bank at the time they gave me that £1,000.

40. Was that £1,000 paid by the bank direct, or did it come out of the provident fund?—That I cannot tell you.

41. Was it made to you by the bank or by the trustees?—I understood it was made to me by the bank. It was quite possible that, although the money was paid from the bank's fund independently, it was intended to operate as a relief to the provident fund. I urged my position with regard to the pension fund as a reason why they should make me additional compensation.

42. *Mr. Fisher.*] Can you tell us approximately what you would have been entitled to draw, you being a manager, when you reached pension age?—I was told by the trustees when I was negotiating with them that if I had been sixty years of age or unfit for duty I should have been entitled to claim a pension of over £300 a year.

43. *The Chairman.*] Do you not think that having as trustees of this fund the higher officers of the bank constitutes a danger to the subscribers to the fund, inasmuch as persons are liable when they get near pension age to be sent away by the bank, so that they shall not be able to draw pensions: do you think that there is that danger?—There is no question that under such circumstances the fund would benefit.

44. *Mr. Fisher.*] Is it the case, as the Chairman possibly suggests, that they put to the officers of the bank impossible conditions?—I can only speak of my own experience.

45. Is it your opinion that in your own case they put to you impossible conditions?—I think it is hardly fair to ask me what prompted them, because that is really what the question means. I do not know what their object was. I can only state as to the fact.

46. Is this putting it too plainly: Do you consider that you were shunted?—I have always thought I was not fairly treated.

47. *The Chairman.*] Do you think that, considering what a very large proportion of the fund is subscribed by the junior officers of the bank, it is quite fair to allow trustees to be appointed in the manner they are, with power to alter the rules?—To tell you the truth, I know very little about the rules. I could not tell you how the trustees are appointed.

48. As a matter of principle, do you not think that the officers who contribute to the fund should have some say in the management and appointment of managers?—I should certainly say the contributors should have some say in the management. I may say I was not singular in the Bank of New Zealand in knowing very little about the fund; all of the officers knew very little about the fund. All we knew was that it was a part of the system, and that we had to pay our premiums.

49. You are aware that an officer of the Bank of New Zealand is obliged to retire on pension at fifty-five unless the board of directors wish to continue his services?—No.

50. Then it goes on to say that every officer shall have the option of retiring at the age of sixty?—Yes. What I wished to bring before the Commission was the fact that an impossible offer had been made to me, and I practically lost my pension through not accepting it.

51. *Hon. Major Steward.*] You have never rejoined the bank?—No. I do not know what has taken place since I left the service in 1889, but I know in the old days the mind of the officers was a perfect blank in regard to the management of the fund.

52. When you were in the bank did you make any inquiries as to the actuarial soundness of the fund?—No.

53. Were the officers during your time satisfied with the fund?—I think they looked upon it as a condition of employment in the service. I cannot say I ever heard complaints, because I do not think they ever troubled themselves about it. I hope I made the point quite clear that before I obtained from the bank that money I urged as one of the reasons for receiving consideration my position in regard to the provident fund, because it is quite possible the bank has documents in my hand giving them a legal release from any claim on the fund.

HENRY GREEN was examined on oath.

54. *The Chairman.*] What is your occupation?—An agent.

55. You were formerly in the employ of the Bank of New Zealand?—Yes; from 1864 to 1874.

56. What was your position in the bank at that time?—I was accountant at Wellington.

57. You paid into the provident fund all the time you were in the bank?—Yes; but it was not the same provident fund to which I have seen reference made in the papers. It was the Colonial and Foreign Banks Guarantee Fund.

58. There was no provident fund at that time as we find it now?—There is an impression in my mind that the bank made some arrangement by which it formed its own insurance fund, and a large amount of the premiums collected from the officers went over to this fund. I cannot tell you how I got that impression because I was not in the bank at the time, and did not know until I saw in the papers that it was called the Bank of New Zealand Assurance Fund. The fund I paid into was called the Colonial and Foreign Banks Guarantee Fund.

59. In 1875 you left the bank and went to the National Bank?—Yes. I had been to England in the year between on extended leave without pay from the Bank of New Zealand, and when I returned something that looked very much like shunting was attempted on me, which I resented, and I went into another service.

60. And then you had to pay again?—Yes, to the Colonial and Foreign Banks Guarantee Fund. The banks were agents for the fund, and collected the imposts from the officers.

61. It is not a provident fund in any way?—In order to refresh my memory I called at the National Bank to see if the words "provident fund" were included in the title. I was under the impression that it was the Colonial and Foreign Banks Guarantee and Provident Fund, but it is not so. It says at the foot of the thirty-first annual report of the Colonial and Foreign Banks Guarantee Fund, "A benevolent fund in connection with the society is available to assist (1) members suffering from continued ill-health, (2) widows of deceased members, (3) orphans of deceased members, (4) special cases in which temporary assistance is required." In further explanation I may say I was on the committee to collect these premiums and to pass junior officers who made application to be admitted to the benefits of this fund. Our rule was that they must be guaranteed by their parents or by some substantial friends until they had been in the service twelve months. They then made proposals to come into this fund, but it was regarded as a guarantee business. Premiums are now collected in four equal annual instalments at the rate of 11s. per cent. per annum for four years. When I was there it was for five years. It shows that the fund has increased and the premiums have been reduced, because they are found to be in excess of what is actually required to cover liabilities and losses. When I was there the premiums were collected in Wellington, and from there sent to London. If the money I had paid in had been put in a savings-bank up to the present time it would have amounted to about £500. I see that the chain is very weak by which I could hope to get any allowance made to me from the Bank of New Zealand fund or the Colonial and Foreign Banks Guarantee Fund, and I cannot see how Parliament could afford me any relief whatever. I only deplore the position that I had to pay this in connection with my employment, and that I paid £22 per annum during my last five years' service.

62. *Hon. Major Steward.*] I understand, out of that fund of £152,000, that £146,000 accrued as a guarantee fund and £6,000 as a simple benevolent fund?—Yes.

63. Then, really only about 4 per cent. of the whole fund goes to the benevolent side of it?—Yes.

64. Then, the capital fund on the guarantee side of the account is not only able to overtake the demand for defalcations, but also accumulates largely?—That is so.

KENNETH STANLEY BROOKFIELD was examined on oath.

65. *The Chairman.*] You are an officer of the Bank of New Zealand?—Yes.

66. How long have you been in that service?—About twenty years.

67. What is your position?—I am assistant accountant in the Auckland branch.

68. You are a subscriber, of course, to the provident fund?—Yes, compulsorily so.

69. Is it within your knowledge that this fund meets with the approval of all the officers in the Bank of New Zealand?—Quite the opposite.

70. Have you seen any of the evidence as published in the southern papers?—Yes; I saw the *Wellington Times*.

71. Have you seen anything you would like to add to or anything you wish to refute?—I suppose that evidence pretty well bears out what we would say. Mr. Hobart's evidence was rather extreme, but generally I agree with his views.

72. What are the points mainly on which the officers dislike the fund?—I may say, first, not having any voice whatever in the management. We have nothing to do with the election of the trustees, and they manage the fund by themselves.

73. Is there any dissatisfaction, for instance, in regard to the trustees having power to alter the rules?—Decidedly.

74. There is also a doubt as to the actuarial unsoundness of the fund?—More than a doubt—a certainty.

75. So that really the position of the junior officers of the bank is that they are paying into a fund compulsorily from which they can never receive anything?—Without a hope of reward. Of course, you know the way Mr. Manly wound up his 1894 report.

76. Do you recollect that the trustees sent a circular to members asking them to record their views as to whether the fund should be continued or not?—Yes; I collected the votes in the Auckland office, and, if my recollection serves me aright, there were only two out of a staff of forty who were in favour of a continuance of the fund.

77. *Mr. Fisher.*] Were they subordinate officers or high officers?—One was in the position of ledger-keeper, and the other held a higher position. I may say that one of the two voted for the continuance of the fund because his father was near the pension age. That was only a preliminary vote, and before we would vote as to the discontinuance of the fund or the remodelling of it we would expect some scheme to be placed before us. We were given to understand that was a matter for further consideration.

78. *Hon. Major Steward.*] In the event of any legislation in regard to this fund would you prefer that it should be terminated or put on a different and fairer basis?—Personally I believe in a provident fund if conducted on proper principles. I would prefer that alternating schemes for discontinuance and remodelling of present fund should be prepared by an actuary.

79. Do you think that in any scheme the contributors should have some say in the management?—Certainly they should.

80. And you would not care to have in the new constitution any such rule as that the trustees should have the power to alter or add to the rules without the consent of the contributors?—I think no rule should be altered without being submitted to the contributors.

81. Do you also think that a man on leaving the bank should have some surrender value of the money he has paid in?—Yes; I think the absence of such a provision is one of the great faults of the fund.

82. Do you or do you not think it is right that an officer who dies at fifty-nine years and a half of age can leave nothing to his widow or relatives?—I think something should be left to the relatives.

83. *Mr. Fisher.*] Do you also agree with Mr. Litchfield that this fund is a degenerating fund?—Yes, I think so decidedly.

84. Do you think, if it were found actuarially necessary to increase the contributions to secure the benefits, you would prefer to pay that increased contribution?—Yes; that is my opinion, and I think most of the older officers who think of these things would take that view.

JAMES SMITH FAIRGRAY was examined on oath.

85. *The Chairman.*] Are you an officer of the Bank of New Zealand?—Yes.

86. What is your present position?—Ledger-keeper.

87. Have you been long in the service?—Seven years and a half.

88. Is there any statement you would like to make in regard to the provident fund or the opinion of the officers in connection therewith?—I have nothing to say except that a great many officers are dissatisfied with the conditions of the fund and the prospects as at present in case of death, because the relatives of an officer receive nothing from the fund unless as an act of charity, which is very rarely extended, so far as I know. Then, again, two or three years ago the actuary's report was received from London, and it was decidedly unfavourable, in consequence of which the pensions have already been reduced.

89. Did you see the evidence as published in the southern papers?—No; I only saw the telegraphed reports.

90. Generally, do you agree with the evidence as reported?—Yes; I think there is general dissatisfaction in regard to the fund.

91. Do you recollect after that actuary's report came out any memorial being sent round asking for a termination of the fund and a distribution of the money?—I do not recollect that.

92. You do recollect a circular on the part of the trustees asking the mind of the officers on the subject?—Yes.

93. We have it in evidence that a very large majority of the officers of the bank signed that document intimating their wish to have the fund put on a different footing?—Yes.

94. Are you of opinion that the majority of the officers when they did so wished the provident fund entirely brought to an end, or wished to have it put on a fairer footing?—So far as I can recollect, any opinion I have heard was that it should be broken up altogether and the assets divided.

95. As regards your own individual opinion, if that were done do you think any fresh start should be made and a fund created out of which pensions could be paid?—I think it could be met by joining other societies. It is rather a difficult question, and I have not thought it out. It is not like a large Government establishment. I think the officers would have to pay very heavy premiums or the pensions would be very small; I would rather that the whole thing were terminated. Then, again, the officers who joined from the Colonial Bank have merely to pay into a fidelity fund which provides a surrender value. That is the great difficulty with our provident fund—that it has no surrender value.

96. Is it not a fact that the entry of the Colonial Bank officers still further weakened your provident fund, because there are no new contributors now?—Yes.

97. *Hon. Major Steward.*] Do you know the mind of the Auckland officers on this subject?—The majority of those I have spoken to seem to be of the same mind as myself; there may be some

of the officers who are nearing pension age who are of a different opinion. Otherwise the whole bank is against it.

ERNEST VALENTINE MILLER was reheard.

98. *The Chairman.*] I understand you have attended to add to your former evidence?—Yes. I wish first to speak on the subject of the benefit which the company is supposed to derive from the provident fund in the way of a guarantee fund, and to show that it really does not come out of the provident fund. The rule is that three times the defaulter's contribution can be withdrawn from the fund by the company. Well, of course, it is evident that his own contributions have been put in by himself; and there is another sum equal to that put in by the company; and the interest on these two for ten years and a quarter will amount to a third sum equal to his contribution. If he has not been in so long the fund suffers by a small amount, but if he has been in over that time the fund actually gains by his dishonesty.

99. Is there any other point?—In the evidence of Boulton he stated that he had been discharged from the company, and that in consequence he would have to pay a high premium on account of his more advanced age if he insured in any outside company. He did not bring forward the fact that there is a very liberal surrender value from the provident fund which will in most cases, unless the man leaves at a very old age, put him in as good a position as if he had joined an outside insurance company at the date at which he joined the provident fund. In Boulton's case he was originally insured in an outside company.

100. There was one point I did not ask you on your former appearance: Supposing, for instance, a man had been five years in the provident fund, he can draw his money out when he leaves?—Yes.

101. But there is a rule also which we did not notice—that if he absented himself for seven days without permission he forfeits all his money?—No; he shall be deemed to have resigned from the service of the company.

102. It is claimed that the man will forfeit all he has paid in?—If a man resigns from the service of the company in this way or any other he receives half of his contributions if under five years contributing, or the whole of his contributions if over five years.

Mr. Fisher: There is not much to be said either way in regard to the evidence of Boulton, because he did say he joined the provident fund to save his job, and he also says, "I have no complaint against the company; they did not act shabbily."

Witness: I may say also that both these questions have been raised by the men. I did not think of them when giving my evidence in chief. They were replied to in the same way when brought forward by the men. I wish to say also that since giving evidence I have thought of one case in which a man drew attention to the small power the men have over the funds. There is just one case that I remember, and it will show that so far as the company was concerned the men did not lead us to understand that that was a grievance. With regard to McCarthy, I would point out that his evidence is perhaps liable to be a little biassed, because it is well known he considers he had a grievance against the company when he was discharged. There was some amount of disagreement between him and the engineer in whose charge he was. So far as I know, he did not mention in his evidence that he had received the surrender value for the £200 by which he reduced his policy in the Colonial Mutual, and there is also the surrender value of his interest in the provident fund, which amounted to £13 7s. 9d. Both these sums would go towards the £30 which he claims was wanted to reinstate him. But instead of being reinstated he might have insured for £200 at a rather increased premium owing to his slightly-advanced age, and that would have amounted to about 11s. a year only, and he would have had the surrender value of both societies to meet that. With regard to the evidence as to compulsion, some of the men in their evidence seem to think that my asking them twice over to join, and it being known as to the company's wish that the men should join, should be construed as compulsion. If that was so it would be very difficult to present a scheme to the men and explain it to them, because the working-men do not understand a scheme of this kind at once. Some of the men think over it, and it is necessary to speak with them more than once about it.

103. *Hon. Major Steward.*] I think I understood you to say in your evidence in chief that no threat or compulsion was used to induce men to join this provident fund?—That is so.

104. The allegation is that although there is no threat of direct compulsion the fact that the company would employ those persons who prefer to join the fund is in a sense compulsion; I would like to ask do you prefer to choose for your employes those persons willing to join the fund as against those who are not?—Only as a secondary consideration, because it is chiefly men who are fitted for the work whom we engage. In fact, it is not even a secondary consideration, because in reducing hands we consider the time they have been in the service.

105. *Mr. Fisher.*] Was McCarthy an incapable or incompetent man: why was he discharged?—The engineer complained to me that McCarthy was not doing his work well. I thought it was not a serious matter, and that it was better not to discharge the man. I spoke to McCarthy at the time and warned him, but these complaints recurred, and the engineer said his conduct as an employé was not satisfactory. He advised that he should be discharged, and on that representation he was discharged.

106. I want to get your value of this statement: "The chief engineer kicked me out like a dog"?—There was no kicking in the matter at all. It was just an ordinary dismissal so far as I know. There is another point where McCarthy said that after he joined the provident fund his wages were reduced, and he did not know why. His wages were reduced three years after he joined the provident fund, and it was explained to him that he was getting more than the position justified. In fact, the man who is doing the work now is getting the same as McCarthy did after his wages were reduced.

JAMES HAYWARD HAMMOND was examined on oath.

107. *The Chairman.*] You are an officer of the Bank of New Zealand?—I am.
108. How long have you been in the service?—Eighteen years.
109. What position do you hold?—Teller.
110. You remember the start of the provident fund?—No; it was started the year before I joined.
111. You have been paying into the provident fund all the time you have been in the service?—Yes.
112. Is there anything you want specially to tell us?—There is no information I wish to volunteer.
113. How do the officers of the bank regard the fund generally?—They are very much opposed to the fund; in fact, almost universally it is looked upon with disfavour.
114. In your opinion, what are the points which are most objectionable?—Chiefly the remote chance of our ever participating in the fund.
115. Are the officers satisfied with the condition of the fund in so far as it has no surrender value?—No.
116. Nor with the fact that if they die at fifty-five or fifty-six their widows or representatives have no claims?—That is so.
117. Have you read the evidence given in Wellington?—I saw the telegraphed reports of it.
118. Do you support the bulk of the evidence given in Wellington?—Yes. I think the fact there mentioned that a mistake had been made in not loading the old officers is very true. Take the case of Mr. Murdoch, for instance; he joined the provident fund at the age of forty-six on the same footing as a boy of sixteen.
119. *Hon. Major Steward.*] Suppose we agree with you that the present position of the fund is unsatisfactory, what is your opinion as to the future: should the fund be divided amongst the contributors and the thing terminated, or should it be altered and the conditions changed?—The fact of having two branches makes the fund very cumbersome unless a new fund is organized.
120. You think it would be better to terminate both funds and start *de novo*?—Yes, with increased contributions.
121. Is it desirable that when an adjustment takes place there should be a new fund established with the bank on a proper footing?—I think there should be, for this reason: that amongst a large number of officers like ours there are always bound to be improvident men, and some of them, if they are not compelled to make provision in this manner, probably will make none at all.
122. And then they come upon you by way of subscription-lists?—That is so.
123. *The Chairman.*] Suppose the fund should be distributed, should the men who have gone from the service and have left their money in the fund receive their fair share?—The deed of agreement sets forth that a man should contribute for ten years. I should be inclined to weigh the circumstances under which he retired from the bank. If a man left the bank of his own accord I do not think he should participate, but those who have been retrenched should.
124. *Mr. Fisher.*] No matter how long ago?—Not unless he had contributed over ten years.
125. You make ten years a stipulation?—Yes; because that is the time set forth in the agreement.
126. *The Chairman.*] It seems to me that the injustice lies in this: that whether a man leaves to better himself or not he has to leave his money?—That is so; he has no option in the matter.
127. You say if a man has been contributing for eleven years and is retrenched he should participate in the distribution; but if a man who has been in the service sixteen years leaves of his own free-will to better himself, why should he not participate?—That is a contingency I have not considered. I am bound to admit that there is much to be said in favour of his claim.
128. You think if the society is reconstructed that some power of management should be given to the contributors?—I certainly think it ought to be.
129. It should not be so entirely in the hands of trustees or higher officers?—No.
130. *Hon. Major Steward.*] What do you think of Rule 23?—I do not think that is fair at all.
131. *Mr. Fisher.*] If Mr. Litchfield, Mr. Sommerville, and Mr. Hobart condemn the fund as it exists, do you affirm or differ with them?—So far as I am concerned, I coincide with everything they say.

JOHN SEABORNE DAVENEY was examined on oath.

132. *The Chairman.*] Are you an officer of the Bank of New Zealand?—Yes.
133. What is your present position?—Ledger-keeper.
134. How long have you been in the bank?—Fourteen years.
135. Since that time have you been subscribing to the provident fund?—Yes.
136. Quite voluntarily?—No; involuntarily.
137. The general mass of the evidence we have received is that the fund is subscribed to in a very grumbling sort of manner by the officers: is that true, to your knowledge?—Yes.
138. The principal point about which they seem to dislike the fund is that they do not see any reason for believing that they will get anything back of the money subscribed: is that the chief point?—That, and the terms of the thing are most unfair. If you leave the bank you leave all interest in the fund, and they make you pay your contribution up to date, which is not just at any rate. There is no surrender value.
139. I suppose also, since there is no real insurance, and if you die your family would get nothing for the money you have paid, in some cases the subscription to this fund prevents men with small salaries from joining an insurance company?—That is so.
140. And the tendency of the salaries is to get lower?—Yes; they have been cut down several times.

141. It is within your knowledge that this fund has been declared actuarially not able to bear the rates of pension first paid?—Yes.

142. You do not know in any way as it is at present constituted that the fund could be made secure?—There is no security against the chief officers altering the fund.

143. *Hon. Major Steward.*] You know Rule 23?—Yes.

144. Have you served other than in Auckland?—Yes; I have served all over New Zealand and in Australia as well.

145. Do you recollect a circular that the trustees sent out to ascertain the opinion of the staff in regard to the provident fund?—Yes.

146. What was the percentage of the officers who voted in favour of a distribution of the fund?—About 90 to 95 per cent.

147. *Mr. Fisher.*] There was dissatisfaction in the Sydney branch as well as throughout New Zealand?—Yes; when I was there eight men were retrenched from the service and they had to pay up their contributions to the day they left. They were all young men, and it was a great hardship on some of them.

148. You agree with all these high officers of the bank who condemn this provident fund?—I agree with anybody who condemns it.

149. *Hon. Major Steward.*] What is your individual opinion supposing Parliament, in view of this evident dissatisfaction, resolves to terminate the present state of things: do you think the provident fund should cease, or should the present society be put on a better footing?—I do not think there should be any fund at all seeing how they have altered the fund to suit their own purposes. I think the men would prefer to make provision for themselves in outside offices.

150. Suppose you were settling the matter on the grounds of abstract justice, do you think those men now outside the bank who have contributed to the funds for a number of years should participate?—As a matter of abstract justice certainly they should.

THOMAS McWHIRTER was examined on oath.

151. *The Chairman.*] Are you an officer of the Bank of New Zealand?—Yes.

152. What is your present position?—Correspondent.

153. How long have you been in the bank's service?—Very nearly eleven years and a half.

154. You are acquainted with the provident fund of the bank?—Yes.

155. In your opinion is it a just fund?—Well, I always understood that in friendly societies or benefit societies contributors should have a voice in the management; but we have no voice at all.

156. Are there any other points that are bad in connection with the fund?—Well, I do not think the pension fund has been administered as it should be. I think it could be amended.

157. Do you think the fund as at present constituted is capable of going on at all?—I do not think so.

158. Is the opinion that you hold in regard to this fund held by other officers?—I think, so far as I know, in Auckland the opinion I am stating is general amongst the large majority of the officers who are members of the provident fund.

159. Are there officers of the bank who are not members of the provident fund?—Of course, there is another fund which was started at the time of the amalgamation of the Colonial Bank.

FRANK LIONEL KENRICK was examined on oath.

160. *The Chairman.*] You are an officer of the Bank of New Zealand?—I am.

161. What is your present position?—I am a clerk.

162. Have you been long in the bank's service?—About four years and a half.

163. You have contributed to the provident fund during that time?—Yes.

164. Is your own opinion favourable towards the fund?—Not in favour of the existing fund, but we were forced to join it.

165. If you were told that in Wellington we had evidence from some of the higher officers of the bank, and they were unfavourable to the fund, could you easily believe that?—I could.

166. You think it is on an unfair footing?—Yes; younger officers are unfairly placed as regards the old officers.

167. Do you think it would be better to terminate the fund and allow officers to insure elsewhere?—Personally I am in favour of a fund within the bank. I do not think the present fund is what the junior officers would like.

168. Then, if the fund were reconstructed according to the wishes of the great majority of the officers, you would like it to be even a compulsory fund so long as it was on a fair basis?—Yes.

169. *Hon. Major Steward.*] And you would like to see a surrender value provided?—Yes; but I think after a limit of, say, ten years, on account of so many joining who have no intention of staying.

170. *The Chairman.*] Is there in your opinion, and from what you have heard, general dissatisfaction amongst the officers of the bank in regard to the continuance of this fund as at present constituted?—I think, so far as the junior officers are concerned, that there is dissatisfaction existing.

TUESDAY, 6TH JULY, 1897.

CAROLINE SAGE was examined on oath.

1. *The Chairman.*] What is your business?—I am employed in Mr. Breda's shirt-factory.

2. Have you been long in that service?—About six years.

3. Do you remember the formation of the Stitchwell Club?—Yes.

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4. How long ago?—About eighteen months ago.
5. It is only in connection with this factory?—Yes.
6. Do all the employés belong to it?—I think all of them do.
7. You are the secretary?—Yes.
8. Have you a copy of the rules?—Yes [Exhibit 55].
9. How many employés are there in the factory?—Over sixty.
10. The members of the club have to pay 1d. per week?—Yes.
11. And you have £20 in hand?—I do not know exactly.
12. If that fund accumulates, have you any idea what will be done with it, or if it will be invested?—I do not think it will be invested; we have a social evening occasionally, and the expenses are taken out of the fund.
13. I suppose the girls are pretty well satisfied with it?—Oh, yes.
14. They all pay 1d. per week voluntarily?—Yes.
15. *Hon. Major Steward.*] They are not compelled to pay?—Not at all.
16. It is not deducted from their wages?—No.

JOHN VAN BREDA was examined on oath.

17. *The Chairman.*] You have a shirt-making factory?—Yes.
18. There is a club called the Stitchwell Club connected with the factory?—Yes; the factory is called the Stitchwell Factory, and the other is too.
19. Do you find that the employés are very well satisfied with the club?—They are. The formation of the club happened in this way: It is the custom when a girl leaves, as they do from time to time, that she receives presents, one from me and usually one from the other girls. When the girls decided to make a present they told me, and the girl who was instructed to buy the present would come with me to town. She complained then that though the girls were willing to give a present there was a difficulty in getting the money together. I suggested that instead of waiting for the time to arrive they should pay a small weekly subscription and form themselves into a club, and I said I would assist and give 1s. for 1s. That was agreed upon, and they formed this club, and I was elected honorary member. I have nothing to do with the club except that from time to time they come to me and say they want to give a present. I usually step in and say, "How much will the present be?" and they say "£1," and then I say, "Here is another £1." I also stipulated that it should be voluntary, and that no girl should be asked for a contribution until she had been four weeks in the place.
20. They have a sum of £20 in hand?—I believe so.
21. What is intended to be done with it if it gets larger than £20?—My idea is that, say, £20 should be kept in hand as a reserve. It is only a social affair and should not have come before you. It is not a benefit society, but a club used for promoting social intercourse and recreation.

JAMES HARRIS was reheard.

22. *The Chairman.*] I understand that you want to supplement your evidence?—What I wish to do is to refute a statement made by Mr. Jones, who was here on Friday. I think his statement was uncalled for, and I can clearly prove to the Commission that he came here with malice in his heart against me.
23. Which statement do you refer to?—The statement that I had gone to him when he was president of the Northcote, Birkenhead, and Chelsea Liberal Association. In coming forward to-day I have come in the interests of justice to defend my character. He stated that I went to him when he was president of the association I have named some four years ago asking him to write a letter to Mr. Seddon with regard to our benefit society. This I distinctly deny, and I am prepared to take my oath on that. I also wish to bring before the Commission the fact that he stated to a witness, and that witness came to me two hours prior to giving evidence, that he was going to do so to get my discharge. I think that proves that he came here with malice in his heart. I am perfectly aware that he could not do me any harm so far as my employment goes, because I have always been honest and truthful since I have been in the company's service. It was my character that was at stake, and induced me to come before you and deny these statements.

FREDERICK CAMPBELL THOMAS was examined on oath.

24. *The Chairman.*] Are you in the employ of the Kauri Timber Company?—Yes.
25. There is, I believe, a benefit society connected with the Kauri Timber Company?—Not with the company, with the employés.
26. Are you an officer of the society?—I am secretary.
27. Did you bring a copy of the rules?—Yes [Exhibit 56].
28. Have you brought a balance-sheet?—Yes [Exhibit 57].
29. How many employés are there in the Auckland mills?—Somewhere near three hundred.
30. How many members are there in this relief fund?—About a hundred and fifty men and boys.
31. Then, it is optional to them to join as they like?—Just as they please.
32. And does the company interfere in any way to cause them to join?—None whatever.
33. It pays no subsidy?—The only thing they have ever done was to vote £20 to the fund for services rendered by the employés at a fire which occurred some time ago.
34. *Hon. Major Steward.*] If an accident occurs to any employé who is not a member of the fund does he get any relief?—Not from the fund unless he pays.
35. Suppose an accident happens to a man not in the fund, do the men make up a subscription?—In some cases we take up a subscription notwithstanding that rule.
36. *The Chairman.*] How long has the fund been in existence?—It was formed about fourteen years ago, before the Kauri Timber Company took over the old Auckland timber-mills.

37. Have the contributions been sufficient to meet the expenditure?—Yes, and more than that. There is a division of the fund at the end of every year, and the lowest dividend I have ever received back was 13s. or 14s.

38. *Hon. Major Steward.*] You were in the service of the company prior to the formation of the fund?—Yes.

39. Were there any accidents before the society was formed?—Not that I remember.

40. *The Chairman.*] Is any reserve carried on at the end of the year when you divide?—Only a reserve of £20 which was subscribed by the company at the time of the fire. This society is only in existence for twelve months at a time; every year it is moved as a resolution that the society be re-formed.

41. *Hon. Major Steward.*] Suppose an accident occurs to a man who is a member of this society he is paid at the rate of £1 per week; now, so far as these employés are concerned, does it not relieve the company from any sort of demand for assistance in cases of accidents?—I do not see how it relieves the company in any way; it has no connection with the fund.

42. Would they not be morally bound to assist; and should they not subsidise your society if you relieve them in this way?—Personally I would prefer to be a free agent and have no subsidy.

43. *The Chairman.*] About half of the employés are in this society: do you think it would be a good thing if it were made compulsory, and all the men were made to join?—In the case of this society I do not think that compulsion would do the men any injury at all. Even supposing he was a member of another society, the subscription to this is very small, and the amount returned has been on the average more than three-fourths of what is paid in, so that it only amounts to something like 1½d. per week.

44. Do not you think it would be better if your society were made to include sick benefits also, as they have in the South?—The working-expenses would be too much. We would have to employ a medical man, because there are some men who would be sick when they were not sick.

45. If the Legislature could see its way to pass an Act to allow a society such as yours to be registered with the same rules as you have at present, would you have any objection to the society being registered?—Not if it would not cost any money. Our society cannot lose anything or gain anything that I can see by registration. It would give us a legal standing, that is all.

46. Do you know what was the cause of the origin of this society?—I cannot say.

47. It originated purely amongst the men?—It has always been conducted amongst the men, and I believe it originated amongst the men. From hearsay, I believe it was on account of so many subscription-lists going round the mills.

48. Have you had to pay out many £7 for funeral expenses?—Only one, to my knowledge. It is only from accident that any benefit is derived.

49. Who decides whether the accident is sufficient to make a man stay away from work?—The committee, and the company also has a medical man whose services we are entitled to.

THOMAS HENRY WHITE was examined on oath.

50. *The Chairman.*] What is your occupation?—I am manager of the Kauri Timber Company.

51. Have you been in that service long?—Yes; since the company started, and in the Auckland Timber Company twenty years ago.

52. You remember the start of the accident fund about fifteen years ago?—Yes.

53. You might tell us whether it is in favour with the men?—I think so; it is purely the property of the men, and purely voluntary.

54. How many employés are there working in the mill?—On Friday evening last we had 287, and out of that 150 were in the society.

55. Can you tell us why the men who have not joined do not join?—Well, some fellows are careless and improvident, and it is only when they meet with an accident that they know the benefit of it; and some of them are in friendly societies. I may tell you that they very nearly get all their money back at the end of the year in dividends, and at times it has happened that they have got back more than they paid in. I have been president, with the exception of two years, ever since the society was formed.

56. Was it formed at the wish of the company or of the men?—At the wish of the men. It was formed in the time of the Auckland Timber Company, and before the Kauri Timber Company came into existence. They look upon it as a savings-bank, and some of them get £1 out of it at the end of the year which they otherwise would not have.

57. How is the money collected?—On pay-night the secretary stands outside and the men pay him their shillings.

58. The company does not subsidise the fund in any way?—No. There is a £20 reserve fund which was given them originally by the Auckland Timber Company. That was on account of a fire which occurred next door, and the men worked hard to save the company's property. The company could not very well reward them individually, so they voted this sum to the fund.

59. Do you know what caused the society to be formed?—Yes; some of the men used to get hurt, and as they had nothing we continually had to make up subscription-lists. To do away with this we formed the society, and in the rules we say we will not recognise subscriptions. But some of the fellows get hurt and we make subscriptions still; we are not hard-hearted. There are several cases of men in the service who have not been in the society, and who have at last got hurt, and we have paid their expenses and given them £1 per week for some time.

60. Do not you think it would be better if it were made compulsory?—You would burst the thing up if you made it compulsory. They are a queer lot, and look upon this society as their own. I may say that the donation of £20 at the time of the fire came near to breaking the society up.

GEORGE ECCLES WATKINS was examined on oath.

61. *The Chairman.*] What is your occupation?—I am a salesman at Leyland, O'Brien, and Co.'s, timber merchants.

62. Is there a private benefit society in connection with that establishment?—Yes.
63. Have you a copy of the rules?— Yes [Exhibit 58].
64. These rules are, I believe, identical with those in force in the Kauri Timber Company?—Yes.
65. Have you found this fund work satisfactorily?—Splendidly.
66. How long has it been in existence?—About four years.
67. Membership of the society is entirely voluntary?—Entirely.
68. How many employés have you got in all the works?—I could not say.
69. Do you know the proportion between those who are members and those who are not?—About half.
70. What reasons do they give for not joining the society?—The society is like this: A man comes to the mill to work. As soon as they are paid they come and say so, and so would like to join the society. If they do not come I do not ask them.
71. Are your receipts always equal to the expenditure?—Yes; and at the end of the year we have a dividend. Last year the dividend was 10s.
72. Then, the men contributed during the year £1 6s., and got back 10s.?—Yes; and the year before the dividend was 17s. 6d.
73. If the Legislature could see its way to bring in a Private Benefit Societies Act which would allow your society to be registered just as it stands, would you have any objection?—Would the expenses be more than they are now?
74. *The Chairman.*] No; and it would give you a legal position?—I think if it were made legal the men would be more inclined to join friendly societies.
75. You think the mere effect of its being irregular and entirely under the men's control makes them join?—That is the way they like it.
76. It is the spirit of liberty?—Yes.
77. Some of these private benefit societies are subsidised by the employers: would you be in favour of the employers being asked to help?—No, I would not like to have anything to do with the employers. At the start of the society each of the employers whose mill is connected with it gave £5 as a gift to start the society, but we would prefer not to have it subsidised.
78. So the society originated amongst the men?—Yes; it originated amongst the Kauri Timber Company's employés, and when the other companies were formed this branch was started.
79. It was not suggested at the instance of the employers?—Decidedly not.
80. It was originated to get rid of subscription-lists?—That was the idea.

JOHN PHILPOTT was examined on oath.

81. *The Chairman.*] What is your occupation?—A sawyer in Parker, Lamb, and Co.'s timber-yard.
82. Do you belong to the benefit society?—I do.
83. What is the opinion amongst those who belong to the society generally: is it a highly favourable opinion?—The society is very popular, and always has been.
84. You joined it entirely voluntarily?—Yes. In fact, the men formed the society amongst themselves, and the masters of the mills gave £5 each, and this sum is kept as a reserve fund, and carried forward at the end of each year.
85. If one could see a way to have this society registered under its present rules, and as it stands, would there be any objection in your mind?—There would be no objection on my part if it were registered exactly as it stands.
86. What is your opinion as to compulsion on the vote of the men to make all employés members of this society whether they like it or not: would that be objectionable?—I am almost certain that it would be objectionable.
87. Does not that still lay you open to subscription-lists?—It is one of the rules that, in case of an accident to a man who is not a member of the society, no subscription-lists are allowed to go round.
88. The money is not deducted from the men's wages?—No; we pay it to each secretary.

FRANK BODLE was examined on oath.

89. *The Chairman.*] What is your profession?—I am manager of the New Zealand Loan and Mercantile Agency Company in Auckland.
90. I believe there was a provident fund in connection with your company?—Yes, in connection with the old company.
91. Is it still in existence?—No; it is now being liquidated.
92. Could you oblige the Commissioners by letting us know something of the process by which it is being liquidated. I might inform you that the Commissioners wish to make some recommendations in regard to the distribution of a fund belonging to another association, and we might, perhaps, gain some knowledge from the way your fund is being wound up?—Of course, our fund is being distributed under an order of the English Court.
93. Among all contributors?—Among all who were on the staff of the old company at the date of its suspension.
94. There is no portion to be paid to men who have left the service in former years after having paid into the fund?—No; the principle that was determined on was that they would not have received any benefit from the fund if it had gone on, and therefore in the liquidation they were not entitled to it.
95. *Hon. Major Steward.*] What were the benefits?—Pension benefits purely.
96. Would they not have received their pension?—No; because they had left the service of the company. Every one on the staff of the old company is entitled to his proportion according to actuarial investigation, but those men who left it even only a few days before the suspension of the company had left the staff, and therefore forfeited their right to a pension.

97. Then, there was no surrender value?—None at all. That, from the contributors' point of view, is the weak point of all these funds.

98. Then, as a matter of abstract justice, do you not think in winding up any such fund that all those persons who helped to create it should have their proportion of the money they paid in?—The fund can only be wound up under the liquidation order under the rules of the fund. Personally, I always thought those rules unfair, and for my own part I would prefer to see everybody who had paid in get their share, but the English Court held that that was not contemplated under the rules.

99. But, in the case of a fund I have in my mind, do you not think it would be fairer that all those who have contributed to the fund should receive their proportion?—Undoubtedly, I should say so.

100. *The Chairman.*] Will this distribution take much time?—I believe not. The case was heard in March last before the Judge, and he took nearly a month before giving his decision. I think it was an unique occasion, and probably the Judge had no precedent to guide him. The order has now been given, and the assets are being called in. I expect in the course of the next six weeks or two months the division will be made.

101. *Hon. Major Steward.*] What is the value of the fund?—About £46,000 to £48,000.

102. Do you know the number of beneficiaries?—About two hundred to two hundred and twenty-five.

103. Will they receive in proportion to their salaries or their contributions to the fund?—Not on either basis purely. The interest of each contributor was really a pension interest, and therefore it was calculated in this way: The nearer a man arrived at pension age the greater relatively would be his interest in the fund. For instance, a man may have entered the service at the age of forty-five, and paid in for two years perhaps £20; he would then be thirteen years from the time of being entitled to his pension. Well, the principle of division is this: His contributions would be returned to him *plus* 5 per cent. compound interest, and then his expectancy in the fund would be based upon the nearness of his arriving at pension age—*i.e.*, sixty.

104. *The Chairman.*] So that a junior clerk, although he might have paid more in, would not be so near to pension age?—Undoubtedly, I think that that is unfair to the young men.

105. In your present company is that fund being replaced by another fund on a better basis, or are the officers being left to join outside companies?—I understand there is some idea that another fund may be started. The funds of the company are entirely separate, and are not mixed up in any way with those of the Provident Fund.

106. *Hon. Major Steward.*] On the old basis were the contributions to the fund compulsory?—Yes.

107. They were deducted?—Practically so.

EXHIBITS.

EXHIBIT 1.

UNION STEAMSHIP COMPANY OF NEW ZEALAND (LIMITED) MUTUAL BENEFIT SOCIETY.

PREFACE.

THE directors of the Union Steamship Company of New Zealand (Limited), being anxious to devise means whereby their employés may be brought together in a common bond of sympathy, the relations between employer and employé improved and strengthened, and the position of all their employés made better, have carefully considered and formulated a scheme for the initiation of a benefit society as a first step towards this most desirable end. It is expected that the society, while benefiting the employés in case of sickness, &c., will also tend to make them take a more direct interest in the welfare of the company, and to look upon its service as a means of affording them permanent employment. Eventually it may lead to the establishment of a pension fund for the benefit of employés retiring, from old age or other cause, after a long term of service in the company's employment.

The society shall be maintained by voluntary contributions from the members, and also by a yearly donation from the company for the first five years of 20 per cent. upon the contributions of members, at the end of which period a readjustment of payments shall be made. In addition to this the company will give an initiatory donation of £500 towards the funds of the society.

The society is necessarily somewhat experimental in character, but the rules can be amended from time to time (as experience suggests) by the members, with the approval of the company. In the meantime it is considered prudent to make the benefits practically the same as those granted by other societies of a like nature, except that a new and liberal provision is introduced providing for a refund to members retiring from the company's service of the surrender value of their contributions.

Members will receive the benefits of their own and the company's contributions, and, in consequence of the liberal provisions which the company is making, their payments will be less than those which would be required by other societies to insure the same benefits. If it is found from experience that the funds permit the granting of larger benefits, an alteration can be made in this direction.

Provision is made whereby members will have a large share in the management of the society. A committee of thirteen is to be formed at the first meeting of members in about six months (by which time it is hoped the society will be in full operation). Of this committee, six will be elected by the members of the society and six by the company. In the meantime the society shall be managed by a small committee appointed by the company, the president being *ex officio* a member of committee.

The benefits shall take the form of pecuniary relief to the ordinary members in case of sickness or of disablement by accident, a funeral allowance to the wife or husband of a member who dies, the providing of medical attendance to members and their families, and the granting of relief from the benevolent fund at the discretion of the committee in special cases. Benefits granted under the rules of the society shall not in any way relieve the company from its legal liability.

All present employés of the company, as defined in the rules, may, within three months, become members of the society, without payment of an entrance-fee, on passing the necessary medical examination. It shall not, however,

be compulsory for them to join the society, though all who join the company's service in future shall be required to do so, and pay an entrance-fee in accordance with the rules, within one month of their joining the company's service.

It is believed that the inauguration of such a society will be welcomed by the general body of employés, and that it will lead to most beneficial results. Similar societies to that now proposed to be formed have proved highly successful both in England and Australia. One of the most notable examples is the Provident and Pension Society of the London and North-western Railway, which has a membership of 23,500, while, nearer home, we have the example of the Mutual Benefit Society of the Melbourne Omnibus and Tramway Company, which (particularly during the late strike) proved a great boon to both employers and employés.

It is not intended to delay the formation of this society till the majority of the employés have joined, but as soon as fifty intimate their willingness to become members the society shall be formed.

1st June, 1891.

RULES.

1. This society shall be called "The Union Steamship Company of New Zealand (Limited) Mutual Benefit Society."

2. The offices of the society shall be at the company's office, Water Street, Dunedin.

3. The objects of the society shall be to provide the following benefits to ordinary members, as hereinafter provided:—

(a.) A weekly allowance in case of disablement from work through sickness or accident.

(b.) A funeral allowance in case of the death of a member, or death of the wife or husband of a member.

(c.) The providing at Auckland, Wellington, Lyttelton, Port Chalmers, Dunedin, Sydney, and Melbourne of medical attendance to members and their wives and children (when the last-named are under sixteen years of age).

(d.) The granting by the committee of pecuniary relief in special cases, for which purpose a benevolent fund shall be established.

Membership.

4. Members shall be—(a) Ordinary members, who shall participate in the full privileges of the society; and (b) honorary members, who shall enjoy all privileges, except that they shall have no beneficial interest in the funds of the society.

5. Every employé in the deck, engine-room, stoke-hold, and stewards' and cooks' departments of the company's vessels who shall be certified by a medical officer of the society as being in sound health, and not suffering from any contagious disease, shall, except as herein otherwise provided, become an ordinary member of the society, provided he or she is not a member of any union which the company will not recognise.

6. Employés as above stated in the service of the company at the date of the formation of this society shall be entitled to become ordinary members within three months without payment of entrance-fee, provided they are eligible in accordance with the provisions of Rule 5.

7. It shall not be compulsory on present employés to join the society, but such present employés who do not join within three months of its formation, and those joining the company's service after the formation of the society, shall pay an entrance-fee of 10s.

8. Any employé in the company's service who is in good standing on the books of a registered benefit society shall not be required to join this society.

9. Members of the society who shall, without the consent of the company, leave the employment of the company from any cause whatever, other than the company's ceasing to carry on its business, or who shall join any such union as aforesaid, shall thereupon cease to be members of the society, and shall not be entitled to any refund of payments; but if they have been members in good standing for a term of twelve months or more, and shall have left with the consent of the company, they shall be entitled to the surrender value of their contributions: Provided that if a member, at the time of ceasing to be an employé of the company, shall have become entitled to the receipt of any benefits under these rules, such member shall be entitled to receive such benefits for the time and under the conditions fixed by these rules as if he or she had continued to be a member.

10. Should a member lose his or her membership by reason of leaving the employment of the company, and afterwards at any time re-enter the said employment, such member can only resume membership with full privileges on refunding the amount withdrawn at the time of leaving the society.

11. Members who, through the laying-up of a vessel or any similar cause, may be temporarily out of the employment of the company may, if they choose, continue their subscriptions to the society, in which case they shall be entitled to the benefits as hereinafter provided; or they may suspend their payments for a period not exceeding three months, provided always that they shall not be entitled to any benefit during the time their payments are suspended.

12. Employés who shall, without the company's consent, leave the service of the company, or who shall be found by the committee to have been guilty of disorderly, drunken, or immoral conduct, shall cease to be members of the society, and shall forfeit all rights and privileges as members.

13. The directors, officers of vessels, and members of the company's staff on shore may become honorary members on payment of an annual subscription of £1 1s.

Management.

14. There shall be an annual general meeting of members.

15. The date of the first annual general meeting shall be fixed by the committee.

16. Subsequent annual general meetings shall be held at such time and place as may be determined upon by the members in general meeting. If no other time or place is prescribed, a general meeting shall be held during the first week in October in every year, at such place as may be determined by the committee.

17. The committee may, whenever they think fit, and shall, upon a requisition in writing of fifty members, convene a special general meeting. Any such requisition shall express the object of the meeting proposed to be called.

18. Thirty days' notice at the least of every meeting, specifying the place, day, and hour of meeting, and the general nature of the business to be transacted, shall be given to members.

19. Notice shall be given by posting a copy of the notice in some prominent place in each of the company's offices and agencies, and in each vessel then running. The fact of such notice not being duly posted shall not invalidate the proceedings at any meeting.

20. Twenty members personally present shall be a quorum for the purpose of receiving and adopting the report of the committee, and the balance-sheet and accounts of the previous year, made up to the 30th day of September, and for electing members of committee. For all other purposes forty members personally present, representing not less than one-half of the total number of members, shall constitute a quorum.

21. If within one hour after the time appointed for the meeting a quorum be not present the meeting shall be dissolved.

22. The president, or in his absence the vice-president, or if neither be present some member elected by the members present, shall preside at every meeting.

23. Every member shall have one vote. Votes may be given either personally or by proxy. The instrument appointing a proxy shall be in writing under the hand of the appointer. No person shall be appointed a proxy who is not a member.

24. Proxies must be lodged with the secretary twenty-four hours before the time notified for the holding of a meeting.

25. No member shall be entitled to vote at any meeting unless all moneys due by him to the society have been paid.

26. Members in general meeting may, with the consent of the company, alter these rules, or the mode in which the benefits of the society may be applied, but shall have no power to apply such benefit to persons other than members.

27. Until the first annual general meeting of members the following persons shall constitute a provisional committee—viz., Captain Cameron (vice-president), Jno. Cook, R. B. Williams, D. Matheson, T. W. Whitson, and J. A. Kirby—and they shall appoint an auditor to audit the accounts for the first annual general meeting.

28. At the annual general meeting of members a committee consisting of six members elected by the society and six nominated by the company shall be appointed.

29. The managing director of the company shall be president of the society, and he shall be, *ex officio*, a member of committee.

30. The vice-president shall be the marine superintendent of the company.

31. The six elected members of the committee shall retire from office annually, but shall be eligible for re-election.

32. Auditors shall be appointed by the committee of management.

33. If at any annual general meeting at which an election of members of committee should take place no election is made, or if any annual general meeting shall lapse, the members of committee for the past year shall continue in office for another year.

34. The treasurer shall be nominated by the company, which shall determine the salary to be paid to him by the society.

35. Until the first annual general meeting Mr. James Ness shall act as secretary and treasurer, and his salary shall be paid by the company up to that date.

36. After the first annual general meeting the committee shall elect a secretary, and fix the salary to be paid to him by the society.

37. The committee shall have full power to manage the affairs of the society and administer its funds, subject to the rules of the society for the time being. The committee may act notwithstanding any vacancy in their body.

38. Any casual vacancy occurring in the committee may be filled up by the remaining members, except in the case of members nominated by the company, which shall have power to fill such vacancy.

39. Five members of committee shall constitute a quorum, and questions arising at any meeting of committee shall be decided by a majority of votes.

40. In case of an equality of votes, the president, vice-president, or other member acting as chairman shall have in addition to his original vote a casting-vote.

41. The committee, subject to the approval of the company, may make regulations for their own guidance, or to facilitate the transaction of the business of the society; provided such regulations are not inconsistent with the objects or rules of the society.

Duties of the Executive Officers.

42. It shall be the duty of the committee to see that the objects of the society are faithfully carried out; that the subscriptions and fees are duly collected and banked; that all disbursements are properly made according to the rules; and to inquire into and decide all complaints or disputes between the society and any of its members.

43. The treasurer shall receive all moneys of the society paid to the secretary, and, if necessary, assist the secretary in receiving same. He shall bank all moneys collected or donated as received, retaining in hand on occasion a sum exceeding £10, and returning vouchers for such payments to the secretary. He shall keep the bank-books, and render a finance statement to the committee at each meeting. He shall procure, at the expense of the society, within one month after his appointment, a guarantee to the amount of £250 with some approved assurance society. He shall sign all cheques for disbursements, and, with the secretary, prepare a statement of accounts for the annual meeting, and have it checked and certified by the auditors.

44. The secretary shall take the minutes of meetings of the committee or of members. He shall keep an accurate register of all the members of the society and an account of receipts and disbursements, and shall prepare such statements as the committee may direct. He shall receive all payments of members, make a proper entry of same in the books of the society, and hand over all moneys to the treasurer. He shall receive from the treasurer all vouchers of payments into the bank, and check same. He shall keep all books of the society, and make all disbursements to members or others when authorised by the committee or as fixed by the rules. He shall countersign all cheques, assist the treasurer in preparing statements of accounts for the committee and for the annual meeting, and do everything in his power for the interests of the society and members. He shall, at the expense of the society, procure a guarantee to the amount of £250 with some approved assurance society.

45. The auditor shall at least once a year examine all books and accounts of the society, and the vouchers of receipts and expenditure, and shall certify as to the correctness or otherwise of the balance-sheet and accounts presented to the annual meeting.

46. The trustees of the society shall be the chairman and managing director of the company. All property of the society shall be vested in the trustees for the time being for the use and benefit of the society and its members. No trustee shall be liable to make good any deficiency which may arise or happen in the funds of the society, nor be liable except for moneys which shall actually be received by him on account of the society.

47. The funds of the society, as they accumulate, shall be invested from time to time on deposit with the company, or in any bank, or in good freehold or Government securities, at not less than the current bank rate of interest for the time being.

Subscriptions and Benefits.

48. The company shall give to the society at its commencement a donation of £500, and thereafter contribute, for the first five years, 20 per cent. per annum (not to exceed £500 per annum) on the subscriptions of ordinary members, at the end of which period a readjustment of payments shall be made.

49. Of the initial donation of £500 made by the company £250 shall be allocated out of which to defray management or other expenses in connection with the starting of the society, and the other £250 shall be reserved as the nucleus of a benevolent fund, to which 2s. per annum from the contributions of each member shall be added.

50. The benevolent fund shall be used by the committee for the purpose of granting aid in exceptional cases, at the discretion of the committee.

51. The entrance-fee to the society shall be 10s., except that, as hereinbefore provided, present employés in the service of the company may, within three months of the inauguration of the society, join without payment of an entrance-fee.

52. The following tables show the benefits insured and the contributions payable by members:—

Table I.

Unmarried members—Funeral benefit, £10; sickness benefit, £1 per week for first six months, 10s. per week for second six months.							
Age at Entry.		Contribution.		Age at Entry.		Contribution.	
		s.	d.			s.	d.
Under 21	.. .. .	3	3	36 to 40	.. .. .	4	3
21 to 25	.. .. .	3	6	41 to 45	.. .. .	4	9
26 to 30	.. .. .	3	9	46 and upwards	.. .. .	5	6
31 to 35	.. .. .	4	0				

And 6d. extra for medicine.

Table II.

53. Married members—Funeral benefit, £20; funeral benefit, wife or husband of member, £10; sickness benefit, £1 per week for first six months, 10s. per week for second six months.

Age at Entry.			Contribution.		Age at Entry.			Contribution.	
			s.	d.				s.	d.
Under 25	..	..	3	9	per month.	36 to 40	..	5	0
26 to 30	..	..	4	3	"	41 to 45	..	5	6
31 to 35	..	..	4	6	"	46 and upwards	..	6	6

And 6d. extra for medicine.

54. One shilling and threepence per month is included in the above contributions to provide for management and medical attendance to members and their wives and families. Should it be found that this is more than sufficient for management and medical expenses the committee shall have power to reduce the levy; and, on the other hand, should it be found inadequate, the committee shall have power to make an additional levy.

55. Entrance-fees and subscriptions shall be paid to the secretary, or to the chief officer or purser of the steamer on which members are employed, who shall forward them to the secretary. Subscriptions shall be paid on board the steamers, monthly in advance, to the purser as above, or, in vessels where no purser is carried, to the chief officer. Subscriptions received shall be entered in a members' pass-book and initialled by the purser or chief officer receiving the same.

56. The moneys received under these rules shall be applied for the purposes fixed by the rules for the time being, and for no other.

57. Members who shall have been in good standing for a term of six months shall be entitled to the benefits granted by the society in accordance with these rules.

58. Married members shall have the option of joining under Table I.

59. Every member who shall have received any allowance as aforesaid and shall be again incapacitated within a period of six months from the date when his or her former allowance ceased shall receive an allowance at the same rate, and shall be placed in every way in the same position as if the periods of allowance for sickness had been continuous.

60. During the payment of sick-allowance to a member his or her monthly subscription shall be deducted from the amount of such allowance.

61. No payment shall be made in the case of the death of a member, or a member's wife or husband, until a proper certificate of death, from a legally-qualified medical practitioner, shall have been received by the secretary.

62. Should a member be sick, and have no relatives to care for him or her, and be unable to arrange for attendance, or should a member die and leave no relative to arrange for his or her funeral, the secretary shall, with the approval of the committee, take the necessary steps to provide attendance on him or her, or for his or her funeral, as the case may be, to the extent of the benefits the said member is entitled to receive from the society.

63. Every member who shall claim an allowance shall give notice thereof to the secretary on the proper form provided, and shall, if the claim be allowed, be entitled to receive the allowances fixed by these rules from the date when he or she became incapacitated from work, as certified by a medical officer of the society or other legally-qualified medical practitioner, but in no case shall an allowance commence from a date more than three days prior to the date of such certificate.

64. It shall be the duty of every member who is in receipt of an allowance to give notice to the secretary immediately he or she becomes able to resume work, and, if the committee shall decide that a member has at any time failed to give such notice as soon as he or she should have done, such member shall be suspended from the right to receive any further allowance for the term of three months from the date when the committee shall so decide, and shall refund to the society the amount of all allowances which shall have been improperly obtained, before he or she shall receive any further allowance whatever.

65. Allowances shall be reckoned as for weeks of seven days, and proportionately for any part thereof, provided that the day when a member shall give notice of recovery shall not be included.

66. No member shall be entitled to receive any allowance if he or she conceal any disease or bodily infirmity which the said member may have had at the time of becoming a member, or if the incapacity for work result from an accident, injuries received, or disease engendered by fighting (except as a Volunteer in the service of the country), or intemperance, improper, or immoral conduct, or act of bravado.

67. If any member while receiving an allowance shall refuse to see a medical practitioner, he or she shall thereupon be suspended from the receipt of the allowance till the committee shall restore the privilege, and, if he or she shall be guilty of being intoxicated while in receipt of any benefit, shall be suspended from all privileges until the same are restored by the committee, and be liable to a fine of not more than £5, and all fines so imposed shall be paid to the credit of the management and medical fund of the society.

68. No member shall be entitled to receive any benefits under these rules if at the time he or she would otherwise become entitled to the receipt of such benefits his or her monthly subscription shall be in arrear for more than two months, or he or she shall be under suspension as a member of the society, or from the receipt of any portion of such benefits until such arrears shall have been paid, or such suspension terminated.

General.

69. The committee may adopt arrangements made by the secretary, branch managers, and captains in the employ of the company for temporary provision for members requiring an allowance for sickness or accident pending the consideration of such case by the committee.

70. The committee shall be entitled to demand the production of the marriage certificate of any member who desires to receive medical or other benefits on account of his wife or family.

71. Every member who shall be in arrear with his subscription for three months shall thereupon cease to be a member of the society, and shall not be eligible to resume his membership except as a new applicant.

72. The books of the society may be inspected by any member at the annual meeting, and the register of members may be inspected by any member at any time.

73. In all cases when used in the foregoing rules the following terms shall be understood to have the following meanings, viz. :—

The term "the company" shall mean the Union Steamship Company of New Zealand (Limited).

The term "in good standing" shall mean that a member is not in arrear with his subscription, and is not under suspension.

Whenever the word "month" occurs in these rules it shall signify calendar month.

74. The committee shall have power to appoint medical officers at any or all of the ports to which the company's vessels trade.

Quinquennial Valuations.

75. After the expiration of every five years from the establishment of the society the condition of the society shall, if required either by the company or the members of the society, be fully investigated and reported on by an actuary, to be selected by the committee of management; and such actuary shall propose such rearrangement of the scale of payments and benefits as may seem desirable to him for its better working; and he shall exhibit any deficiency which may be apparent in the funds, which deficiency shall be met in the manner provided in Rule 76.

76. In case the funds of the society shall at any time be deemed by the committee to be insufficient to provide for the liabilities of the society, it shall be competent for the committee to levy not more than three additional monthly subscriptions per annum, according to the scale hereinbefore provided, such additional subscriptions to be paid on such days as the committee may appoint.

Dissolution of the Society.

77. It shall be lawful for the members at some meeting to be specially called for that purpose to dissolve the society, and to direct in what manner the funds and other property of the society shall be appropriated or divided:

Provided that the society shall not be dissolved without the votes of consent to such dissolution and appropriation or division be obtained of five-sixths of the then existing members, nor without the consent in writing of the company, and of all persons, if any, then receiving or then entitled to receive any sum or allowance from the funds, unless the claim of every such person be first duly satisfied, or adequate provision made for satisfying it, and for the purpose of ascertaining the votes of such five-sixths of the members as aforesaid every member shall be entitled to one vote.

EXHIBIT 2.

UNION STEAMSHIP COMPANY OF NEW ZEALAND (LIMITED) MUTUAL BENEFIT SOCIETY.

RULES.

This society shall be called "The Union Steamship Company of New Zealand (Limited) Mutual Benefit Society."

2. The offices of the society shall be at the company's office, Water Street, Dunedin.

3. The objects of the society shall be to provide the following benefits to ordinary members, as hereinafter provided:—

- (a.) A weekly allowance in case of disablement from work through sickness or accident.
- (b.) A funeral allowance in case of the death of a member, or the death of the wife or husband of a member.
- (c.) The providing at Auckland, Wellington, Lyttelton, Port Chalmers, Dunedin, Sydney, and Melbourne of medical attendance to members and their wives and children (when the last-named are under sixteen years of age).
- (d.) The granting by the committee of pecuniary relief in special cases, for which purpose a benevolent fund shall be established.

Membership.

4. Members shall be—(a) Ordinary members, who shall participate in the full privileges of the society; and (b) honorary members, who shall enjoy all privileges, except that they shall have no beneficial interest in the funds of the society.

5. Every employé in the deck, engine-room, stoke-hold, and stewards' and cooks' departments of the company's vessels who shall be certified by a medical officer of the society as being in sound health, and not suffering from any contagious disease, shall, except as herein otherwise provided, become an ordinary member of the society, provided he or she is not a member of any union which the company will not recognise.

5A. Shore employés of the company may become ordinary members on payment of the contributions under Tables I. and II., provided they shall be certified by a medical practitioner as being in sound health, and not suffering from any contagious disease.

6. Employés as above stated in the service of the company at the date of the formation of this society shall be entitled to become ordinary members within three months without payment of entrance-fee, provided they are eligible in accordance with the provisions of Rules 5 and 5A.

7. It shall not be compulsory on present employés to join the society, but such present employés who do not join within three months of its formation, and those joining the company's service after the formation of the society, shall pay an entrance-fee of 10s.

8. Any employé in the company's service who is in good standing on the books of a registered benefit society shall not be required to join this society.

9. Members of the society who shall, without the consent of the company, leave the employment of the company from any cause whatever other than the company ceasing to carry on its business, or who shall join any such union as aforesaid, shall thereupon cease to be members of the society, and shall not be entitled to any refund of payments; but if they have been members in good standing for a term of twelve months or more, and shall have left with the consent of the company, they shall be entitled to the surrender value of their contributions: provided that if a member, at the time of ceasing to be an employé of the company, shall have become entitled to the receipt of any benefits under these rules, such member shall be entitled to receive such benefits for the time and under the conditions fixed by these rules as if he or she had continued to be a member; and provided also that members who shall leave the employment of the company after two years' membership of the society may continue their membership by paying such additional contributions as may be fixed from time to time by the committee.

10. Should a member lose his or her membership by reason of leaving the employment of the company, and afterwards at any time re-enter the said employment, such member can only resume membership with full privileges on refunding the amount withdrawn at the time of leaving the society; and he must be certified by a medical officer of the society as being in sound health, and not suffering from any contagious disease; such member's contribution to be that payable under the rules at the age of re-entry. Application for re-entry to be made in writing to the secretary within two years from date of original membership ceasing.

11. Members who, through the laying-up of a vessel or any similar cause, may be temporarily out of the employment of the company may, if they choose, continue their subscriptions to the society, in which case they shall be entitled to the benefits as hereinafter provided; or they may suspend their payments for a period not exceeding three months, provided always that they shall not be entitled to any benefit during the time their payments are suspended.

12. Employés who shall, without the company's consent, leave the service of the company, or who shall be found by the committee to have been guilty of disorderly, drunken, or immoral conduct, shall cease to be members of the society, and shall forfeit all rights and privileges as members.

13. The directors, officers of vessels, and members of the company's staff on shore may become honorary members on payment of an annual subscription of 10s. 6d.

Management.

14. There shall be an annual general meeting of members.

15. The date of the first annual general meeting shall be fixed by the committee.

16. Subsequent annual general meetings shall be held at such time and place as may be determined upon by the members in general meeting. If no other time or place is prescribed, a general meeting shall be held during the first week in October in every year at such place as may be determined by the committee.

17. The committee may whenever they think fit, and shall, upon a requisition in writing of fifty members, convene a special general meeting. Any such requisition shall express the object of the meeting proposed to be called.

18. Thirty days' notice at the least of every meeting, specifying the place, day, and hour of meeting, and the general nature of the business to be transacted, shall be given to members.

19. Notice shall be given by posting a copy of the notice in some prominent place in each of the company's offices and agencies, and in each vessel then running. The fact of such notice not being duly posted shall not invalidate the proceedings at any meeting.

20. Twenty members personally present shall be a quorum for the purpose of receiving and adopting the report of the committee, and the balance-sheet and accounts of the previous year, made up to the 30th day of September, and for electing members of committee. For all other purposes forty members personally present, representing not less than two hundred members, shall constitute a quorum.

21. If within one hour after the time appointed for the meeting a quorum be not present the meeting shall be dissolved.

22. The president, or in his absence the vice-president, or, if neither be present, some member elected by the members present, shall preside at every meeting.

23. Every member shall have one vote. Votes may be given either personally or by proxy. The instrument appointing a proxy shall be in writing under the hand of the appointer. No person shall be appointed a proxy who is not a member.

24. Proxies must be lodged with the secretary twenty-four hours before the time notified for the holding of a meeting.

25. No member shall be entitled to vote at any meeting unless all moneys due by him to the society have been paid.

26. Members in general meeting may, with the consent of the company, alter these rules, or the mode in which the benefits of the society may be applied, but shall have no power to apply such benefit to persons other than members.

27. Until the first annual general meeting of members the following persons shall constitute a provisional committee—viz., Captain Cameron (vice-president), John Cook, R. B. Williams, D. Matheson, T. W. Whitson, and J. A. Kirby—and they shall appoint an auditor to audit the accounts for the first annual general meeting.

28. At the annual general meeting of members a committee consisting of six members, elected by the society, and six nominated by the company, shall be appointed.

29. The managing director of the company shall be president of the society, and he shall be, *ex officio*, a member of committee.

30. The vice-president shall be the marine superintendent of the company.

31. The six elected members of the committee shall retire from office annually, but shall be eligible for re-election.

32. Auditors shall be appointed by the committee of management.

33. If at any annual general meeting at which an election of members of committee should take place no election is made, or if any annual general meeting shall lapse, the members of committee for the past year shall continue in office for another year.

34. The treasurer shall be nominated by the company, which shall determine the salary to be paid to him by the society.

35. Until the first annual general meeting Mr. James Ness shall act as secretary and treasurer, and his salary shall be paid by the company up to that date.

36. After the first annual general meeting the committee shall elect a secretary, and fix the salary to be paid to him by the society.

37. The committee shall have full power to manage the affairs of the society and administer its funds, subject to the rules of the society for the time being. The committee may act notwithstanding any vacancy in their body.

38. Any casual vacancy occurring in the committee may be filled up by the remaining members, except in the case of members nominated by the company, which shall have power to fill such vacancies.

39. Five members of committee shall constitute a quorum, and questions arising at any meeting of committee shall be decided by a majority of votes.

40. In case of an equality of votes, the president, vice-president, or other member acting as chairman shall have in addition to his original vote a casting-vote.

41. The committee, subject to the approval of the company, may make regulations for their own guidance, or to facilitate the transaction of the business of the society: provided such regulations are not inconsistent with the objects or rules of the society.

Duties of the Executive Officers.

42. It shall be the duty of the committee to see that the objects of the society are faithfully carried out; that the subscriptions and fees are duly collected and banked; that all disbursements are properly made according to the rules; and to inquire into and decide all complaints or disputes between the society and any of its members.

43. The treasurer shall receive all moneys of the society paid to the secretary, and, if necessary, assist the secretary in receiving same. He shall bank all moneys collected or donated as received, retaining in hand on no occasion a sum exceeding £10, and returning vouchers for such payments to the secretary. He shall keep the bank-books and render a finance statement to the committee at each meeting. He shall procure, at the expense of the society, within one month after his appointment, a guarantee to the amount of £250 with some approved assurance society. He shall sign all cheques for disbursements, and, with the secretary, prepare a statement of accounts for the annual meeting, and have it checked and certified by the auditors.

44. The secretary shall take the minutes of meetings of the committee or of members. He shall keep an accurate register of all the members of the society and an account of receipts and disbursements, and shall prepare such statements as the committee may direct. He shall receive all payments of members, make a proper entry of same in the books of the society, and hand over all moneys to the treasurer. He shall receive from the treasurer all vouchers of payments into the bank, and check same. He shall keep all books of the society, and make all disbursements to members or others when authorised by the committee or as fixed by the rules. He shall countersign all cheques, assist the treasurer in preparing statements of accounts for the committee and for the annual meeting, and do everything in his power for the interests of the society and members. He shall, at the expense of the society, procure a guarantee to the amount of £250 with some approved assurance society.

45. The auditors shall at least once a year examine all books and accounts of the society, and the vouchers of receipts and expenditure, and shall certify as to the correctness or otherwise of the balance-sheet and accounts presented to the annual meeting.

46. The trustees of the society shall be the chairman and managing director of the company. All property of the society shall be vested in the trustees for the time being, for the use and benefit of the society and its members. No trustee shall be liable to make good any deficiency which may arise or happen in the funds of the society, nor be liable except for moneys which shall actually be received by him on account of the society.

47. The funds of the society, as they accumulate, shall be invested from time to time on deposit with the company, or in any bank, or in good freehold or Government securities, at not less than the current bank rate of interest for the time being.

Subscriptions and Benefits.

48. The company shall give to the society at its commencement a donation of £500, and thereafter contribute, for the first five years, 20 per cent. per annum (not to exceed £500 per annum) on the subscriptions of ordinary members, at the end of which period a readjustment of payments shall be made.

49. Of the initial donation of £500 made by the company £250 shall be allocated out of which to defray management or other expenses in connection with the starting of the society, and the other £250 shall be reserved as the nucleus of a benevolent fund, to which 2s. per annum from the contributions of each member shall be added.

50. The benevolent fund shall be used by the committee for the purpose of granting aid in exceptional cases, at the discretion of the committee.

51. The entrance-fee to the society shall be 10s., except that, as hereinbefore provided, present employes in the service of the company may, within three months of the inauguration of the society, join without payment of an entrance-fee.

52. The following tables show the benefits insured and the contributions payable by members:—

Table I.

Unmarried members—Funeral benefit, £10; sickness benefit, £1 per week for first six months, 10s. per week for second six months.

Age at Entry.				Contribution.		Age at Entry.				Contribution.	
				s.	d.					s.	d.
Under 21	..	..	..	3	9	36 to 40	..	..	..	4	9
21 to 25	..	..	..	4	0	41 to 45	..	..	..	5	3
26 to 30	..	..	..	4	3	46 and upwards	..	..	..	6	0
31 to 35	..	..	..	4	6						

The above rates include the additional 6d. per month for medicine.

Table II.

53. Married members—Funeral benefit, £20; funeral benefit, wife or husband of member, £10; sickness benefit, £1 per week for first six months; 10s. per week for second six months.

Age at Entry.				Contribution.		Age at Entry.				Contribution.	
				s.	d.					s.	d.
Under 25	..	..	..	4	3	36 to 40	..	..	..	5	6
26 to 30	..	..	..	4	9	41 to 45	..	..	..	6	0
31 to 35	..	..	..	5	0	46 and upwards	..	..	..	7	0

The above rates include the additional 6d. per month for medicine.

54. One shilling and ninepence per month is included in the above contributions to provide for management, medical attendance, and medicine to members and their wives and families. Should it be found that this is more than sufficient for management and medical expenses, the committee shall have power to reduce the levy; and, on the other hand, should it be found inadequate, the committee shall have power to make an additional levy.

Married members contributing under Table II. shall receive medical attendance and medicines for their wives and children (not over sixteen years of age) at their home ports. Members joining under Table II. shall give notice to the secretary of the place of residence of their family, and also advise any change of residence. The wives of members contributing under Table II. shall not be entitled to receive medical attendance and medicines in cases of confinement or miscarriage until nine days thereafter. All medicines must be prescribed by a medical officer of the society or other legally-qualified medical practitioner, and each repetition of a prescription must be initialled by same.

55. Entrance-fees and subscriptions shall be paid to the secretary or to the chief officer or purser of the steamer on which members are employed, who shall forward them to the secretary. Subscriptions shall be paid on board the steamers, monthly in advance, to the purser as above; or, in vessels where no purser is carried, to the chief officer. Subscriptions received shall be entered in a member's pass-book and initialled by the purser or chief officer receiving the same.

56. The moneys received under these rules shall be applied for the purposes fixed by the rules for the time being, and for no other.

57. Members who shall have been in good standing for a term of six months shall be entitled to the benefits granted by the society in accordance with these rules.

58. Married members shall have the option of joining under Table I.

59. Every member who shall have received any allowance as aforesaid, and shall be again incapacitated within a period of six months from the date when his or her former allowance ceased, shall receive an allowance at the same rate, and shall be placed in every way in the same position as if the periods of allowance for sickness had been continuous.

60. During the payment of sick-allowance to a member his or her monthly subscription shall be deducted from the amount of such allowance.

61. No payment shall be made in the case of the death of a member, or a member's wife or husband, until a proper certificate of death from a legally-qualified medical practitioner shall have been received by the secretary.

62. Should a member be sick, and have no relatives to care for him or her, and be unable to arrange for attendance, or should a member die and leave no relative to arrange for his or her funeral, the secretary shall, with the approval of the committee, take the necessary steps to provide attendance on him or her, or for his or her funeral, as the case may be, to the extent of the benefits the said member is entitled to receive from the society.

63. Every member who shall claim an allowance shall give notice thereof to the secretary on the proper form provided, and shall, if the claim be allowed, be entitled to receive the allowances fixed by these rules from the date when he or she became incapacitated from work, as certified by a medical officer of the society, or other legally-qualified medical practitioner, but in no case shall an allowance commence from a date more than three days prior to the date of such certificate.

64. It shall be the duty of every member who is in receipt of an allowance to give notice to the secretary immediately he or she becomes able to resume work, and if the committee shall decide that a member has at any time failed to give such notice as soon as he or she should have done, such member shall be suspended from the right to receive any further allowance for the term of three months from the date when the committee shall so decide, and shall refund to the society the amount of all allowances which shall have been improperly obtained before he or she shall receive any further allowance whatever.

65. Allowances shall be reckoned as for weeks of seven days, and proportionately for any part thereof, provided that the day when a member shall give notice of recovery shall not be included.

66. No member shall be entitled to receive any allowance if he or she conceal any disease or bodily infirmity which the said member may have had at the time of becoming a member, or if the incapacity for work result from an accident, injuries received, or disease engendered by fighting (except as a Volunteer in the service of the country), or intemperate, improper, or immoral conduct, or act of bravado.

67. If any member while receiving an allowance shall refuse to see a medical practitioner, he or she shall thereupon be suspended from the receipt of the allowance till the committee shall restore the privilege, and if he or she shall be guilty of being intoxicated while in receipt of any benefit shall be suspended from all privileges until the same are restored by the committee, and be liable to a fine of not more than £5, and all fines so imposed shall be paid to the credit of the management and medical fund of the society.

68. No member shall be entitled to receive any benefits under these rules if at the time he or she would otherwise become entitled to the receipt of such benefits his or her monthly subscriptions shall be in arrear for more than two months, or he or she shall be under suspension as a member of the society, or from the receipt of any portion of such benefits until such arrears shall have been paid, or such suspension terminated.

General.

69. The committee may adopt arrangements made by the secretary, branch managers, and captains in the employ of the company for temporary provision for members requiring an allowance for sickness or accident pending the consideration of such case by the committee.

70. The committee shall be entitled to demand the production of the marriage certificate of any member who desires to receive medical or other benefits on account of his wife or family.

71. Every member who shall be in arrear with his subscription for three months shall thereupon cease to be a member of the society, and shall not be eligible to resume his membership, except as a new applicant.

72. The books of the society may be inspected by any member at the annual meeting, and the register of members may be inspected by any member at any time.

73. In all cases when used in the foregoing rules the following terms shall be understood to have the following meanings, viz. :—

The term "the company" shall mean the Union Steamship Company of New Zealand (Limited).

The term "in good standing" shall mean that a member is not in arrear with his subscription, and is not under suspension.

Whenever the word "month" occurs in these rules it shall signify calendar month.

74. The committee shall have power to appoint medical officers at any or all of the ports to which the company's vessels trade.

Quinquennial Valuations.

75. After the expiration of every five years from the establishment of the society the condition of the society shall, if required either by the company or the members of the society, be fully investigated and reported on by an actuary, to be selected by the committee of management; and such actuary shall propose such rearrangement of the scale of payments and benefits as may seem desirable to him for its better working; and he shall exhibit any deficiency which may be apparent in the funds, which deficiency shall be met in the manner provided in Rule 76.

76. In case the funds of the society shall at any time be deemed by the committee to be insufficient to provide for the liabilities of the society, it shall be competent for the committee to levy not more than three additional monthly subscriptions per annum, according to the scale hereinbefore provided, such additional subscriptions to be paid on such days as the committee may appoint.

Dissolution of the Society.

77. It shall be lawful for the members at some meeting to be specially called for that that purpose to dissolve the society, and to direct in what manner the funds and other property of the society shall be appropriated or divided: Provided that the society shall not be dissolved without the votes of consent to such dissolution and appropriation or division be obtained of five-sixths of the then existing members, nor without the consent in writing of the company, and of all persons, if any, then receiving, or then entitled to receive, any sum or allowance from the funds, unless the claim of every such person be first duly satisfied, or adequate provision made for satisfying it, and for the purpose of ascertaining the votes of such five sixths of the members as aforesaid every member shall be entitled to one vote.

EXHIBIT 3.

UNION STEAMSHIP COMPANY OF NEW ZEALAND (LIMITED) MUTUAL BENEFIT SOCIETY.

PREFACE TO THIRD EDITION OF RULES.

VARIOUS amendments having been made to the rules at the general meetings of members, the committee have deemed it advisable to issue a revised edition, in order that all members may be supplied with a copy correct to date.

In addition to the benefits provided at the initiation of the society, medicines are now supplied to all members, as well as the wives and families of those contributing under Table II. Provision has been made for the payment of surrender value to all members leaving the society after having contributed for a period of not less than twelve months; and those who may leave the employment of the company after two years' membership of the society have the option of remaining members if they desire to do so.

The mode of election of the members of the committee has been altered, the rules now providing that two members shall be elected by the members of each of the three departments, and for the issue of voting-papers with a list of the candidates; a ballot-box to be furnished to each steamer for the reception of the voting-papers.

The committee feel gratified with the success attending the operations of the society during the first five years of its existence. During that period over £5,750 were distributed to members in sick-pay, funeral benefits, surrender values, and gratuities from the benevolent fund, and £3,600 paid for medical attendance and medicines. The receipts from all sources amounted to nearly £15,000, and of this the sum of £2,600 was contributed by the Union Company. The funds in hand on the 30th September last amounted to £4,342.

1st February, 1897.

RULES.

1. This society shall be called "The Union Steamship Company of New Zealand (Limited) Mutual Benefit Society."

2. The offices of the society shall be at such place in Dunedin as the committee may appoint from time to time.

3. The objects of the society shall be to provide the following benefits to ordinary members, as hereinafter provided:—

- (a.) A weekly allowance in case of disablement from work through sickness or accident.
- (b.) A funeral allowance in case of the death of a member, or death of the wife or husband of a member.
- (c.) The providing at Auckland, Wellington, Lyttelton, Port Chalmers, Dunedin, Sydney, Melbourne, and such other places as the committee may deem necessary, of medical attendance and medicines to members and their wives and children (when the last-named are under sixteen years of age).
- (d.) The granting by the committee of pecuniary relief in special cases, for which purpose a benevolent fund shall be established.

Membership.

4. Members shall be—(a) Ordinary members, who shall participate in the full privileges of the society; and (b) honorary members, who shall enjoy all privileges, except that they shall have no beneficial interest in the funds of the society.

5. Every employé in the deck, engine-room, stoke-hold, and stewards' and cooks' departments of the company's vessels, and shore employés of the company, who shall be certified by a medical officer of the society as being in sound health and not suffering from any contagious disease, shall, except as herein otherwise provided, become an ordinary member of the society.

6. Any employé in the company's service who is in good standing on the books of a registered benefit society shall not be required to join this society.

7. Members of the society who shall leave the employment of the company from any cause whatever shall not be entitled to any refund of payments unless they have been in good standing for a term of twelve months or more, in which case they shall be entitled to the surrender value of their contributions: Provided that, if a member at the time of ceasing to be an employé of the company shall have become entitled to the receipt of any benefit under these rules, such member shall be entitled to receive such benefits for the time and under the conditions fixed by these rules, as if he or she had continued to be an employé of the company: and provided also that members who shall leave the employment of the company after two years' membership in the society may continue their membership by paying such additional contributions as may be fixed from time to time by the committee.

8. Should a member lose his or her membership by reason of leaving the employment of the company, and afterwards at any time re-enter the said employment, such member can only resume membership, with full privileges, on refunding the amount withdrawn at the time of leaving the society, and on being certified by a medical officer of the society as being in sound health and not suffering from any contagious disease, such member's contribution to be that payable under the rules at the age of re-entry. Application for re-entry to be made in writing to the secretary within two years from date of original membership ceasing.

9. Members who, through the laying-up of a vessel or any similar cause, may be temporarily out of the employment of the company may, if they choose, continue their subscriptions to the society, in which case they shall be entitled to the benefits as hereinafter provided; or they may suspend their payments for a period not exceeding three months, provided always that they shall not be entitled to any benefit during the time their payments are suspended.

10. Members who shall be found by the committee to have been guilty of disorderly, drunken, or immoral conduct shall cease to be members of the society, and shall forfeit all rights and privileges as members.

11. The directors, officers of vessels, and members of the company's staff on shore may become honorary members on payment of an annual subscription of 10s. 6d.

Management.

12. There shall be an annual general meeting of members held during the month of November in each year, at such time and place as may be determined by the committee.

13. The committee may, whenever they think fit, and shall, upon a requisition in writing of fifty members, convene a special general meeting. Any such requisition shall express the object of the meeting proposed to be called.
14. Thirty days' notice at the least of every meeting, specifying the place, day, and hour of meeting, and the general nature of the business to be transacted, shall be given to members.
15. Notice shall be given by posting a copy of the notice in some prominent place in each of the company's offices and agencies, and in each vessel then running. The fact of such notice not being duly posted shall not invalidate the proceedings at any meeting.
16. Twenty members personally present shall be a quorum for the purpose of confirming the minutes of any previous meeting, receiving and adopting the report of the committee, and the balance-sheet and accounts of the previous year, made up to the 30th day of September, and for electing members of committee. For all other purposes, forty members personally present, representing not less than one hundred and fifty members, shall constitute a quorum.
17. If within one hour after the time appointed for the meeting a quorum be not present the meeting shall be dissolved.
18. The president, or in his absence the vice-president, or, if neither be present, some member elected by the members present, shall preside at every meeting.
19. Every member shall have one vote. Votes may be given either personally or by proxy, except for the election of the elective members of committee, which shall be conducted as hereinafter provided. The instrument appointing a proxy shall be in writing under the hand of the appointer. No person shall be appointed a proxy who is not a member.
20. Proxies must be lodged with the secretary twenty-four hours before the time notified for the holding of a meeting.
21. No member shall be entitled to vote at any meeting unless all moneys due by him to the society have been paid.
22. Members in general meeting may, with the consent of the company, alter these rules, or the mode in which the benefits of the society may be applied, but shall have no power to apply such benefit to persons other than members; always provided that no motion to alter the rules shall be received at any meeting unless the committee shall have received at least one month before the date of meeting notice in writing from the member proposing such motion of his intention so to do.
23. At the annual general meeting of members a committee consisting of six members elected by the society—two by the members of the deck department, two by the members of the engine-room and stoke-hole department, and two by the members of the stewards' and cooks' department—and six nominated by the company, shall be appointed.
24. The managing director of the company shall be president of the society, and he shall be, *ex officio*, a member of committee.
25. The vice-president shall be the marine superintendent of the company.
26. The six elected members of the committee shall retire from office annually, but shall be eligible for re-election.
27. Each candidate for election as an elective member of committee shall, on or before the 1st day of October in each year, lodge with the secretary a nomination-paper signed by two members of the department to which he intends to offer himself for election, and must himself be a member of that department.
28. As soon as practicable after the 1st day of October the secretary shall forward to each member a voting-paper with a list of the candidates for the department to which such member belongs who have lodged nomination-papers as aforesaid, with an envelope addressed to himself, with instructions as to the number of vacancies in each department to be filled up, and the mode in which the voting-paper is to be used, and to the purser or chief officer of each of the company's vessels a ballot-box securely locked for the reception of the voting-papers.
29. Any member wishing to vote shall personally erase from such list the names of the candidates for his department that he does not desire to vote for, retaining no more and no fewer than the number of vacancies, and shall sign such list and deposit the same in the ballot-box, which must be returned to the secretary and in his hands twenty-four hours before the date of the annual meeting.
30. The secretary shall retain the ballot-boxes unopened till the annual general meeting, at which they shall be opened and the voting-papers counted by two scrutineers—one appointed by the chairman and one by the meeting.
31. Those candidates shall be declared elected who shall receive the majority of votes of the members of the department for which they are candidates. Should there be only as many candidates as there are vacancies for any department, the names of such candidates shall not be sent out, but the chairman shall declare such candidates to be duly elected.
32. Auditors shall be appointed by the committee of management.
33. If at any annual general meeting at which an election of members of committee should take place no election is made, or if any annual general meeting shall lapse, the members of committee for the past year shall continue in office for another year.
34. The treasurer shall be nominated by the company.
35. The committee shall elect a secretary, and fix the salary to be paid to him by the society.
36. The committee shall have full power to manage the affairs of the society and administer its funds, subject to the rules of the society for the time being. The committee may act notwithstanding any vacancy in their body.
37. Any casual vacancy occurring in the committee may be filled up by the remaining members, except in the case of members nominated by the company, which shall have power to fill such vacancy.
38. Five members of committee shall constitute a quorum, and questions arising at any meeting of committee shall be decided by a majority of votes.
39. In case of an equality of votes, the president, vice-president, or other member acting as chairman shall have in addition to his original vote a casting-vote.
40. The committee may make regulations for their own guidance, or to facilitate the transaction of the business of the society, provided such regulations are not inconsistent with the objects or rules of the society.

Duties of the Executive Officers.

41. It shall be the duty of the committee to see that the objects of the society are faithfully carried out; that the subscriptions and fees are duly collected and banked; that all disbursements are properly made according to the rules; and to inquire into and decide all complaints or disputes between the society and any of its members.
42. The treasurer shall receive all moneys of the society paid to the secretary, and, if necessary, assist the secretary in receiving same. He shall bank all moneys collected or donated as received, retaining in hand on no occasion a sum exceeding £10, and returning vouchers for such payments to the secretary. He shall keep the bank-books and render a finance statement to the committee at each meeting. He shall procure at the expense of the society, within one month after his appointment, a guarantee to the amount of £250 with some approved assurance society. He shall sign all cheques for disbursements, and, with the secretary, prepare a statement of accounts for the annual meeting, and have it checked and certified by the auditors.
43. The secretary shall take the minutes of meetings of the committee or of members. He shall keep an accurate register of all the members of the society, and an account of receipts and disbursements, and shall prepare such statements as the committee may direct. He shall receive all payments of members, make a proper entry of same in the books of the society, and hand over all moneys to the treasurer. He shall receive from the treasurer all vouchers of payments into the bank, and check same. He shall keep all books of the society, and make all disbursements to members or others when authorised by the committee or as fixed by the rules. He shall countersign all cheques, assist the treasurer in preparing statements of accounts for the committee and for the annual meeting,

and do everything in his power for the interests of the society and members. He shall, at the expense of the society, procure a guarantee to the amount of £250 with some approved assurance society.

44. The auditors shall at least once a year examine all books and accounts of the society, and the vouchers of receipts and expenditure, and shall certify as to the correctness or otherwise of the balance-sheet and accounts presented to the annual meeting.

45. The trustees of the society shall be the chairman and managing director of the company. All property of the society shall be vested in the trustees for the time being for the use and benefit of the society and its members. No trustee shall be liable to make good any deficiency which may arise or happen in the funds of the society, nor be liable except for moneys which shall actually be received by him on account of the society.

46. The funds of the society, as they accumulate, shall be invested from time to time on deposit in any bank, or in good freehold or Government securities, at not less than the current bank rate of interest for the time being.

Subscriptions and Benefits.

47. The company shall give to the society at its commencement a donation of £500, and thereafter contribute for the first five years 20 per cent. per annum (not to exceed £500 per annum) on the subscriptions of ordinary members, at the end of which period a readjustment of payments shall be made.

48. Of the initial donation of £500 made by the company £250 shall be allocated out of which to defray management or other expenses in connection with the starting of the society, and the other £250 shall be reserved as the nucleus of a benevolent fund, to which 2s. per annum from the contributions of each member shall be added.

49. The benevolent fund shall be used by the committee for the purpose of granting aid in exceptional cases, at the discretion of the committee.

50. The entrance-fee shall be 10s.

51. The following tables show the benefits insured and the contributions payable by members:—

Table I.

Unmarried members—Funeral benefit, £10; sickness benefit, £1 per week for first six months, 10s. per week for second six months.

Age at Entry.				Contribution.		Age at Entry.				Contribution.	
				s.	d.					s.	d.
Under 21	..	..	..	3	9	36 to 40	..	..	..	4	9
21 to 25	..	..	..	4	0	41 to 45	..	..	..	5	3
26 to 30	..	..	..	4	3	46 and upwards	..	..	..	6	0
31 to 35	..	..	..	4	6						

Table II.

52. Married members—Funeral benefit, £20; funeral benefit, wife or husband of member, £10; sickness benefit, £1 per week for first six months; 10s. per week for second six months.

Age at Entry.				Contribution.		Age at Entry.				Contribution.	
				s.	d.					s.	d.
Under 25	..	..	..	4	3	36 to 40	..	..	..	5	6
26 to 30	..	..	..	4	9	41 to 45	..	..	..	6	0
31 to 35	..	..	..	5	0	46 and upwards	..	..	..	7	0

53. One shilling and ninepence per month is included in the above contributions to provide for management, medical attendance, and medicine to members and their wives and families. Should it be found that this is more than sufficient for management and medical expenses the committee shall have power to reduce the levy; and, on the other hand, should it be found inadequate, the committee shall have power to make an additional levy. Married members contributing under Table II. shall receive medical attendance and medicines for their wives and children (not over sixteen years of age) at their home ports. Members joining under Table II. shall give notice to the secretary of the place of residence of their family, and also advise any change of residence. The wives of members contributing under Table II. shall not be entitled to receive medical attendance and medicines in cases of confinement or miscarriage until nine days thereafter. All medicines must be prescribed by a medical officer of the society or other legally-qualified medical practitioner, and each repetition of a prescription must be initialled by same.

54. Entrance-fees and subscriptions shall be paid to the secretary, or any branch manager or agent of the company, or to the purser or chief officer of the steamer on which members are employed, who shall forward them to the secretary. Subscriptions shall be paid monthly in advance. Subscriptions received shall be entered in a member's pass-book and initialled by the person receiving the same.

55. The moneys received under these rules shall be applied for the purposes fixed by the rules for the time being, and for no other.

56. Members shall be entitled to medical attendance and medicines immediately on joining the society, but shall not be entitled to any other benefit until they have been in good standing for a term of six months.

57. Married members shall have the option of joining under Table I., and unmarried members under Table II.

58. Every member who shall have received any allowance as aforesaid, and shall be again incapacitated within a period of six months from the date when his or her former allowance ceased, shall receive an allowance at the same rate and shall be placed in every way in the same position as if the periods of allowance for sickness had been continuous.

59. During the payment of sick-allowance to a member his or her monthly subscription shall be deducted from the amount of such allowance.

60. No payment shall be made in the case of the death of a member, or a member's wife or husband, until a proper certificate of death from a legally-qualified medical practitioner shall have been received by the secretary.

61. Should a member be sick, and have no relatives to care for him or her, and be unable to arrange for attendance, or should a member die and leave no relative to arrange for his or her funeral, the secretary shall, with the approval of the committee, take the necessary steps to provide attendance on him or her, or for his or her funeral, as the case may be, to the extent of the benefits the said member is entitled to receive from the society.

62. Every member who shall claim an allowance shall give notice thereof to the secretary, or branch manager, or agent of the company at the port where he or she may be ashore, and shall, if the claim be allowed, be entitled to receive the allowances fixed by these rules from the date when he or she became incapacitated from work, as certified by a medical officer of the society or other legally-qualified medical practitioner, but in no case shall an allowance commence from a date more than three days prior to the date of such certificate.

63. It shall be the duty of every member who is in receipt of an allowance to give notice to the secretary immediately he or she becomes able to resume work, and, if the committee shall decide that a member has at any time failed to give such notice as soon as he or she should have done, such member shall be suspended from the right to receive any further allowance for the term of three months from the date when the committee shall so decide, and shall refund to the society the amount of all allowances which shall have been improperly obtained, before he or she shall receive any further allowance whatever.

64. Allowances shall be reckoned as for weeks of seven days, and proportionately for any part thereof, provided that the day when a member shall give notice of recovery shall not be included.

65. No member shall be entitled to receive any allowance if he or she conceal any disease or bodily infirmity which the said member may have had at the time of becoming a member, or if the incapacity for work result from injuries received or disease engendered by fighting (except as a Volunteer in the service of the country), or intemperate, improper, or immoral conduct, or act of bravado.

66. If any member while receiving an allowance shall refuse to see a medical practitioner, he or she shall thereupon be suspended from the receipt of the allowance till the committee shall restore the privilege, and, if he or she

STATEMENT OF ACCOUNTS FOR YEAR ENDING 30TH SEPTEMBER, 1892.

Medical and Management Fund.

<i>Dr.</i>		£ s. d.	<i>Cr.</i>		£ s. d.
To Balance 30th September, 1891	..	222 13 4	By Medical attendance—		
Contributions from ordinary and honorary members	..	588 13 8	For month ending 30th September, 1891	..	47 2 0
Entrance-fees	..	137 3 0	For year ending 30th September, 1892	..	566 6 0
Sale of books	..	5 15 6	Printing, stationery, &c.	..	56 8 0
Union Steamship Company's contribution	..	117 15 5	Office furniture	..	4 14 6
Interest	..	2 6 0	Petty cash	..	14 6 11
			Legal expenses	..	1 1 0
			Guarantee premiums	..	5 0 0
			Auditor	..	2 2 0
			Secretary	..	52 10 0
			Office rent	..	14 0 0
			Balance	..	310 16 6
		<u>£1,074 6 11</u>			<u>£1,074 6 11</u>

Sick and Funeral Fund.

<i>Dr.</i>		£ s. d.	<i>Cr.</i>		£ s. d.
To Balance 30th September, 1891	..	379 19 1	By Funeral claims	..	39 8 6
Contributions from ordinary and honorary members	..	1,225 15 1	Sick-pay	..	339 8 11
Union Steamship Company's contribution	..	245 0 3	Balance	..	1,483 6 0
Interest	..	11 9 0			
		<u>£1,862 3 5</u>			<u>£1,862 3 5</u>

Benevolent Fund.

<i>Dr.</i>		£ s. d.	<i>Cr.</i>		£ s. d.
To Balance, 30th September, 1891	..	273 13 6	By Donation to a member	..	5 0 0
Contributions from ordinary and honorary members	..	78 11 6	Balance	..	375 9 0
Union Steamship Company's contribution	..	15 14 0			
Interest	..	12 10 0			
		<u>£380 9 0</u>			<u>£380 9 0</u>

Balance-sheet.

<i>Dr.</i>		£ s. d.	<i>Cr.</i>		£ s. d.
To Sick and funeral fund	..	1,483 6 0	By Trustees—		
Benevolent fund	..	375 9 0	Union Steamship Company, deposits	..	850 0 0
Medical and management fund	..	310 16 6	Bank of New Zealand, deposits	..	1,300 0 0
			Bank of New Zealand, Current Account	..	19 4 8
			Cash in hand	..	0 0 10
			Suspense Account (secretary and purchasers' balances)	..	0 6 0
		<u>£2,169 11 6</u>			<u>£2,169 11 6</u>

We have examined the books, vouchers, and accounts of the Union Steamship Company's Mutual Benefit Society for the year ending 30th September, 1892, and certify that the above statement of accounts correctly represents the position of the society at the date named.

Dunedin, 12th November, 1892.

WILLIAM BROWN AND Co., Auditors.

STATEMENT OF ACCOUNTS FOR TWELVE MONTHS ENDING 30TH SEPTEMBER, 1893.

Medical and Management Fund.

<i>Dr.</i>		£ s. d.	<i>Cr.</i>		£ s. d.
To Balance, 30th September, 1892	..	310 16 6	By Medical attendance..	..	554 13 4
Members' contributions	..	725 0 3	Medicine (five months)	..	90 15 6
Union Steamship Company's contribution	..	145 3 7	Printing, stationery, and incidental expenses	..	94 11 10
Entrance-fees	..	149 0 0	Petty cash	..	10 0 6
Sale of books	..	7 15 0	Legal expenses	..	2 2 0
Interest	..	15 10 0	Guarantee premiums	..	3 15 0
			Telephone exchange	..	3 10 0
			Auditor	..	9 5 0
			Secretary	..	105 0 0
			Office rent	..	21 0 0
			Balance	..	458 12 2
		<u>£1,353 5 4</u>			<u>£1,353 5 4</u>

Sick and Funeral Fund.

<i>Dr.</i>		£ s. d.	<i>Cr.</i>		£ s. d.
To Balance, 30th September, 1892	..	1,483 6 0	By Funeral claims—		
Members' contributions	..	1,300 14 7	Members	..	108 0 0
Union Steamship Company's contribution	..	259 19 0	Wives	..	30 0 0
Interest	..	76 10 0	Sick-pay	..	889 8 8
			Surrender value	..	40 3 3
			Balance	..	2,052 17 8
		<u>£3,120 9 7</u>			<u>£3,120 9 7</u>

STATEMENT OF ACCOUNTS FOR TWELVE MONTHS ENDING 30TH SEPTEMBER, 1895.

Medical and Management Fund.

<i>Dr.</i>		£	s.	d.	<i>Cr.</i>		£	s.	d.
To Balance, 30th September, 1894	..	637	0	3	By Medical attendance	..	549	19	9
Members' contributions	..	848	9	3	Medicine	..	228	12	7
Union Steamship Company's contribution	..	169	13	11	Printing, stationery, and incidental expenses	..	37	9	4
Entrance-fees	..	89	0	0	Petty cash	..	12	0	0
Sale of books	..	4	14	0	Guarantee premiums	..	5	0	0
Honorary members	..	13	13	0	Telephone exchange	..	4	15	8
Interest	..	36	0	0	Auditor	..	10	10	0
					Secretary	..	120	0	0
					Bonus	..	30	0	0
					Office rent	..	15	2	6
					Balance	..	785	0	7
		<u>£1,798</u>	<u>10</u>	<u>5</u>			<u>£1,798</u>	<u>10</u>	<u>5</u>

Sick and Funeral Fund.

<i>Dr.</i>		£	s.	d.	<i>Cr.</i>		£	s.	d.
To Balance, 30th September, 1894	..	2,557	16	5	By Funeral claims—				
Members' contributions	..	1,272	5	8	Members	..	222	2	6
Union Steamship Company's contribution	..	254	8	11	Wives	..	20	0	0
Surrender values refunded	..	16	10	9	Sick-pay	..	976	8	6
Interest	..	132	0	0	Surrender values	..	153	5	6
		<u>£4,233</u>	<u>1</u>	<u>9</u>	Balance	..	2,861	5	3
							<u>£4,233</u>	<u>1</u>	<u>9</u>

Benevolent Fund.

<i>Dr.</i>		£	s.	d.	<i>Cr.</i>		£	s.	d.
To Balance, 30th September, 1894	..	506	14	5	By Donations to members	..	374	5	2
Members' contributions	..	80	15	2	Balance	..	242	17	8
Union Steamship Company's contribution	..	16	3	3					
Interest	..	13	10	0					
		<u>£617</u>	<u>2</u>	<u>10</u>			<u>£617</u>	<u>2</u>	<u>10</u>

Balance-sheet.

<i>Dr.</i>		£	s.	d.	<i>Cr.</i>		£	s.	d.
To Medical and management fund	..	785	0	7	By Fixed deposits—				
Sick and funeral fund	..	2,861	5	3	Bank of New Zealand	..	1,940	0	0
Benevolent fund	..	242	17	8	Colonial Bank of New Zealand	..	1,920	0	0
					Bank of New Zealand, Current Account	..	29	3	6
		<u>£3,889</u>	<u>3</u>	<u>6</u>			<u>£3,889</u>	<u>3</u>	<u>6</u>

I have examined the books and vouchers of the Union Steamship Company's Mutual Benefit Society for the year ending 30th September, 1895, and hereby certify that the above statement of accounts represents the correct position of the society at that date.

Dunedin, 3rd October, 1895.

JAS. BROWN, M.I.A., N.Z., Auditor.

STATEMENT OF ACCOUNTS FOR TWELVE MONTHS ENDED 30TH SEPTEMBER, 1896.

Medical and Management Fund.

<i>Dr.</i>		£	s.	d.	<i>Cr.</i>		£	s.	d.
To Balance, 30th September, 1895	..	785	0	7	By Medical attendance	..	552	6	3
Members' contributions	..	806	6	3	Medicine	..	250	9	11
Union Steamship Company's contribution	..	121	11	3	Printing, stationery, and incidental expenses	..	36	15	3
Entrance-fees	..	81	10	0	Petty cash	..	10	0	0
Sale of books	..	4	14	6	Guarantee premiums	..	5	0	0
Honorary members	..	17	17	0	Telephone exchange	..	5	0	0
Interest	..	32	0	0	Auditor	..	10	10	0
					Secretary	..	120	0	0
					Bonus	..	30	0	0
					Office rent	..	11	12	6
					Balance	..	817	5	8
		<u>£1,848</u>	<u>19</u>	<u>7</u>			<u>£1,848</u>	<u>19</u>	<u>7</u>

Sick and Funeral Fund.

<i>Dr.</i>		£	s.	d.	<i>Cr.</i>		£	s.	d.
To Balance, 30th September, 1895	..	2,861	5	3	By Funeral claims—				
Members' contributions	..	1,213	7	11	Members	..	20	0	0
Union Steamship Company's contribution	..	182	9	5	Wife	..	10	0	0
Surrender values refunded	..	21	16	6	Sick-pay	..	872	0	3
Interest	..	112	0	0	Surrender values	..	236	10	9
		<u>£4,390</u>	<u>19</u>	<u>1</u>	Balance	..	3,252	8	1
							<u>£4,390</u>	<u>19</u>	<u>1</u>

		<i>Benevolent Fund.</i>					
<i>Dr.</i>		£	s. d.	<i>Cr.</i>		£	s. d.
To Balance, 30th September, 1895	..	242	17 8	By Donations to members	.. ..	67	6 0
Members' contributions	.. ..	76	15 10	Balance	.. ..	272	17 1
Union Steamship Company's contribution	.. ..	11	11 7				
Interest	.. ..	8	18 0				
		<u>£340</u>	<u>3 1</u>			<u>£340</u>	<u>3 1</u>

		<i>Balance-Sheet.</i>					
<i>Dr.</i>	<i>Capital Funds.</i>	£	s. d.	<i>Cr.</i>	<i>Assets.</i>	£	s. d.
To Medical and management fund	817	5 8	By Bank of New Zealand—			
Sick and funeral fund	3,252	8 1	Fixed deposits	.. ..	4,300	0 0
Benevolent fund	272	17 1	Current Account	.. ..	34	15 7
		<u>£4,342</u>	<u>10 10</u>	Cash in hand	.. ..	7	15 3
						<u>£4,342</u>	<u>10 10</u>

I have examined the books and vouchers of the Union Steamship Company's Mutual Benefit Society for the year ended 30th September, 1896, and hereby certify that the above statement of accounts represents the correct position of the society at that date.

Dunedin, 9th October, 1896.

JAS. BROWN, F.I.A., N.Z., Auditor.

EXHIBIT 5.

UNION STEAMSHIP COMPANY OF NEW ZEALAND (LIMITED) MUTUAL BENEFIT SOCIETY.

PURSER'S RETURN FOR MONTH ENDING 30TH SEPTEMBER, 1895.—DECK DEPARTMENT, S.S. "GRAFTON."

E. DORLING. Society: Nil.

Wellington Branch, 5th September, 1895.

E. MULQUEEN, Purser.

EXHIBIT 6.

UNION STEAMSHIP COMPANY'S EMPLOYEES' BENEFIT SOCIETY.

PROVISIONAL TABLE of SURRENDER VALUES that may be GRANTED to MEMBERS LEAVING the SOCIETY (but subject to Alteration after the First or any Subsequent Actuarial Investigation into the Affairs thereof).

Table I.

Duration of Membership (Completed Years).	Age at Entry.						
	Under 21.	21 to 25.	26 to 30.	31 to 35.	36 to 40.	41 to 45.	46 and upwards.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1	0 9 6	0 10 6	0 13 3	0 15 6	0 19 0	1 2 9	1 6 0
2	0 19 3	1 1 6	1 6 9	1 11 6	1 18 6	2 6 3	2 12 3
3	1 9 0	1 13 3	2 0 9	2 8 0	2 18 3	3 9 9	3 18 9
4	1 18 9	2 5 3	2 14 9	3 5 0	3 19 0	4 13 3	5 5 9
5	2 8 6	2 17 9	3 9 3	4 2 3	4 19 9	5 17 0	6 12 6
6	2 18 9	3 10 3	4 4 0	5 0 0	6 1 0	7 0 9	7 19 3
7	3 9 6	4 3 6	4 19 3	5 18 6	7 2 6	8 4 9	9 6 0
8	4 0 9	4 16 9	5 15 0	6 17 3	8 4 6	9 9 0	10 12 3
9	4 12 3	5 10 3	6 11 0	7 16 6	9 6 3	10 13 3	11 18 3
10	5 4 3	6 4 3	7 7 3	8 16 3	10 8 3	11 17 9	13 8 9
11	5 16 9	6 18 6	8 4 0	9 16 3	11 10 3	13 2 0	14 8 6
12	6 9 3	7 13 0	9 2 0	10 16 6	12 12 6	14 6 0	15 12 9
13	7 2 0	8 8 0	10 0 0	11 17 0	13 14 9	15 9 9	16 16 0
14	7 15 3	9 3 3	10 18 3	12 17 6	14 17 3	16 13 0	17 18 3

Table II.

1	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
2	0 12 0	0 13 0	0 16 3	0 19 3	1 3 3	1 8 0	1 12 3
3	1 4 9	1 6 9	1 13 0	1 18 9	2 7 0	2 16 9	3 5 0
4	1 16 3	2 1 0	2 10 0	2 19 0	3 11 6	4 5 9	4 18 0
5	2 8 3	2 15 9	3 7 3	3 19 9	4 14 6	5 14 9	6 11 3
6	3 0 6	3 10 9	4 5 3	5 1 0	6 2 0	7 4 3	8 5 0
7	3 13 0	4 6 9	5 3 6	6 3 0	7 8 3	8 13 9	9 18 6
8	4 6 3	5 2 9	6 2 3	7 5 6	8 14 9	10 3 9	11 11 9
9	5 0 0	5 19 0	7 1 6	8 8 6	10 1 9	11 13 9	13 5 3
10	5 14 3	6 15 9	8 1 3	9 12 0	11 8 9	13 4 0	14 18 0
11	6 9 0	7 12 9	9 1 3	10 16 0	12 15 9	14 14 6	16 10 6
12	7 4 3	8 10 3	10 2 3	12 0 9	14 3 3	16 4 9	18 2 6
13	7 19 9	9 8 3	11 3 9	13 5 9	15 10 9	18 3 3	19 13 9
14	8 15 6	10 6 9	12 5 6	14 11 0	16 18 6	19 5 3	21 4 0
15	9 11 3	11 5 9	13 8 0	15 16 3	18 6 6	20 15 0	22 13 3

Wellington, 7th March, 1893.

GEO. LESLIE, Actuary, &c.

EXHIBIT 7.

FEDERATED SEAMEN'S UNION OF NEW ZEALAND.

Mr. _____, Secretary,

Dunedin, December, 1894.

DEAR SIR,—

Acting under instructions from the committee of the above union, I have very much pleasure in enclosing you a petition for signature by members of your society. Copies of the petition are being forwarded to all *bonâ fide* benefit and friendly societies throughout New Zealand, and it is intended for presentation to the Legislative Council during the next session of Parliament.

The object for which the petition has been issued is to effect the abolition of private benefit societies instituted by various employers of labour, who, by making membership compulsory as a condition of employment, are limiting the sphere of usefulness and insidiously reducing the membership of those legitimate societies whose business is solely controlled by the members thereof.

That this contingency has arisen must be apparent to all those who have had opportunities of knowing the inner workings of these private concerns. There are in existence at the present time in New Zealand two large private benefit societies (unregistered) whose combined membership amounts to about fifteen hundred—these are, the Auckland Sugar Company's and the Union Steamship Company's mutual benefit societies. Independent of these huge concerns there are numerous smaller ones, whose existence is hardly known outside their own membership.

Taking the larger ones as being the most inimical to the interests of the legitimate societies, I will deal with the Union Company's Mutual Benefit Society, which claims a membership of over nine hundred. This society was inaugurated in 1891, and since its inception a surplus fund of nearly £4,000 has been accumulated after disbursing all sick, funeral, and death allowances. This fact, I submit, shows conclusively that money is being unnecessarily extorted from the members, and there is no other society in existence that I am aware of which, if conducted on fair and equitable lines, could possibly amass such a fund in the same space of time. In truth, to such an extent is this fact realised by the company that I am credibly informed the members receive hints to remain on the benefit list as long as possible to obviate the funds assuming abnormal proportions.

The rules provide, *inter alia*, that the company shall nominate seven and the employers elect six of the committee of management. The company's nominees being heads of the various departments, it will be apparent that, independent of the balance of voting-power being in the company's favour, the representatives of the employés dare not assert themselves, for reasons there is no necessity to specify.

The company deny that the men who belong to other societies are compelled to become members of the M.B.S. There certainly is a rule (8) in their books dealing with this subject, which is as follows: "Any employé in the company's service who is in good standing on the books of a registered benefit society shall not be required to join this society." This, however, is a dead-letter, and merely inserted in the rules to give them some semblance of fairness, and to allay the suspicions of the accredited societies. Any individual applying for employment is asked if they are members of the M.B.S., and if the man states he is a member of another society he is politely informed that members of the M.B.S. have a prior right of engagement. This is not a direct refusal, but it is an indirect manner of saying, "You must either join our concern or starve." Moreover, the necessity for belonging to a registered society is a piece of presumption, seeing that the Union Company have made application to have their society registered, but have been refused on the grounds that their rules do not comply with the Friendly Societies Act. In connection with this matter, I may state in passing that where a society is unregistered they have no standing in Court, which precludes members from suing for benefits in the event of them being withheld. This naturally places the company in a position to confiscate the whole of the members' contributions in the event of matters not suiting their particular purposes. The benefits attached to the M.B.S. are of such a peculiar nature that it will be necessary to compare them with those provided by the honestly-conducted societies. The contributions demanded by the M.B.S. are fixed at from 3s. 9d. to 7s. per month, for which the members receive less benefits than those provided by other societies, whose members pay a smaller contribution. This, however, is not the worst feature in connection with the matter, for, whereas a friendly societies' membership is inalienable and holds good in all parts of the world, the promoters of the M.B.S. only provide benefits while men are directly engaged in their employment, and absolutely refuse to accept contributions from persons who, for some trifling offence, have been dismissed from the company's service. The hardship of this lays in the fact that men may have joined the M.B.S. while comparatively young, and at a time when they would have been eligible to join other societies; but, after paying contributions for years, they suddenly find themselves cast adrift, and, being over age, are ineligible to become members of those societies which would treat them fairly.

Even assuming membership to be voluntary, this proceeding would be arbitrary in the extreme. But when it is compulsory, and men are compelled to forfeit their membership if they leave their employment without permission, it becomes positively cruel to the individual, and a rank injustice to the genuine societies.

A close perusal of the rules of the M.B.S. will convince any unbiassed person that they are one-sided in the extreme, and so wide in their application as to practically give the Union Company complete control over the finances of the society. The funds are vested in trustees, who are respectively the chairman of directors and the managing director of the company, which fact speaks volumes for itself. The members in some instances are not even trusted to pay their contributions, the money being deducted from their wages by the company—this, of course, being a direct contravention of the Truck Act. The members treated in this manner, knowing there is no redress, have no option but to submit with as good a grace as possible or lose their position.

With the object of putting themselves on the same footing as other societies the M.B.S. applied for and gained admission to the privileges of the friendly societies' dispensary; but when the members of the affiliated societies became thoroughly conversant with the nature of the M.B.S. a strong feeling of opposition was raised against them, resulting in their subsequent withdrawal from the dispensary.

So far I have only dealt with one society, but, as the whole of these private concerns are built more or less on the same lines, there is no necessity to enter into the details of the management of others. As showing, however, to what extent employers are encroaching upon the functions of friendly societies, I may state that this system of intimidation, and what closely resembles robbery, is not by any means confined to New Zealand. In Melbourne the tramway employés, and at Broken Hill, New South Wales, the miners are all compelled to join similar organizations before getting employment. Likewise the seamen in England, who have to become members of the Shipping Federation's benefit society, which encircles the United Kingdom like an octopus.

It is a remarkable thing to notice the amount of zeal which employers have suddenly evinced in the interests of their employés. This new-born zeal is quite of recent growth, and makes an interesting study to those who try to discover the hidden motives. The secret, summed up in very few words, is this: That large employers of labour have found a new method of oppressing and exploiting their workmen, and intend to work it for all it is worth.

Looking at the subject purely from a friendly society standpoint, it must be evident that the extension of this very dangerous precedent will eventually mean the decline, or, what is worse, the total extinction, of those societies in our midst which are formed entirely for benevolent and philanthropic purposes. The members required by the employers for their societies must be comparatively young, strong, and physically capable of performing hard, laborious work, or they are not accepted. In proof of this I may inform you that the Union Company are excluding men from membership who are still thoroughly capable of discharging their duties, but, having reached middle age, are not wanted. These are thrown aside for some benevolent institution to provide for, which, of course, means the burden being shifted on to the State.

It is from the youth in the community that the benefit societies expect to recruit their new members, but with work scarce and wages on the decline it will be found impossible to pay contributions into two societies. The employer, insisting on membership being a condition of employment, will have the advantage, and the benefit societies, which are conducted and controlled by their own members, will go to the wall.

In conclusion, let me ask you, Are you prepared to stand idly by and allow your splendid organizations, which you have reared with so much trouble and expense, to be ruthlessly weakened or destroyed by designing individuals under the guise of philanthropy?

Trusting you will bring this matter prominently before the members of your society, and kindly request them to support our object by attaching their signatures to the enclosed petition,

I remain, &c.,

WILLIAM BELCHER, Secretary.

P.S.—Kindly give ample time for members to sign petition, and return same when fully signed to "W. Belcher, Secretary, Seamen's Union, Dunedin."

EXHIBIT 8.

To the Hon. the Speaker and Members of the Legislative Council of New Zealand in Parliament assembled.

THE petition of the undersigned members of *bonâ fide* friendly and benefit societies in the Colony of New Zealand humbly sheweth that private benefit societies are inimical to the best interests of the existing registered benefit societies, for the following reasons:—

(a.) That membership of such societies, being compulsory, is distinctly opposed to the principle of the registered benefit societies, whose membership is voluntary.

(b.) That compulsory membership of private societies prohibits that freedom of contract which your honourable House upholds; and, unless the State establishes a general scheme of insurance or old-age pensions, no membership of any friendly or benefit society should be compulsory.

(c.) That serious injury is done to the existing friendly societies by the fact that it is from the young men and women who are compelled to join private benefit societies that the ordinary recruits would be found; but, owing to their being forced to join the private societies instituted by employers, they cannot afford to join, as their wages will not permit of payment into two societies. Therefore the existing registered societies, many of whose members are getting on in years, cannot find that new blood which is necessary to their healthy progress.

(d.) That the existing registered benefit societies offer all necessary inducements to those desirous of taking advantage thereof if they are fairly treated; but we respectfully submit we are not being so treated by employers being allowed to compel their employes to join private societies.

(e.) That membership of a private benefit society is annulled by members leaving their employment, whereas in the case of duly accredited and registered societies membership is inalienable, and holds good in all parts of the world.

Wherefore we respectfully solicit your assistance in passing such legislation as will enable our various societies to compete upon fair terms, which cannot be the case until membership is made voluntary, and all societies compelled to register under the Friendly Societies Act.

We humbly ask your honourable House to grant this our request.

And we, your petitioners, will ever pray.

EXHIBIT 9.

UNION STEAMSHIP COMPANY OF NEW ZEALAND (LIMITED).

CHIEF ENGINEER'S MONTHLY REPORT ON CREW OF S.S. "KAWATIRI," 30TH JUNE, 1893.

Name: Thomas Samuels.

Rating: Fireman.

Age: Thirty-three.

Place of birth: Newport.

Where engaged: Westport.

Date of joining: 20th February, 1893.

Last ship: "Manawatu."

Member of which society: O.F.

Date of discharge: 7th June, 1893.

Where discharged: Dunedin.

Character: Sobriety, D.R.; ability, fair; conduct, D.R.

Reasons for discharge: Inclined to drink and uncivil.

J. B. RANKIN, Chief Engineer.

EXHIBIT 10.

UNION STEAMSHIP COMPANY OF NEW ZEALAND (LIMITED).

CHIEF ENGINEER'S REPORT ON CREW OF S.S. "ROKOKINO," 31ST MARCH, 1896.

Name: Graham, William.

Rating: Fireman.

Age: Fifty.

Place of birth: Glasgow.

Where engaged: Port Chalmers.

Date of joining: 14th October, 1893.

Last ship: "Tagliapiri."

Member of which society: None.

Date of discharge: 26th February, 1896.

Where discharged: Port Chalmers.

Character: Sobriety, fair; ability, V.G.; conduct, D.R.

Reason for discharge: Mutual consent.

JAMES FERGUSON, Chief Engineer.

EXHIBIT 11.

UNION STEAMSHIP COMPANY OF NEW ZEALAND (LIMITED).

Dunedin, 16th June, 1894.

DEAR SIR,—

It is within the knowledge of the members of the company's shore staff that in June, 1891, the Union Steamship Company's Mutual Benefit Society was established. The initiation of the society was the result of a desire on the part of the directors to devise some means of drawing closer together the relations between the company and their employes afloat, and of encouraging the latter to look upon the service somewhat in the light of a permanent home. The establishment of a mutual benefit society, to the support of which the company would be large contributors, appeared the most likely means to bring about the end desired, and the first step in this direction was taken by the company making an initiatory donation of £500, and undertaking to subsidise the society for the first five years to the extent of 20 per cent. of the annual contributions of members.

The society has now been in existence three years, and is fulfilling the purposes for which it was established. The men have not been slow to appreciate the advantages which membership secures in time of sickness, and this, with the improved relations existing between the company and their men, testifies that in many respects the establishment of the society has been a benefit to both. The membership at the present time stands at 873, and during the three years of its life the society has disbursed in sickness and compassionate allowances and in funeral benefits the sum of £2,147 8s. 9d., while the accumulated funds on deposit in the banks amount to £3,375.

The scheme of the society provides for the inclusion of honorary members. These are employes of the company who, by payment of an annual sum—fixed at the last annual meeting at 10s. 6d.—are entitled to a voice in the conduct of the affairs of the society, but do not participate in any of the pecuniary benefits enjoyed by ordinary members: they are, practically, employes who desire to show their sympathy with the objects of the society by subscribing 10s. 6d. per annum towards its funds.

As a good list of honorary members will add to the stability of the society, the directors hope that the opportunity thus afforded of taking a personal interest in the work of the society will be largely availed of by members of the shore staff, and by masters, officers, and engineers afloat.

A form of application is attached, to be forwarded to the secretary of the society on completion.

Yours faithfully,
JAMES MILLS, Managing Director.

Secretary, Union S.S. Co. Mutual Benefit Society, Vogel Street, Dunedin.

I BEG to apply for admission as an honorary member of the Union Steamship Company's Mutual Benefit Society, and to enclose 10s. 6d., one year's subscription.

Name:
Position:

EXHIBIT 12.

MESSRS. McLEOD BROTHERS' (LIMITED) EMPLOYEES' MUTUAL SICK AND ACCIDENT SOCIETY.

RULES.

1. EVERY man and boy employed by the firm to be contributors to the fund of the society to the amount of 3d. per week each man, and 1d. per week each first-class boy, and 3d. per week each second-class boy; said sums being deducted by the firm's cashier at the pay-table monthly in advance, and by him paid over to duly-elected treasurer of the society, together with amount of subsidy granted by the firm, such subsidy being equal to amount of contributions. First-class boy earning 8s. up to 15s.; second-class boy earning under 8s. weekly.
2. Each man, in event of sickness from whatever cause arising (excepting always sickness arising from intemperance or immoral conduct) rendering him unfit for work, shall be entitled to a weekly allowance of £1.
3. Each first-class boy to be entitled to a weekly allowance of 6s. 8d., and each second-class boy to a weekly allowance of 3s. 4d., on same conditions as stated in Rule 2.
4. The amount of weekly contributions shall be deducted from sick-allowances.
5. In event of any man or boy leaving the employ he shall not be entitled to claim any repayment of contributions made by him.
6. That the full allowances be continued for the term of six months only; after that period it be reduced in each case one-half, at half-rates of premium for further term of three months, when all benefits shall cease.
7. That the firm of Messrs. McLeod Brothers (Limited), or individual members of the society, are not responsible for payment of these allowances beyond the amount of their respective contributions.
8. That the management of the society be confined to a treasurer, secretary, and committee of three, to be elected by members at a general meeting, and to hold office for six months.
9. That a visiting committee for sick members of two, and also two auditors, be appointed by members at a general meeting, who shall make their reports to secretary to be laid before committee of management.
10. Any adult member found guilty of malingering shall forfeit all claim to sick-allowance; and, should he continue in the employment, shall be fined a sum of not less than 5s., to be deducted from his first pay on resuming work. Any boy member to be dealt with in same proportion.
11. All offices in connection with the society to be purely honorary.
12. The managing committee shall lay before members a statement of the affairs of the society every six months, when a new committee may be appointed or old committee continued, at the option of members. All elections of officers to be decided by majority of votes at a general meeting. Chairman of any meeting of members to have only one vote. In case of equal number of votes chairman to have casting-vote.
13. Any rule may be altered or modified at a half-yearly meeting, provided that notice of such intention be given in writing to secretary four weeks before such meeting.
14. All employes, or whoever may hereafter enter the employment of Messrs. McLeod Brothers (Limited), shall be required to sign the rules of this society. Any person employed temporarily by the firm may become a member at his option. Every person leaving the employ for good ceases to have any connection whatever with this society.
15. Any funds which may hereafter accumulate shall be invested in a trustee or trustees, to be elected by members at a general meeting.
16. All money to be paid into bank account within forty-eight hours after receipt by treasurer from firm's cashier.
17. No member of this society, excepting treasurer and trustees, shall hold any money belonging to or subscribed by the society. Cheques shall be signed only by treasurer and trustees in conjunction with chairman of committee for the time being. Any two of these signatures to be sufficient authority.
18. The secretary will pay all sick-allowances after receiving same from treasurer, and will be responsible that such allowances are paid to the person entitled to receive the same, for which proper receipt must be obtained.
19. An extraordinary meeting may be called by requisition signed by seven members, but in case of business proving of a frivolous nature any expense incurred to be charged to requisitionists.
20. The secretary be empowered to obtain any books and stationery required for the work of the society.

The foregoing rules having been passed and adopted at a general meeting held on the 25th July, 1888, we, the undersigned, agree to be bound by the conditions expressed therein.

[Signatures.]

EXHIBIT 13.

PHOENIX COMPANY (LIMITED) EMPLOYEES' SICK AND ACCIDENT SOCIETY.

RULES.

1. THAT this society be called "The Phoenix Company (Limited) Employes' Sick and Accident Society," hereinafter called "the society."
2. That the word "member" or "members" shall mean a person or persons who are on the books of the society, and subscribe thereto.
3. That the word "company" shall mean the Phoenix Company (Limited), of Dunedin, the employers of the members of this society.
4. That this society is formed with the object of affording relief to members who may be prevented carrying on their usual work through sickness or accident.
5. That subscriptions shall be paid by members to the society as per the following table, which shall be compulsory on all factory-hands: Class A—Members earning £1 10s. per week and over, 4d. per week. Class B—Members earning from 15s. per week to £1 10s., 3d. per week. Class C—Members earning from 10s. per week to 15s., 2d. per week. Class D—Members earning under 10s. per week, 1d. per week.
6. No member of the society shall be entitled to relief for sickness unless he or she shall have been three clear months on the books of the society; but in the event of accident relief payment to commence at once.
7. Relief shall be paid on the following scale: Class A, £1 per week; Class B, 15s. per week; Class C, 10s. per week; Class D, 5s. per week—for the first sixteen weeks, less the weekly premium; for the following eight weeks half above rates to be paid, less half weekly premium, after which relief payments shall cease.
8. No member shall receive more than twenty-four weeks' relief in any one year. The time to be calculated from the last benefit granted.

9. In the event of any member being unable to follow his usual occupation through accident or sickness he or she shall immediately notify the secretary, who will instruct the visiting committee accordingly. No member shall be entitled to sick-pay unless he or she shall have been unable to work for six working-days.

10. In the event of death the following to be allowed for funeral expenses: Class A, £10; Class B, £10; Class C, £5; Class D, £5.

11. Every member, in the event of sickness from whatever cause arising (excepting always sickness arising from intemperance or immoral conduct rendering the member unfit for work), shall be entitled to the weekly allowance as per scale, Rule 7.

12. Any members or member leaving the employ of the company, from whatever cause, shall forfeit all claims against the society, and shall not be entitled to claim any repayment of contributions to the society; but should the member resume his or her former employment they shall be restored to their former rights in the society.

13. Neither the company, nor the individual members of the society, nor the society are responsible for payment of allowances beyond the amount of their respective contributions to the society.

14. Any member found guilty of malingering shall forfeit all claims to allowances from the society for the following three months.

15. The committee of management to have the power to vote any special case a sum not exceeding £5 in addition to the weekly allowance, but any sum voted outside the weekly allowance must be sanctioned by the company.

16. This society shall be governed by a board, which shall be called the committee of management, consisting of a treasurer, secretary, and three other members. The said officers to be elected by ballot at the bi-annual general meeting, and shall hold office until their successors are elected. All officers shall be eligible for re-election.

17. That a visiting committee of three (whose duty shall be to visit any member applying for sick relief and reporting on same to the committee of management) and two auditors shall be appointed by the members at the general meeting. Neither the visiting committee nor auditors shall be members of the committee of management.

18. A general meeting shall be held during the months of January and June in each year for the purpose of electing officers and to receive the balance-sheet and report from retiring officers.

19. Any two committee-men may convene any meeting that may be deemed necessary, and the committee of management shall meet not less than once every three months.

20. The chairman, who shall be elected by the committee of management, shall have a deliberative vote, and in all cases of a tie a casting-vote.

21. In the event of any vacancies occurring in any office attached to the society, through any cause, a general meeting shall be called as soon as possible, at which meeting such vacancy or vacancies shall be filled, provided such vacancy or vacancies do not occur within two months of a general meeting. Any committee-man absent from three consecutive meetings shall forfeit the office to which he may have been elected.

22. The secretary shall keep a correct record of all meetings (general or committee), keep all books and accounts, notify the committee and members of all meetings by instruction from the committee.

23. The treasurer shall pay all relief payments and accounts passed by the committee of management and signed by the secretary, collect all subscriptions and contributions, keep a correct record of all receipts and disbursements of the society, and at the committee meeting prior to the bi-annual general meeting produce a balance-sheet showing the receipts and disbursements for the past half-year, signed by the auditors, and such balance-sheet shall be laid before the general meeting for their inspection and approval.

24. The auditors shall inspect all books and accounts of this society, and report thereon in writing to the committee of management one week after such books and accounts shall have been submitted to them for their examination; and, in case of the absence of one or both of them, the committee shall have power to fill up such vacancy or vacancies from the members, who shall thereupon hold office until the next general meeting, provided always such auditors shall not be members of committee.

25. The names of members receiving relief from the society shall not appear on the balance-sheet.

26. Any rule may be altered or modified at a general meeting, provided that notice of intention be given in writing to the secretary four weeks before such meeting.

27. All employes of, or any who may hereafter enter the employ of, the company shall be obliged to join this society, and subscribe to the rules thereof. This rule does not apply to the official staff.

28. An extraordinary meeting may be called by a requisition addressed to the secretary and signed by seven members; but in the event of the business proving of a frivolous nature any expense incurred to be charged to requisitionists. In the event of no expense being incurred, they shall be liable to a fine of 1s. each.

29. No division of any part of the funds of the society shall be made until such time as the fund amounts to £100. In the event of a division being made, the reserve shall amount to not less than £100. Should the members decide on a division of part of the funds, the company, having agreed to contribute 10s. to each £1 contributed by the members, shall be entitled to receive one-third of the amount to be divided, and each member an amount in proportion to his or her payments, which shall be adjusted by the committee and auditors.

30. All moneys shall be lodged with the company in the name of the society, and no moneys shall be withdrawn unless by the signatures of the treasurer and secretary, or, if either of them should be absent, then the signature of the one remaining and two committee-men. The company agree to allow interest at the rate of 7 per centum per annum, payable half-yearly, on the average amount during the half-year.

31. Any alteration or alterations or addition to the rules of the society must be sanctioned by the company before final adoption.

32. All officers, when retiring from office, shall hand over to their successors all moneys, books, and other documents they may have belonging to the society.

33. No business shall be transacted at any committee meeting unless there are three members of committee present, and not a less number than forty members shall constitute a quorum at a general meeting.

34. The overseer of the factory, or any official of the Phoenix Company (Limited), may become a non-benefit member on payment of a subscription of 2d. per week. Non-benefit members are not entitled to receive any benefit from the society, but may hold office.

EXHIBIT 14.

PHOENIX SICK AND ACCIDENT SOCIETY (COMMENCED FEBRUARY, 1894).

STATEMENT OF ACCOUNTS.

	£	s.	d.		£	s.	d.
Contributions by employes to 31st December, 1896	86	8	6	To 28th February, 1897	90	12	7
Contribution by company to 31st December, 1896	43	5	4				
Interest		5	6				
		135	0				
Relief paid to the 31st December, 1896	89	2	2	To 28th February, 1897	105	1	8
Funds in hand deposited with the company, 31st December, 1896	£45	18	7				

J. W. MILNES, Manager of the Company and President of the Society.

EXHIBIT 15.

SARGOOD, SON, AND EWEN'S BOOT-FACORY YEARLY BENEFIT SOCIETY (THE OBJECT OF WHICH IS TO AFFORD RELIEF TO ITS MEMBERS DURING SICKNESS OR IN CASE OF ACCIDENT).

RULES.

1. THE society shall be called "Sargood, Son, and Ewen's Boot-factory Yearly Benefit Society."
 2. The society shall be managed by a committee of seven, to be elected at the annual meeting, who shall elect their own officers.
 3. All employes shall be members after the first fortnight's employment, and shall subscribe the following amounts weekly in advance: All journeymen, 6d; all young persons (male or female) whose wages amount to over 15s. per week, 4d.; all young persons (male or female) whose wages amount to under 15s. per week, 2d.
 4. Members leaving the factory shall receive back one-half of the amount they have paid in, less any amount paid to them on account of sick claim.
 5. Any member attempting to impose on the society shall lose all claim on its funds.
 6. Any member away from the factory through slackness or sickness, but not claiming allowance, shall be exempt from all contributions during that time.
 7. During sickness the following amounts will be paid: All who have paid 6d. per week will receive 15s. per week for the first thirteen weeks, 10s. per week for the second thirteen weeks, and 4s. per week afterwards for twelve months; all who have paid 4d. per week will receive for the same periods, 10s., 7s., and 3s.; all who have paid 2d. per week will receive for the same periods, 5s., 3s., 2s.
 8. Members must be off work six consecutive days before being entitled to sick-pay, notice of which must be sent to the secretary in writing within fourteen days of leaving work; and any three members of the committee (one from each department) shall every week authorise the treasurer to pay the amount due in accordance with Rule 7.
 9. Members who have been on the sick-list must send notice in writing to the secretary as soon as they are able to resume work.
 10. In the event of accident sustained by members not in the performance of their duties the committee shall have discretionary power to deal with same.
 11. The committee shall decide all matters not provided for in these rules; but any member not satisfied with their decision may, on depositing 7s. 6d., appeal to a general meeting, whose decision shall be final. If his case prove to be frivolous he shall forfeit his deposit; if he proves his case the cost of a doctor's certificate will be allowed by the society to the extent of 7s. 6d.
 12. All subscriptions shall be deducted weekly from the wages; and all moneys not required for the use of sick members shall be paid into the Post-Office Savings-Bank, in the joint names of Messrs. Bone and George, on behalf of the society.
 13. At the death of a member his heirs will receive out of the funds the following amounts: If he has paid 6d. per week, £10; if 4d. per week, 6d; if 2d. per week, £4.
 14. Members on the sick-list must not be out of their homes after 5 o'clock in winter (May to October) or 8 o'clock in summer (November to April) unless by permission of the committee.
 15. No subscription-list will be allowed to be taken round the factory without the consent of the committee.
 16. The society shall commence on the 1st November, 1887, and any surplus on each successive 24th December, commencing from 1889, shall be divided among the members in proportion to their subscriptions, with the exception of £10 which shall be left in the bank as a reserve. Members who have received sick-pay to have the same deducted from their dividends.
 17. Should any member claim sick-pay a second time within three months such claim shall be considered as a continuation of their previous sickness.
- N.B.—Members intending to leave the town while receiving sick-pay are expected to obtain the consent of the committee before doing so.

A. E. BONE, Chairman.

H. E. GEORGE, Secretary and Treasurer.

EXHIBIT 16.

SARGOOD, SON, AND EWEN'S BOOT-FACORY YEARLY BENEFIT SOCIETY.

STATEMENT OF FUNDS, ETC., AS ADMINISTERED FROM 1888 TO 1896.

Year.	Amount received.	Expenditure.	Dividends.
	£ s. d.	£ s. d.	£ s. d.
1888	154 17 7	79 2 9	75 14 10
1889	159 11 9	60 3 9	99 8 0
1890	228 19 5	132 3 11	96 15 6
1891	212 5 4	136 17 2	75 8 2
1892	230 18 3	117 19 11	112 18 4
1893	215 17 3	155 5 7	60 11 8
1894	192 0 0	138 1 0	53 19 0
1895	216 0 6	149 17 3	66 3 3
1896 .. ..	..	..	..

147 members subscribed 6d. per week; 44 members subscribed 4d. per week; 70 members subscribed 2d. per week: total, 261 members.

J. F. ARNOLD.

EXHIBIT 17.

ROSLYN WORSTED AND WOOLLEN MILLS YEARLY BENEFIT SOCIETY (THE OBJECT OF WHICH IS TO AFFORD RELIEF TO ITS MEMBERS DURING SICKNESS OR IN CASE OF ACCIDENT).

RULES.

1. ALL male persons employed at Roslyn Worsted and Woollen Mills whose wages amount to £1 5s. or more weekly shall be members at the expiration of the first fortnight of employment, and pay every alternate Tuesday the sum of 1s. in advance.
2. Women shall be members, and pay 6d. every alternate Tuesday in advance.
3. Young persons whose wages amount to 12s. and under £1 5s. weekly shall be members, and pay 6d. every alternate Tuesday in advance, and young persons whose wages do not amount to 12s. weekly shall pay 3d. every alternate Tuesday in advance.
4. Members leaving the mills will receive their proportion of the funds, and lose all claim on the society.
5. During sickness members who have paid 1s. fortnightly will receive 15s. per week for the first thirteen weeks, 10s. for the second thirteen weeks, and afterwards 4s. per week while the society exists. Women and young persons

who have paid 6d. fortnightly to receive half the above-named amount during sickness, and on the same graduating scale; and young persons who have paid 3d. fortnightly will receive 4s. per week for the first thirteen weeks, and 2s. 6d. per week for the second thirteen weeks, and afterwards 1s. 6d. per week while the society exists.

6. A member must be off work six consecutive days before being entitled to sick money, notice of which must be sent to the secretary; and any two members of committee every fortnight may authorise the treasurer to pay the amount then due, in accordance with Rule 5.

7. Members who have been on the sick-list must send notice in writing to the secretary as soon as they are able to resume work.

8. That no sick or funeral money be paid until two weeks after the formation of the society.

9. Any member who shall have received three months' sick-allowance will not be entitled to participate in the dividend of surplus money on the breaking-up of the society.

10. That, in the event of accident sustained by members not in the performance of their duties, the committee shall have discretionary power to deal with such cases.

11. At the death of a member his heirs will receive out of the sick fund £5 as funeral money, and at the death of a female or young person £3 will be given.

12. Any member attempting to impose on the society, or falling six weeks in arrears, shall lose all claim on its funds. In case of arrears arising from want of work the committee shall have discretionary power to make exceptions in such cases.

13. That, in the event of any member being on the funds of the society at the time of the annual breaking-up, the committee shall have discretionary power to make the necessary provision and authorise the continuance of payments, in accordance with Rule 5, for such a term as the committee shall fix.

14. The society shall be managed by a committee of thirteen members, who, with the president, vice-president, treasurer, and secretary, shall be appointed by a vote of a majority of the members at the general meeting.

15. The committee shall decide all matters not provided for in these rules, but any member not satisfied with their decision may appeal to a general meeting of the members, whose decision by a majority shall be final.

16. That the payments be collected every alternate Tuesday by the clerk of the mills. All money not required for the use of sick members to be paid over to Messrs. Ross and Glendinning (who have kindly consented to act as bankers to the society, paying interest at the rate of 7 per cent. on all deposits, besides a special bonus of £50 per annum).

17. The society shall commence on the 4th day of January, and break up on the 24th day of December. Any surplus funds to be divided among the members in proportion to the amount of their fortnightly payments.

WALTER SMITH, Treasurer.

J. W. PARKINSON, Secretary.

EXHIBIT 18.

ROSLYN WORSTED AND WOOLLEN MILLS YEARLY BENEFIT SOCIETY.

BALANCE-SHEET FOR YEAR ENDING 24TH DECEMBER, 1896.

<i>Dr.</i>	£ s. d.	<i>Cr.</i>	£ s. d.
To Balance from 1895	3 9 1	By Sick payments	80 8 6
Members' fortnightly payments	233 0 0	Funeral allowances	14 0 0
Interest	4 15 4	Payments under Rule 4	12 13 8
Bonus, Messrs. Ross and Glendinning	50 0 0	Remuneration to treasurer	2 10 0
		Remuneration to secretary	2 10 0
		Account-books and stationery	0 5 0
		Amount to be divided amongst members	176 13 8
		Balance carried forward to next year	2 3 7
	<u>£291 4 5</u>		<u>£291 4 5</u>

J. W. PARKINSON, Secretary.

WALTER SMITH, Vice-President (Acting).

JOHN OVENS } Members of Committee.
W. D. DAVIS }

Roslyn Mills, 18th December, 1896.

Adopted at general meeting of members held 21st December, 1896.

EXHIBIT 19.

NEW ZEALAND CLOTHING-FABRIY RELIEF FUND.

RULES.

1. THAT this society shall be called "The Factory Relief Fund," and that the object of the society shall be the relief of its members.

2. That the subscription shall be 6d. per four weeks, payable in advance, and shall be compulsory on all factory employes.

3. That no member shall be entitled to relief from this fund until he or she shall have been three clear months on the books of this society.

4. No subscriber shall receive more than £10 in any one year. The time to be calculated from the last benefit granted.

5. Applications for relief must be made in writing to the president or secretary, who shall forthwith lay the same before the committee for their consideration, and the committee shall satisfy themselves of the merits of each case before granting such relief.

6. Any of the employes leaving the factory, from whatever cause, shall forfeit all claims against this society; but should they resume their former employment they shall be restored to their former rights.

7. That no subscription for relief shall be permitted in the factory unless by the consent of the committee.

8. This society shall be governed by a president (who shall be the treasurer) and a committee of six, who shall nominate and elect their secretary from among themselves, the said officer to be elected by ballot at the annual general meeting, and shall hold office until their successors are elected. All officers shall be eligible for re-election.

9. A general meeting shall be held on the last week in May of each year for the purpose of electing the officers and two auditors; also to receive the balance-sheet and reports from the retiring officers.

10. The president, or, in his absence from Dunedin, the secretary, or any three of the committee, shall convene any meeting that may be deemed necessary, and the committee shall meet not less than once every three months—viz., in August, November, February, and May.

11. The president shall preside at all meetings, or in his absence a chairman shall be appointed by the committee.

12. The president shall be a committee-man by virtue of his office, and shall have a deliberative vote, and in all cases of a tie a casting-vote, and the past president shall be *ex officio* member of all meetings.

12. All contributions or moneys due to the society shall be receivable by the secretary, who shall pay the same over to the treasurer within forty-eight hours of the receipt thereof. All entrance-fees and fines due shall be receivable by the secretary, and when paid shall be handed over to the treasurer, to be by him lodged in the bank to the credit of the society, in terms of clause 13 of these by-laws.

13. The treasurer shall receive from the secretary all moneys the property of the society, and shall each Monday pay the amount in to the credit of the society at the bank at which the account of the society is kept. All disbursements shall be made by cheque drawn on the society's bank account; cheques to be signed by the president and the treasurer, or, in the absence of the president, by the vice-president and the treasurer.

14. All sick relief afforded by the society, and all debts due, shall, when the amount has been passed for payment by the committee, be paid by the treasurer; and the treasurer shall, when required by the committee, after three days' notice, furnish an exact and true account of the income and expenditure of the society.

15. The treasurer shall prepare a statement of the year's receipts and expenditure of the society for submission to the auditors in time to admit of the accounts being duly audited and laid before the annual meeting in each year.

16. Should the conduct of any officers of the society become unsatisfactory they may be dismissed from office by vote of the members at a general meeting, and other members may be appointed at the same meeting in their stead.

17. The committee may hold meetings at any time for the consideration of any business upon the summons of the president or secretary. Should any member of the committee be absent from three successive meetings his office may be declared vacant, in which case the vacancy shall be filled up in accordance with clause 5.

18. The committee shall appoint two of their number to be visiting officers, and shall see that the duties undertaken in the visitation of the sick are duly and properly discharged.

19. The committee shall have power to decide upon the investment of all funds of the society, and may incur such expenditure of an incidental character as may in their opinion be necessary for the proper working of the society. The members may deal with the disposal of the society's funds at a general meeting, or at a meeting called for the purpose.

20. The bank of the society shall be the Colonial Bank of New Zealand.

21. Two auditors shall be appointed at the annual meeting of the members of the society, for the purpose of checking the accounts of the society; and the committee shall see that the annual statement and accounts of the treasurer are laid before the auditors and duly audited by them in time for the annual meeting in each year.

22. Should any officer be discovered in fraud or embezzlement, or any member in wilful imposition on the funds of the society, he shall be expelled from the membership of the society and reported to the managing director.

23. Should any member of the society fall sick or become disabled from following his employment he must give notice in writing to the secretary, and a description of the nature of his illness, within forty-eight hours of his leaving work, and shall send a medical certificate (should the same be required by the committee). Upon the receipt of such notice the secretary shall within twenty-four hours call a meeting of the committee to decide whether such member's name shall be entered on the sick-book of the society. But it is hereby expressly provided that the committee may, in any case where they shall deem it advisable, and upon evidence being forthcoming to justify their so doing, decline to pay any of the allowances provided for by these by-laws.

24. All sick members shall, after having given the notice provided for in the preceding rule, but subject to the reservation herein contained, be entitled to receive allowances from the society's funds at the rates following: £1 5s. per week for the first twelve weeks; £1 per week for the next eight weeks: Provided that no member shall during twelve months receive more than twelve weeks' full sick-pay, the reduced rate of sick-pay to commence thereafter, if necessary, whether the sickness has been continuous or not; and provided always that no person shall receive these allowances unless he has been a member of the society for three months; and no member shall be granted sick-allowance for a less period than one week. The society to have power to grant a further allowance in any case where a member is unable to follow his avocation.

25. Members contributing half-rates to receive only half ordinary benefits.

26. Should any sick or disabled member be in arrears with his contributions the amount of such arrears shall be deducted from any payment to which he may be entitled.

27. In the event of a member dying, the sum of £10 shall be paid to the widow or representative of such deceased member.

28. Any member leaving or being discharged from such employment shall cease to have any claim whatsoever upon the funds of the society.

29. Persons joining the society shall pay an entrance-fee of 2s.; apprentices and boys, 1s.

30. Every adult member of this society shall pay a contribution of 6d. for every week of his membership; apprentices and boys a contribution of 3d. per week for every week of their membership; but for the first three months of membership double the above rates shall be paid.

31. Any member failing to pay his contributions for four weeks shall be fined 6d., and for every other week in which he is in arrear of contributions and fines he shall be fined 1s. When eight weeks in arrear of contributions and fines the committee to have power to request the manager of the company to cause the amount to be deducted from the salary of the person so in arrears.

32. The secretary shall, if possible, give four weeks' notice to the president of his intention to resign his office, and shall, when required by the committee, give up to the president all books, documents, or other property of the society which may be in his charge.

33. No alteration or addition to the above rules shall be made except at a general meeting of members, of which seven days' previous notice shall have been given, and such notice shall be posted in conspicuous places in the office.

34. When the amount in hand shall reach the sum of £100 contributions shall cease until by the society's payments to sick members the sum shall be reduced to £75. The collection of subscriptions shall be then resumed and continued until the balance again amounts to £100; but the subscriptions due at the time when under this rule the collection of subscriptions ceases shall be collected.

The following resolutions were adopted at the adjourned general meeting held in the composing-room on Thursday, the 4th January, 1897:—

1. That all employes who are not members of some recognised benefit society must become members of this society, subject to the approval of the committee.

2. Any employe wishing to be exempted from membership of this society must give notice in writing to the secretary, who shall call a meeting of committee within ten days of receipt of such notice to consider the case. No one shall be considered exempt until he has received notice from the secretary that his application has been granted.

3. Non-members shall (on being requested by the committee to do so) at any time furnish proof that they are still members of some recognised benefit society.

4. That all industrial societies that provide doctor and medicine be looked upon by the committee as equivalent to the O.D.T.M.P. Society.

EXHIBIT 22.

KAITANGATA RAILWAY AND COAL COMPANY'S EMPLOYEES' FRIENDLY SOCIETY.

RULES.

1. THIS society shall be called "The Kaitangata Railway and Coal Company's Employes' Benefit Society," and shall have for its objects the raising of funds by contributions, fines, donations, and by interest on capital for the following purposes—viz.: For insuring sums of money to be paid on the death of members or members' wives; for

rendering assistance to members when sick or otherwise not able to follow their employment; for supplying medical attendance and medicines to members, their wives and children (unmarried); and for defraying the necessary expenses of management.

2. The place of meeting of the society shall be the Kaitangata Railway-station.

The management of the affairs of the society shall be vested in a committee of nine subscribing members over twenty-one years of age, who shall be elected at the annual meeting of the society; and, if any vacancy occurs, such vacancy shall be filled by the committee till the first general meeting. The committee, of which the president, vice-president, secretary and treasurer shall be members, shall meet on the evening of every second Monday, five to form a quorum.

Every question shall be decided by a majority of votes of the members present, and if at any time the votes are equal the chairman shall have a casting-vote. They shall (in addition to such business as may be referred to them at general meetings) see that annual and other returns are duly prepared by the secretary. They shall keep a copy of the last annual balance-sheet of the society for the time being, together with the report of the auditors. They shall also supply the secretary with a sufficient number of copies of these rules to deliver to any member on demand of a copy of such rules, and the secretary shall deliver such copies accordingly.

3. The annual meeting to be held on the second Monday of September every year. A report from the committee containing an abstract of the business transacted, and a statement of accounts for the previous year ended 31st August, as audited, be laid before the meeting, and at the annual meeting a balance-sheet or annual return shall be presented. The members shall then proceed to the election of officers, decide disputes and appeals, and conduct any business of which due notice has been given or provided to be done by these rules.

The committee may at any time call a special general meeting upon giving seven days' clear notice of its object or objects, or upon the written request of twenty members, subject to the same notice. But no business shall be transacted or discussed at such special general meeting except that mentioned in the requisition. Two-thirds of the members shall be a quorum at all general or special meetings. These meetings shall be opened at half-past 7 o'clock p.m., and close not later than 10 o'clock p.m., provided always that it shall be lawful to continue business beyond the aforesaid hour upon the vote of not less than three-fourths of the members present and voting. But on no account shall the meeting remain open later than 11 o'clock p.m. Should the business not be finished by the time fixed for closing as herein provided, the meeting shall be adjourned to any day not exceeding fourteen days from the date of meeting, and so on again till the business be finished.

If any committee or general meeting, as herein provided for, falls upon any public holiday the committee may alter the night of meeting to any other night in the same week which may be agreed on.

4. Every full member of this society shall have an equal voice and vote in all the property and concerns thereof. All questions submitted to any general or special meeting shall be decided by the majority of votes of the members present, except in such cases as herein otherwise provided for. Every member present at any such meeting shall be entitled to demand a ballot before a vote has been taken of the members present on any question. If at any time or in any case the votes are equal the presiding officer for the time being shall have a casting-vote.

No law, resolution, or proceeding passed at any general or special meeting shall be impeached or invalidated on the ground that any person voting at such meeting was not entitled to vote thereat.

5. Any full member shall be entitled to nominate candidates for any office, provided always that no person shall be nominated unless upon consent being given thereto. All persons nominated shall be polled for, provided those not present have sent notice in writing to the chairman of their intention to serve if elected. The following shall be the method of polling: Each full member shall be provided with one voting-paper, and shall mark the name of one (or more) candidate thereon, as the case may be. These papers shall then be collected by or delivered to two scrutineers previously selected by the chairman for such purpose, one of whom shall publicly call over each vote, and, the numbers having been recorded by the secretary and chairman, the person having a majority of votes shall be declared duly elected.

If there be only one candidate nominated for any office the nomination shall be put for and against, and if rejected by the meeting the chairman shall receive other nominations and at once proceed to election.

In voting for members of committee any number of names exceeding the number of committee-men required may be put upon the voting-papers; but only those persons who have obtained a clear majority of votes shall be declared elected.

Any person declining to stand his poll after having given his consent to be put in nomination shall be fined the sum of 1s., unless a reason satisfactory to a majority of the members present at a general meeting shall be given.

6. The president, or, in his absence, the vice-president, shall take the chair at all general meetings. In the absence of these officers it shall be competent for the members present at any general or special meeting to elect a chairman for the time being.

7. The secretary shall be elected at a general or special meeting, and shall remain in office during the pleasure of the society or committee of management; but any member may nominate any duly-qualified member at the annual meeting. And in the event of such nomination the parties, including the then secretary, shall be polled for. He shall be a properly-qualified member of the society. He shall attend all committee and general meetings; call the roll; take the minutes; have charge and custody of the books, papers, and other necessaries; answer all communications addressed to the society (as instructed by the committee); keep a clear, correct, and separate account of the receipts and expenditure of each fund. He shall balance the accounts at the end of every six months, or whenever required by the committee or a majority of the society; prepare a half-yearly balance-sheet, and one annually.

The annual balance-sheet shall contain full particulars of all receipts and expenditure, funds, and effects of the society; how the same are invested and at what rate of interest; the amount of sickness experienced, and the sum paid to each sick member during the year. Also a statement of all sums owing to or by the society. He shall attend the auditors to explain anything they may require respecting the accounts.

When a member declares on the sick fund it shall be his duty to see immediately what allowance such member is entitled to, and communicate with the sick visitor residing nearest the sick member, and see that his claim is laid before the committee in proper time. He shall lay before each committee meeting all correspondence or communications received by him as secretary of the society since the previous meeting, and report what action (if any) he has taken thereon. He shall furnish the medical officer or officers and chemist (if any) with an amended list of members within their district entitled to medical attendance and medicine at least once in every quarter.

On any fine being imposed on any member he shall give such member written notice thereof within seven days. In case of failure or non-compliance with any of the foregoing conditions he shall for each offence be fined any sum not exceeding £1. He shall receive such remuneration per annum as the society may direct. In the event of his resigning, dying, or being removed from office the committee shall have power to fill up the vacancy till the first general or special meeting. Assistants may, when found necessary, be appointed at and for any meeting to assist the permanent secretary in his duties.

8. The treasurer shall take charge of all the funds of the society, but shall place the same immediately in the National Bank of New Zealand at Balclutha to the credit of the trustees of the society. He shall give security, if required, according to resolution passed by the society. He shall render a correct account each time of auditing the books, and shall pay all claims duly authorised by the committee, such claims to be paid by cheque, signed by the president, secretary, and treasurer. He shall, on forty-eight hours' notice, give up all books, documents, and moneys belonging to the society when ordered to do so by resolution thereof, or, in default of complying with such resolution, he shall be immediately suspended from all benefits of the society, and the society shall be at liberty to take such steps as it may deem necessary for recovery of same.

9. There shall be two trustees, who must be members, elected at a general meeting, and shall continue in office during the pleasure of the society; and, in case of a vacancy occurring, another or others shall be appointed at a

general meeting. Every resolution appointing a trustee or trustees shall be entered on the minutes of the meeting at which they are appointed, and a copy of such resolution, in proper form, signed by the trustee or trustees, shall be sent to the manager of the National Bank of New Zealand, Balclutha. The trustees shall not draw any money without an order signed by the secretary or chairman of committee. One trustee at least shall attend each audit, and once a year produce to the auditors all deeds or other securities held by them on behalf of the society. The secretary, by direction of the trustees, shall receive and pay to the treasurer all dividends or interest upon any stock or security standing in their names. They shall inform the committee of all moneys invested by them, the nature of the investment, the time and rate of interest thereof at the first committee meeting succeeding that on which the money was invested. Reasonable expenses shall be allowed the trustees whenever their attendance may be required at any place for any business in connection with the society.

10. The accounts shall be audited every six months by two members appointed at the annual meeting of the society. The auditors shall receive from the secretary three clear days' notice before the audit is to take place. They shall have access to all books and accounts of the society, and before issuing the annual balance-sheet shall examine all deeds or other securities and every balance-sheet of the receipts and expenditure, funds and effects, and shall verify the accounts and vouchers relating thereto; and shall either sign the balance-sheet as found by them correct, duly vouched, and in accordance with the rules, or shall specially report to the meeting before which the same is laid in what respect they find it incorrect, unvouched, or not in accordance with the rules. In the event of either of the auditors resigning, dying, or being unable to act another or others shall be appointed for the unexpired term by the committee.

11. The committee shall appoint sick visitors as may be required, who shall visit all sick members within the district prescribed to them at least once a fortnight. They shall pay all sick moneys received by them on account of any member within three days. They shall obtain a receipt for the same, which receipt shall be forwarded to the treasurer of the society within seven days of the same being signed, together with a report on the state of each sick member.

12. Every person admitted into the society must be an employé of the Kaitangata Railway and Coal Company; and so long as he continues in the employ, and shall pay his instalments, he shall be entitled to the benefits of the society, including medical attendance and medicines. The contributions to the sick and accident fund shall be 6d. per week, which shall form a fund for the payment of alimony and funeral allowance as after specified. Youths will be considered as half-members until they shall attain the age of eighteen years, paying 3d. per week; consequently they will only be entitled to half-alimony in case of sickness or accident.

Should the above rates not be sufficient any general meeting may agree to strike a levy to carry out any necessary expenses of management, or make up any deficiency in the management fund, or raise the contributions to either or both of the funds.

All members shall pay their contributions fortnightly at the company's pay-table, the manager taking charge of same, and paying them over to the society's treasurer.

13. Every member shall be entitled to medical attendance and medicine immediately after his admission to the society.

Any member who shall have been prevented from following his lawful employment by sickness, accident, or any other bodily infirmity not brought on by his own misconduct, shall be entitled to receive 10s. for the first week, or in case of serious accident £1 for the first week, and £1 per week for the balance of the first six months, and 10s. per week for the second six months, after which he shall have no further claim on the society. Any member giving up alimony and beginning his work, and returning again upon the society with the same disease within the space of twelve weeks, the number of weekly payments of alimony he formerly received shall be taken into account, and his alimony reduced accordingly; but if he meet with an accident, or be attacked with a new disease, he shall receive alimony the full number of weeks, the same as if he had not received alimony before. Any member who has declared on the funds of the society, and having received one week's alimony, shall be entitled to alimony for any less number of days when declaring off the funds. Any member shall be at liberty to try his work for two days. Should he find himself unable to continue he may return on the funds, but such time shall be deducted from his alimony. Any member found imposing on the society by feigning sickness or by receiving alimony when not properly due shall forfeit all claims on the society.

Any member becoming sick or meeting with an accident shall be bound to give written notice to the secretary of the society within four days from the commencement of his illness, and two of the committee shall visit him if deemed necessary. No alimony shall be paid until such notice is received; and, if the member fails to give notice on the fourth day, whatever time thereafter he does give notice will be held as the fourth day.

But no employé shall be considered a full member nor entitled to alimony until he has paid at least six weeks' contributions, unless in case of serious accident, when such employé shall be entitled to alimony from date of accident. A doctor's certificate must also be produced weekly as long as such member is unable to follow his employment before the weekly alimony shall be paid.

No member shall receive any sick-allowance if it be proved that his sickness was brought about by immoral or disorderly conduct, by fighting, racing, wrestling, football, or other athletics, or by accident or illness arising from intoxication or excessive use of alcoholic liquors.

On the death of a member his widow or next-of-kin shall be entitled to receive the sum of £10 sterling from the funds of the society. On the death of a member's wife the member shall be entitled to receive the sum of £5 sterling from the funds of the society. Should any member die who has no relative to claim the funeral allowance, the committee shall conduct the funeral at the expense of the society, and no further claim shall be allowed from the funds of the society in respect of such deceased member.

14. One (or more) duly-qualified medical officer shall be elected at a general meeting of the society, and retain office during the pleasure of the society. He shall attend all sick members who may require his services, their wives and unmarried children, and also every adopted child or children taken into a family where no pecuniary benefit is derived, and which resides within the boundary of the district set forth in their agreement.

The medical officer shall supply (where agreed upon) all necessary medicines of the best quality, and appliances in case of accidents, for which services he shall receive such sum per member as may be agreed upon at the date of his appointment, such remuneration to be paid quarterly. He shall have stated hours in each day when he can be consulted at his residence, and all persons able to attend shall do so.

In cases where the agreement with the medical officer does not include medicines the society shall, at a general meeting, appoint a chemist, who shall supply medicines of the best quality, appliances in case of accident as shall be ordered by any medical officer of the society, and shall be paid such rate per member as may be agreed upon at the time of his appointment. Should, from any cause, the appointment of medical officer or chemist become vacant during the period between two general meetings the committee shall have power to appoint one in the meantime. The agreement with medical officer and chemist may terminate on either side by giving three months' notice.

Any member preferring a charge against a medical officer or chemist shall do so in writing to the committee, and if the charge is not proved such member shall be fined 10s., and if the charge be sustained the medical officer or chemist shall be fined the same amount—viz., 10s.

15. Any widow of a deceased member may, as long as she remains a widow, have the benefit of medical attendance and medicines for herself and children (under sixteen years of age) on payment of the medical fee quarterly, in advance.

16. In any case where the medical officer shall delay, decline, or refuse such duties as are laid down in Rule 14, or in any urgent case where he may be required and not able to attend, and shall fail to send a duly-qualified medical practitioner to act in his stead, upon satisfactory proof of such neglect or refusal being brought before the committee of management, or a general meeting of the society, he shall be fined a sum not exceeding £5.

17. Any member claiming the sick-pay must obtain a certificate from a medical officer of the society, or other duly-qualified medical practitioner, in the form at the end of these rules, and send in the same to the secretary, and

every member when able to resume his employment shall send a declaration off the funds to the secretary, signed as aforesaid, and in the form at the end of these rules.

Any member residing beyond the district of any medical officer of this society declaring on the funds shall forward to the secretary a certificate stating his complaint (if known); such certificate to be signed by a regularly-qualified medical practitioner, if practicable; if not, then by two settlers in the vicinity, or by a Justice of the Peace, or a minister of religion. And he shall, while in receipt of sick benefit, forward monthly, or as often as the committee may deem necessary, a fresh certificate; in default thereof his sick-pay may be stopped.

When able to resume his employment he shall send a declaration off the funds signed as aforesaid. Should any member in receipt of sick-pay be found drunk, or gambling, or fighting, or should he absent himself from home before sunrise or after sunset (without the consent of a medical practitioner), or be found in any publichouse or hotel, unless he be living or lodging therein, or refusing to be seen by the surgeon or sick visitor, or imposing on the funds of the society, or stating himself sick and unable to follow his employment when he is able or actually doing so, or resuming his employment before declaring off the funds of the society, his sick-pay shall cease, and he shall be summoned before a summoned meeting of the committee, and, if the charge be proved, he shall for the first offence be fined £1, and for further offences be expelled or suffer such suspension or fine as the committee may think proper.

If a member be in receipt of sick-pay, and it be considered necessary that he should travel for the benefit of his health, he shall first obtain the written consent of the medical officer, and the consent of the secretary, or his sick-pay shall cease. But having obtained such sanction he may travel for the benefit of his health. He shall give full information as to the place or places he intends to visit prior to his leaving home, and he shall be subject to the clause of this rule as to certificates of sickness when residing at a distance.

18. All moneys received on account of contributions, subscriptions, fines, donations, levies, and interest on capital shall be applied in carrying out the objects of the society, and in paying the expenses of management according to the rules thereof. So much of the funds of the society as may not be wanted for immediate use, or to meet the usual accruing liabilities, shall, with the consent of the society, be invested by the trustees in such of the following ways as the society may approve, viz.: In the Post-Office Savings-Bank, or any savings-bank instituted under "The Savings-bank Act, 1858," or in such other bank or banks as the committee may from time to time appoint.

The trustees may, with the consent of a special meeting of the society summoned for the purpose, purchase or take on lease on behalf of the society any land, and may sell, exchange, mortgage, lease, or build upon the same, with power to alter and pull down buildings and again rebuild. And no purchaser, assignee, mortgagee, or tenant shall be bound to inquire as to the authority for any sale, exchange, mortgage, or lease by the trustees; and the receipt of the trustees shall be a discharge for all moneys arising from or in connection with such sale, exchange, mortgage, or lease.

19. The society may subscribe out of its funds to any hospital, infirmary, charitable or provident institution any annual or other sum which may be necessary to secure to members of societies and their families the benefits of such hospital or other institution.

20. The committee shall cause the accounts of the society to be regularly entered in proper books. Separate accounts shall be kept of all moneys received or paid on account of every particular fund. The books and accounts of the society shall be open to the inspection of any member or person having an interest in the funds thereof at all reasonable hours.

21. All securities for money, bonds, legal documents, &c., shall, for their proper security, be deposited in some bank or other place of security by the trustees.

22. If any officer, member, or any person whatever, by false representation or imposition, shall obtain possession of any moneys, securities, books, papers, or other effects belonging to this society, or, having the same in his possession, shall withhold or misapply the same, or refuse to give up same when properly called upon, or shall wilfully apply any part of the same to purposes other than those expressed or directed in these rules, he shall be dealt with as the Act relating to friendly societies directs.

23. Any officer or member breaking any rule to which there is no fine attached shall be fined any sum not exceeding 10s. In all cases of dispute or doubt respecting the meaning of any rule it is to be construed according to the common acceptance of the language used.

24. The society may at any time be dissolved by the consent of five-sixths of the members, testified by their signatures to some instrument of dissolution, and also by the written consent of every person for the time being receiving or entitled to receive any relief or other benefit from the funds of the society, unless the claim of such person or persons be first satisfied, or adequate provision made for satisfying such claim.

25. Any member desiring to have a motion considered at the annual meeting shall submit the same to the committee at least one month previously, and, if agreed to by them, notice thereof shall be given or sent to the member, and his proposition shall be placed on the business paper of the said general meeting. In the event of the committee declining to agree to any motion being considered, notice thereof shall be given or sent to the member, and thereon the proposition shall lapse, unless the member can obtain the signatures of ten members thereto, in which case it shall, if delivered to the secretary fourteen days previous to the day of meeting, be placed on the business paper of the said general meeting. Any member failing or refusing to proceed with any motion standing in his name, or failing to cause such to be taken up for him, shall be fined 5s., and such notice of motion shall lapse.

The committee of management shall be at liberty to place propositions on the business paper.

26. Should any dispute arise between the committee and any members of this society such dispute shall be referred to two neutral parties chosen by the committee and members respectively, and should these not agree they shall have power to choose an umpire, whose decision shall be final and binding on all parties, the losing party to pay all expenses.

27. None of these rules shall be altered, amended, or rescinded, and no new rule shall be added, unless with the consent of two-thirds of the members present at a general or specially-summoned meeting of the society, and of such proposed alterations notice shall have been given to the members not less than seven days prior to the meeting of the society.

28. The order of business at a general meeting shall be as follows: Election of chairman (if president and vice-president absent); the secretary shall read the minutes of previous meetings, which shall be put for confirmation; reading of correspondence; report of committee of management; receipt of balance-sheet and auditors' report; correspondence dealt with; business arising out of previous meeting (if any) to be dealt with; consideration of general propositions; consideration of the various reports; fixing of salaries, and such other matters as may be necessary for the government of the society, of which notice has been given; reading of minutes.

29. The chairman shall preserve order and pronounce the decisions of the meeting. He shall decide questions of order without debate (unless he entertain doubts and invite discussion), subject to an appeal to the members present by any three members. When an appeal is made from the decision of the chairman he shall put the question thus: Shall the decision of the chairman be sustained?

No question shall be open for discussion unless moved and seconded and put by the chairman; and every motion shall, if demanded, be delivered in writing to the chairman.

Any member having made a motion may withdraw it with the consent of his seconder before it is debated, but not afterwards, except by permission of the meeting.

When a question is before the meeting no motion shall be received unless—(1) To adjourn; (2) the previous question; (3) to lie on the table; (4) to postpone indefinitely; (5) to postpone for a given time; (6) to prefer or to amend. These motions shall have precedence in the order in which they are arranged, and the first three shall be put without debate. Only one amendment upon any motion shall be entertained and decided at a time; and if any amendment is carried it shall be held to have negatived the original motion, and stand in its place.

It shall be competent when one amendment is carried to receive other amendments, one at a time, in like manner, until the subject is finally disposed of.

No member shall be permitted to speak more than once to any motion (unless by permission of the meeting) except the mover of the original motion, who shall be entitled to reply, after which the question shall be immediately put to the vote.

No resolution, once arrived at, shall be altered or rescinded unless notice of motion to move such alteration or revocation shall have been given in accordance with Rule 25.

The chairman and secretary shall be entitled to speak on all questions at all meetings of the society, but the secretary only shall be entitled to vote, except in the event of the votes being equal, in which case the chairman shall give the casting-vote.

EXHIBIT 23.

KAITANGATA RAILWAY AND COAL COMPANY'S EMPLOYEES' BENEFIT SOCIETY.

BALANCE-SHEET FOR THE YEAR ENDING 31ST AUGUST, 1896.

<i>Income.</i>		£ s. d.	<i>Expenditure.</i>		£ s. d.
To Balance brought forward, 1st September, 1895		57 10 5	By Aliment to sick members	75 3 0	
Contributions for year ending 31st August, 1896		161 14 3	Donation to Brunner Relief Fund	25 0 0	
			Extra subscription, Dr. Fitzgerald	1 16 0	
			Printing, &c.	0 15 0	
			Rent of hall	1 0 0	
			Cheque-book	0 10 0	
			Amount placed on fixed deposit	45 8 0	
			Balance in National Bank	69 12 8	
		<u>£219 4 8</u>			<u>£219 4 8</u>

STATEMENT OF LIABILITIES AND ASSETS FOR YEAR ENDING 31ST AUGUST, 1896.

<i>Liabilities.</i>		£ s. d.	<i>Assets.</i>		£ s. d.
To Cheque drawn but not presented		8 18 6	By Fixed deposit last year	52 10 0	
Balance of assets over liabilities		160 14 2	" interest on same	2 2 0	
			Transfer to deposit current year	45 8 0	
			Balance in National Bank	69 12 8	
		<u>£169 12 8</u>			<u>£169 12 8</u>

8th September, 1896.—Audited and found correct.

HENRY CORNISH.
A. H. CHAPMAN.WM. DIXON, Treasurer.
THOS. BARCLAY, Secretary.

EXHIBIT 24.

United Otago District, A.O.F.,

Court Pride of Dunedin, No. 3780, 29th May, 1897.

SIR,—
Re Phoenix Company: Mr. Charles J. Thom is reported to have said in his evidence before you that lads in the factory who were not sons of Oddfellows could not, but for this society, join any lodge with the view of providing against sickness. I enclose you a copy of the rules of one of our juvenile societies, of which there are five in Dunedin and suburbs. Rule 33 provides for lads who are not sons of members of friendly societies, with scales of payment. Rules 34 and 35 provide for benefits, which continue at 6s. per week during sickness, and £6 in the event of death. The present membership of this branch is 168; other courts in and around Dunedin, 126: total, 298. I think you will agree that this contribution and benefits will compare very favourably with the private society referred to.

Yours, &c.,

The Chairman, Royal Commission, Private Benefit Societies.

JOHN WILSON, Secretary.

COURT PRIDE OF THE FOREST, ANCIENT ORDER OF FORESTERS, JUVENILE FRIENDLY SOCIETY.

RULES.

1. That this society shall be called "Court Pride of the Forest, Ancient Order of Foresters, Juvenile Friendly Society," and shall have for its objects the raising of funds by entrance-fees, subscriptions of members, fines, donations, and interest on capital for the purposes of insuring sums of money to defray the expenses of the burial of deceased members; for rendering assistance to members when sick, and for supplying medical attendance and medicine to those members whose parents are not members of a friendly society; and providing for the transfer of the members on attaining the age of eighteen years into some court of the Ancient Order of Foresters.

2. The registered office of this court shall be the Oddfellows' Hall, Stuart Street, Dunedin, until otherwise altered.

3. This court shall consist of an unlimited number of members, and the business thereof shall be conducted by a committee of management consisting of nine financial members of the senior court (Court Pride of Dunedin, No. 3780, A.O.F.), duly elected at a meeting of that court. The committee shall elect from among their number a president, two vice-presidents, treasurer, secretary, and assistant secretary. Should any member of the committee of management be absent two consecutive meetings without a written apology his name shall be removed from the committee, and his place filled by the adult court at their next meeting.

4. At the half-yearly nights, in June and December in each year, there shall be elected by this society seven junior officers, whose respective titles shall be—chief ranger, sub-chief ranger, senior woodward, junior woodward, senior beadle, junior beadle, and minute secretary, who shall conduct the business of the society, under the guidance of the committee of management.

5. This court shall hold its meetings at such a time and place as may be appointed by the committee of management, and shall not continue open later than 9 p.m., or the president shall be fined 6d.

6. The committee of management shall attend all general and special meetings of the court to render assistance in carrying out the objects of the society according to the rules thereof.

Duties of Adult Officers.

7. The president and vice-president shall sit at the right of the juvenile officers of their corresponding rank to assist and instruct them in the discharge of their respective duties.

8. The treasurer shall receive from the secretary at the close of each meeting all moneys received on account of the court, and pay the same into the bank to the credit of the trustees within forty-eight hours of the receipt thereof. He shall render to the auditors half-yearly a correct account of all moneys received and paid by him, and shall give

security by a guarantee society's bond for such amount as the committee of management may decide, the court to pay annual premium. For his services he shall be paid as by resolution of the court.

9. The secretary shall attend all meetings of the court to receive all contributions; he shall pay all moneys received by him to the treasurer each court-night, issue all cheques, prepare all returns for the Registrar, prepare a balance-sheet for the auditors each half-year, and shall attend at the time of audit to give any explanation required by the auditors respecting the accounts. He shall be responsible for all moneys received and paid by him, and, subject to the provisions of section 29 of "The Friendly Societies Act, 1892," shall give such security as the committee of management may desire. For his services he shall be paid such sum as a majority of the court shall determine. The assistant secretary shall assist the senior secretary in the execution of his duties.

10. There shall be three trustees, who shall be appointed by the court, on the recommendation of the committee of management. Each trustee shall continue in office during the pleasure of the court, and in case of a vacancy occurring another or others shall be elected at a regular or summoned meeting. Every resolution appointing a trustee or trustees shall be entered in the minutes of the meeting at which they are appointed, and a copy of such resolution, on a proper form, signed by the trustee or trustees and the secretary, shall be sent to the Registrar of Friendly Societies within seven days thereafter. All surplus capital that may not be wanted for immediate use shall be invested by the trustees in such manner as the court or the committee of management may direct, subject to regulations made under "The Friendly Societies Act, 1882." They shall do and execute all the several duties and functions delegated to them by the Friendly Societies Act and by these rules, and shall in all respects be subject to the provisions of the said Act. If any trustee be removed from office, and refuse or neglect to assign or transfer any property of the court as the court or the committee of management shall direct, such trustee shall be expelled, and shall cease to have any claim on the Court. The trustees shall give such information respecting the investment of funds as the court, committee of management, or auditors may at any time require.

Duties of Juvenile Officers.

11. The chief ranger shall preside at all meetings of the court, and shall act under the instructions of the president in conducting the business thereof.

12. The sub-chief ranger shall assist the chief ranger in preserving order in the court, take the votes on a division, and announce the same to the chief ranger, and act as C.R. in the absence of the C.R. or P.C.R. of the court.

13. The minute secretary shall record all minutes of the court, and attend to any other business appertaining to his office, under the direction of the senior secretary.

14. The woodwards shall visit all sick members residing within two miles of the court-house at least once a week, and pay all sick-allowances within forty-eight hours after receiving the same from the treasurer, report to the court each court-night the names and condition of the sick. For any neglect they shall be fined, at the discretion of the court.

15. The beadles shall guard the door, and take the pass-word from all who enter. They shall not leave the door without the permission of the chief ranger during the time the Court is opened. For any neglect of duty they shall be fined, at the discretion of the court.

16. If any juvenile officer should, in the opinion of the president, be incompetent to carry out his duties it shall be in his power to declare the office vacant, when the court shall at its next meeting elect a brother to fill the vacancy.

Conduct of Business.

17. All members shall attend at the place and time appointed in a clean and orderly manner, and must submit to any reasonable ruling or instruction given by the adult officers for the efficient management of the court; and any member not complying with this rule may be debarred from entering the court during the pleasure of the presiding officers. No smoking will be allowed in the court-room.

18. The business of the court shall be conducted with properly-closed doors (none but members of the order allowed to be present), and shall commence as soon after the appointed time as the officers are seated and the woodwards have reported that no strangers are present.

19. Parents or guardians, in their capacity as such, shall not be entitled to be present or vote at meetings of the court, nor perform acts of membership on behalf of their children.

20. If on any notice of motion being reached the member proposing shall not proceed therewith any other member present may take up the same.

21. Any member desirous of moving a resolution or amendment may be required to submit the same in writing, signed by himself, and shall hand it to the secretary, who shall add the name of the seconder.

22. No motion or amendment shall be entertained or discussed until it has been seconded; and one amendment only shall be discussed at the one time, but all amendments shall be considered and put before the original motion.

23. On the adoption of any amendment such amendment shall be held to have quashed the original motion, and for all purposes of subsequent discussion the amendment so carried shall be acted upon as an original motion, and two other amendments only shall be received.

24. The mover or seconder merely of any motion or amendment shall be held to have spoken to the same; in the discussion of either no member shall be allowed to speak more than once, except strictly in explanation, or in contradiction of a misstatement, excepting the mover of the original motion, who shall have right of reply; and no speaker shall occupy a longer period than five minutes without the leave of the meeting. No further discussion shall take place after the mover has replied.

25. On any member rising to a point of order during discussion the speaker shall sit down, and the person so rising shall state the point of order, when the C.R. shall rule thereon, which ruling shall be final.

26. No amendment shall be received by the C.R. which shall be a direct negative to a motion of which notice has been given, or which does not preserve the substance of such motion.

27. Any member, when about to speak, shall rise and address the C.R., and conduct himself in a respectful manner towards the meeting.

28. Any member acting contrary to any of these rules for the conduct of business shall be called to order, and should he persist he shall be fined 6d.; still persisting, he shall be compelled to withdraw, and fined in a further sum of 1s.

29. The accounts of this court shall be audited each half-year by the auditors appointed to audit the accounts of the adult court.

30. Should any serious dispute arise between any member, or person claiming on account of any member, or under the rules of the court, or against the trustees, treasurer, or other officer of the court or committee of management, the same shall be submitted for settlement to an arbitration committee of the adult court, whose decision shall be final. Any person having a charge to prefer against any member of the court or committee of management shall make the same in writing to the president, accompanied with a deposit of 2s. 6d., and should the charge be found frivolous or vexatious the deposit shall be forfeited.

31. No person shall be admitted a member of this court who is under the age of ten years or over the age of seventeen years. Any person proposed as a member must have previously obtained the consent of his parents or guardians, and must produce on the following court-night a surgeon's certificate of his good health.

32. The initiation-fee at all ages shall be 1s.; but members joining above the age of sixteen years, and wishing to join the adult court, and being eligible for same, shall, in addition, pay the balance of the initiation-fee charged by the adult court.

33. Every member shall contribute to the funds of the court according to one of the following scales, the rate of contribution to rise as the age of the member increases: Members whose parents are connected with a friendly society—From ten to thirteen and a half years of age, 4½d. per four weeks; from thirteen and a half years of age upwards, 8d. per four weeks. Members whose parents are not connected with a friendly society—From ten to thirteen and a half years of age, 1s. 0½d. per four weeks; from thirteen and a half years of age upwards, 1s. 4d.

34. Each member must belong to the court six calendar months before he shall be entitled to half benefits, and twelve calendar months before he becomes free or entitled to claim the full benefits of the order, provided he has paid or caused to be paid in the meantime all contributions due.

35. Sick-pay: From age fourteen to eighteen, 6s. per week. Every member shall be entitled to the sick and funeral benefits of the juvenile court for six months from the date of his being transferred to an adult court.

36. A member on attaining the age of eighteen years shall be transferred to Court Pride of Dunedin, or to any other adult court of the Ancient Order of Foresters chosen by him, provided he shall be able and willing to comply with the rules as to the admission of members of Court Pride of Dunedin or of such other court. His initiation-fee and share of accumulated funds (if any) shall be paid on his behalf to the adult court, or to himself if ineligible for admission to an adult court, from which time he shall have no claim upon Court Pride of the Forest.

37. Any member declaring on or off the funds of the court must obtain a certificate from the surgeon stating the nature and the date of his sickness and recovery, such certificate to be sent to the secretary within forty-eight hours of the receipt thereof to entitle the member to sick-pay. No sick member shall be allowed to be from home before 8 a.m. or after 6 p.m., or he shall be fined 6d. Any member going into the country for the benefit of his health must first obtain the consent of his surgeon in writing, and forward the same to the secretary. Members neglecting to comply with this rule shall be fined 3d.

If from any accident or otherwise any member shall receive sick benefits for a longer period than he is properly entitled he shall forthwith refund any excess that shall have been paid to or received by him; and in case of his neglect or refusal he shall be fined 2s. 6d., and suspended from all further benefits until the said excess and fine shall have been paid in full.

38. On the death of a financial member who is free in accordance with the laws his parent or guardian, or executor, or next-of-kin shall be entitled to receive the sum of £6. On the death of a financial member who is half-free the sum of £3 shall be paid.

39. If there be no claimant for a deceased member's allowance within twelve months of his death the claim shall be absolutely barred.

40. Any member owing fourteen weeks' contributions shall be suspended from all benefits until four weeks after paying up his arrears. Any member twenty-six weeks in arrears shall be expelled, and can only rejoin as a new member.

41. If any member of this court shall be convicted of any crime whatever calculated to bring disgrace on the court he shall be expelled, and forfeit all claims on the court.

42. Any member over twelve months in the court, and financial on the books, shall be allowed to draw his clearance and deposit it in any other juvenile court in this district.

43. Any respectable person may become an honorary member of the court by paying in advance the sum of £1 for life membership or 2s. 6d. per annum for annual membership. An honorary member may attend any of the meetings of the court, but shall not be entitled to take any part in the business transacted thereat.

44. So much of the funds of the court as may not be wanted for immediate use, or to meet the usual recurring liabilities, shall be invested by the trustees in any one or more of the following ways, and not otherwise, viz.: In a savings-bank, or upon Government or real securities, but, if in the latter, only on first mortgages of freehold lands.

45. Every member who, from living at a greater distance than three miles from the court, is debarred from having the services of its medical officer, and not receiving medical attendance from any other court, shall be exempt from any payment of contributions to the medical officers during such time as he is living beyond the said distance, provided that such member expressly claim in writing the benefit of such exemption; and he shall not be reinstated as entitled to medical attendance during the currency of a quarter.

46. The books and accounts of the court shall be open to the inspection of any member or person having an interest in the funds of the court at all reasonable times, at the place where the court is established, or at any place where the same are kept.—“Friendly Societies Act, 1882,” section 12 (1), (f).

It shall be the duty of the committee of management to keep a copy of the last annual balance-sheet of the court for the time being, together with a report of the auditors, if any, and of the last quinquennial valuation for the time being, always hung up in a conspicuous place in the court-room.—“Friendly Societies Act, 1882,” section 12 (1), (h).

47. The committee of management shall cause the court secretary to send to the Registrar of Friendly Societies all returns, in accordance with the Friendly Societies Acts in force for the time being.

48. Once at least in the five years next following the date of the registry of the court, and so again within six calendar months after the expiration of every five years succeeding the date of the first valuation to be made under these rules, the assets and liabilities of the court (including the estimated risks and contributions) shall be valued in manner provided by “The Friendly Societies Act, 1882,” section 12 (1), (e).

If such valuation should show a surplus to credit of the court, so much of such surplus as may be deemed advisable by the committee of management shall be divided among the members in proportion to their contribution thereto. Each member's share of the surplus shall be placed to his credit in a separate account, and shall be paid on his behalf to the adult court he may be transferred to at age eighteen, or to himself if ineligible for admission to an adult court.

49. With the consent of Court Pride of Dunedin the court may at any time be dissolved by the consent of five-sixths in value of the members, testified by their signatures to some instrument of dissolution, in the form provided by the regulations in that behalf, and also by the written consent of every person for the time being receiving or entitled to receive any relief, annuity, or other benefit from the funds of the court, unless the claim of such person be first duly satisfied, or adequate provision be made for satisfying such claim; the value of members to be ascertained by giving one vote to every member, and an additional vote for every five years that he has been a member, but to no one member more than five votes in the whole.—“Friendly Societies Act, 1882,” section 16 (1), (3), (7).

50. It shall be the right of one-fifth of the total number of members, or, if the number of members shall at any time amount to one thousand and shall not exceed ten thousand, it shall be the right of one hundred members, or, if the number shall at any time exceed ten thousand, it shall be the right of five hundred members, but with the consent in all cases of the central body of the order (or district), by an application in writing to the Registrar of Friendly Societies, signed by them, in the forms respectively provided by the regulations in that behalf,—

(a.) To apply for the appointment of one or more inspectors to examine into the affairs of the court as respects any separate fund or funds of the same, and to report thereon.—“Friendly Societies Act, 1882,” section 28 (1).

(b.) To apply for the calling of a special meeting of the court in respect of any other matter relating to such separate fund or funds.—“Friendly Societies Act, 1882,” section 28 (2).

Either such application to be made upon such notice to the court, and to be supported by such evidence for the purpose of showing that the applicants have good reason for requiring such inspection to be made or meeting to be called, and that they are not actuated by malicious motives in their application, as the Registrar of Friendly Societies shall direct.

(c.) Or to apply for an investigation into the affairs of the court with a view to the dissolution thereof. Such application as last aforesaid to set forth that the funds of the court are insufficient to meet the existing claims thereon, or that the rates of contribution fixed in the rules of such court are insufficient to cover the benefits assured, and the grounds upon which such inefficiency is alleged.—“Friendly Societies Act, 1882,” section 16 (8).

51. The court shall have two funds, which shall be called respectively “the sick and funeral fund” and “the management fund.” Separate accounts of the moneys of each fund, and of all receipts, payments, and transactions in respect thereof respectively, shall be kept in the books of the court by the secretary. The sick and funeral fund shall be for the purpose of providing for the sick and funeral expenses and payments of the court, and for no other purpose. The management fund shall be for the purpose of paying the surgeon and chemist and salaries of officers, and defraying all the expenses of the court except sick and funeral expenses and payments.

52. Any member wilfully destroying or damaging any part of the property of the court or order shall repair or replace such property at his own expense, or be suspended until he complies to the satisfaction of the court.

53. No new rule shall be made, nor any of the rules herein contained or hereafter to be made shall be amended, altered, or rescinded, unless with the consent of the majority of the members of the management committee and of the juvenile members present at a summoned meeting of the court specially called for that purpose.

EXHIBIT 25.

"ZEALANDIA" BOOT-FACTORY EMPLOYÉS' SICK BENEFIT SOCIETY.

RULES.

1. This society shall be known as the "'Zealandia' Boot-factory Employés' Sick Benefit Society," and shall have for its object the raising of a fund, by weekly contributions and by such other means as may from time to time be agreed upon, in order to afford financial assistance to its members in times of sickness.

2. This society shall have a patron, president, two vice-presidents, secretary, treasurer, two auditors, a visiting committee, and a committee to represent each department. Each department to be entitled to elect one committee-man for every fifteen or portion of fifteen members of the society. The whole of the officers to be elected at the general meeting of the society, but, should any officer die or resign, such vacancy shall be filled temporarily by the committee until another is elected in his or her place at a special general meeting.

The annual meeting of members shall be held on the second Saturday in December in each year. In the event of the day of the annual meeting falling on a holiday the meeting shall take place on the following day. All general and special meetings to be called for at 8 p.m. Roll to be called at 8.30 p.m. Any member failing to answer the roll-call to be fined 3d. unless a satisfactory apology be received. Any member residing over two miles from the place of meeting to be exempt.

3. The president shall preside over meetings at which he may be present. In his absence, however, a vice-president shall preside, but should he be absent the meeting shall appoint a chairman for the conduct of its business, the chairman to have a casting-vote only. Minutes shall be kept of the proceedings of all meetings, which shall be confirmed in the usual manner at the next meeting held, and signed by the chairman. The president shall call a meeting within fourteen days of receiving a requisition signed by fifteen financial members.

4. The secretary shall attend all meetings of the committee and all general meetings of the society. He shall take minutes of proceedings; he shall keep a correct account of each member's contributions, give notice to all members in arrears, and conduct the correspondence of the society. All applications for sick benefit must be made to him in writing, and within twenty-four hours of his receiving such notice he shall order a member of visiting committee to visit the sick member. The secretary, previous to resigning, must, if possible, give at least four weeks' notice. Should the secretary's conduct at any time become unsatisfactory the committee shall have power to suspend him from his office, and to demand from him all papers, books, and any other property of the society. The president shall, within one week, call a special meeting of the society upon the question. The secretary shall receive for his services the sum of 1d. per four shares per month. For neglecting any of the above duties he shall be fined the sum of 1s. for each neglect. That the secretary is required to pay over to the treasurer all moneys received by him within forty-eight hours of receipt of the same.

5. The treasurer shall attend all committee meetings, take charge of the funds of the society, pay all sick-pay and other lawful demands, when authorised to do so, by a voucher drawn by the secretary and duly signed by the president. All payments made between one committee meeting and the following one shall be reported to the committee at their next meeting and approved of, or otherwise, and the fact duly recorded in the minutes. He shall attend each audit and balance his accounts, and whenever required by the committee, or a majority of the members, he shall render a true account of all moneys received and paid by him, and also deliver up all books, documents, moneys, and property of the society to the president or members of the committee. He, in conjunction with the president or member of the committee, shall pay into the Post-Office Savings-Bank, Christchurch, within twenty-four hours after receipt, all moneys exceeding £5, which he may hold in hand to meet current expenditure. He shall, at each committee meeting, produce the bank-book for the satisfaction of the members of the committee. The treasurer shall receive the sum of £1 1s. per annum for his services. For neglecting any of the above duties he shall be fined the sum of 1s. for each neglect.

6. The management committee shall meet on the second Monday in each month, five to form a quorum, to settle all disputes, and to see that the rules of the society are properly carried out by its officers, and any member absent for more than two meetings in succession shall be fined the sum of 1s. for each consecutive absence after the second, unless a satisfactory apology be received at the meeting. Should any dispute arise between any member and the committee that member shall be entitled to demand a general meeting of the society upon payment to the secretary of the sum of 1s. 3d. per share on number of shares held by the member aggrieved, and should the action of the committee be confirmed by the general meeting the amount deposited by the member shall be forfeited to the society.

7. The visiting committee shall visit sick members on receiving notice from the secretary, and report on them to him every week. They shall also visit sick members at least once a week as long as they remain sick. That the visiting committee shall consist of the whole of the financial members of the society. Should any suspicion arise in the minds of any of the visiting committee, or any member of the society, that any member in receipt of sick benefit is feigning sickness he shall acquaint the secretary, who shall lay the case before the committee for investigation. The committee shall have power to call a surgeon at the society's expense to examine such member, and if he be found to be feigning sickness it shall be left in the power of the committee to deal with him as they deem advisable.

8. The auditors shall meet and audit all books, papers, and documents belonging to the society annually, and report on them at the general meeting of the society, which shall be held in the month of December.

9. The contributions shall be paid upon shares each of the value of 5s. No member shall be allowed to take more than four shares, each share represented by a weekly payment of 1½d., to be paid fortnightly in advance. That a committee-man in each department shall collect contributions, and shall pay the same over to the secretary within twenty-four hours of receipt, or failing in any of the above duties to be fined the sum of 1s. for each neglect. That any member being one month in arrears shall be fined ½d. per share per week. That any member being more than six weeks in arrears shall not be entitled to receive sick-pay, and shall be suspended from receiving sick-pay until one month after bringing himself or herself into compliance. That no member shall be entitled to sick-pay until he or she has been a member six weeks.

10. No person shall be admitted as a financial member who is not an employé of this firm. Persons wishing to join the society may apply to the committee-man of their department, or direct to the secretary; but all applications must be subject to the approval of the committee, who shall have power to limit the number of shares.

11. Persons may become honorary members of this society by an annual payment of not less than 10s. 6d.

12. Any free member falling sick, such illness not being caused by immoral conduct or drunkenness, shall give notice with his or her name and address in writing to the secretary within three days, failing which he or she shall receive payment for one day only previous to giving notice. And all members who shall receive such pay for a longer period than one week shall be required to furnish the secretary with a doctor's certificate, if required by the committee. Upon the secretary receiving notice, he shall within twenty-four hours order a member of visiting committee to visit the sick member, and if his or her case be satisfactory he or she shall receive the sum of 5s. per share per week for nine weeks, and 3s. 1½d. per share per week for nine weeks, and 1s. 10½d. per share per week for a further period of nine weeks.

No member shall receive sick-pay for less than two days nor for any day he or she has worked part of. Members in receipt of sick benefit being absent from home must at all times leave word where they may be found, and must remain at home between the hours of 6 p.m. and 8 a.m. from the 1st day of April to the 1st day of October, and between 8 p.m. and 6 a.m. from the 1st day of October to the 1st day of April, except with the consent of the com-

mittee. Any member transgressing this rule shall be dealt with as the committee shall deem proper. Members recovering from sickness must send notice to the secretary within twenty-four hours of their resuming work or be fined the sum of 6d. Should any member after declaring off the funds of the society again fall sick, and declare on before twelve weeks have elapsed, such illness shall be considered a continuation of his or her former sickness.

Before any of the above benefits are paid all moneys owing shall be deducted from the first payment. If at any time the funds of the society shall become exhausted, exclusive of the reserve fund of £25, the committee shall have power to strike a levy of not more than 1½d. per share per week.

14. Any member found guilty of fraud or embezzlement, or of wilful imposition on the funds of the society, shall be deprived of all benefits until he or she has refunded the amount improperly received or misappropriated, and pay a fine of £1 1s., the same to be paid within four weeks, or such member to be expelled from the society.

Any member while in receipt of sick benefit found doing any kind of work shall be deemed to be acting contrary to this rule, and be dealt with by one of the committee as they deem advisable.

15. All honorary members' subscriptions, donations, and any surplus from entertainments or otherwise shall be placed to the credit of this fund, and shall be used for no other purpose than that of assisting in defraying the funeral expenses of a deceased member or member's wife. All interest on deposits in bank shall also be added to the funeral fund.

16. On the death of any member his wife or next-of-kin or nominee shall receive the sum of £1 10s. per share. On the death of a member's wife he shall receive the sum of 15s. per share from the funeral fund. Should there not be sufficient funds in hand to meet the funeral claims the committee shall have power to strike a levy of 1½d. per week to make up such deficiency.

17. The financial year shall close on the last pay-day in November. All balances to be carried forward to a new account.

At the close of the year members falling sick shall be entitled to sick-pay up to the time of the first payment of the new year, but if he or she does not then intimate their intention of rejoining the society they shall no longer be considered a member.

18. No new rule shall be made, or any rule altered or rescinded, unless by the consent of a general or special meeting of the society to be called for the purpose. Notice of all such alterations or new rules must be left with the secretary in writing at least one month previous to such general or special meeting being held.

EXHIBIT 26.

"ZEALANDIA" BOOT-FACORY EMPLOYÉS' SICK BENEFIT SOCIETY.

BALANCE-SHEET FOR YEAR ENDING NOVEMBER, 1896.

Sick and Management Fund.

<i>Receipts.</i>		£ s. d.	<i>Expenditure.</i>		£ s. d.
To Value of fund, 3rd December, 1895	..	17 9 0	By Sick-pay: Clicking department..	..	4 8 4
Contributions: Clicking department	..	21 3 3	" Machining department ..	..	17 10 10
" Machining department	..	24 8 3	" Press department ..	..	34 15 0
" Press department	..	22 19 6	" Benching department ..	..	28 1 8
" Benching department	..	45 8 2	" Finishing department ..	..	43 8 4
" Finishing department	..	23 17 6	" Warehouse and office ..	..	0 4 8
" Warehouse and office	..	9 8 0	Salaries—Secretary, £6 2s. 6d.; treasurer,		
			£1 ls. .. .. .	..	7 3 6
			Goods .. .. .	..	0 14 0
			Rent .. .. .	..	0 7 6
			Balance .. .. .	..	28 0 4
		<u>£164 13 8</u>			<u>£164 13 8</u>

Funeral Fund.

		£ s. d.			£ s. d.
To Value of fund, 3rd December, 1895	..	59 7 4	By Funeral claim	..	9 0 0
Interest .. .. .	..	1 16 0	Balance .. .. .	..	52 3 4
		<u>£61 3 4</u>			<u>£61 3 4</u>

Capital Account.

		£ s. d.			£ s. d.
To Value of funeral fund, 3rd December, 1896	..	52 3 4	By Account at Post-Office Savings-Bank	..	75 2 5
" sick fund, 3rd December, 1896..	..	28 0 4	Treasurer's hands .. .. .	..	5 1 3
		<u>£80 3 8</u>			<u>£80 3 8</u>

Examined and found correct.

L. A. ELERIG }
E. J. WHITING } Auditors.

F. DISHER, President.
R. H. TURNER, Treasurer.
A. HUTTON, Secretary.

EXHIBIT 27.

LYTTELTON TIMES SICK FUND SOCIETY.

RULES.

1. THIS society shall be known as the *Lyttelton Times Sick Fund Society*, and shall have for its object the raising of a fund, by weekly contributions and by such other means as may from time to time be agreed upon, in order to afford financial assistance to its members in time of sickness.

2. The annual meeting of members shall be held on the last Saturday in January in each year. In the event of the day of the annual meeting falling on a holiday the meeting shall take place on the first Saturday in February.

3. General meetings of the members of the society may be held at any time upon sufficient notice being given by the president or secretary. The president shall call a meeting within fourteen days of receiving a requisition signed by ten members.

4. The society shall have a patron, president, three vice-presidents, treasurer, and secretary, to be elected at the annual meetings of the society. Nominations for the office of secretary to be sent in and posted seven clear days previous to the annual meeting. All officers of the society must be in the employ of the *Lyttelton Times Company* (Limited), and members of the sick fund society.

5. At the first general meeting of the members of this society two trustees shall be appointed, in whose names all investments of the society's funds shall be made.

6. The management of the affairs of the society shall be vested in a committee representing the various departments of the office, at the rate of one representative for every ten members or fraction of ten in each department, together with the officers of the society, who shall be members *ex officio*, five to form a quorum. The committee shall be appointed at the annual meeting of members, and at the first meeting of such committee sub-committees shall be appointed for the management of the loan business, the library, the annual entertainment, and such other purposes as may from time to time be deemed necessary.

7. Should a vacancy occur amongst the officers, trustees, or members of committee the vacancy shall be filled by the appointment of a member by the general committee until the general meeting next ensuing. Should the vacancy occur amongst the members of committee the department in which such vacancy takes place shall recommend a member to be elected by the general committee.

8. The president shall preside over all meetings at which he may be present. In his absence, however, one of the vice-presidents shall preside; but, should they be absent, the meeting shall appoint a chairman for the conduct of its business.

9. Minutes shall be kept of the proceedings of all meetings, which shall be confirmed in the usual manner at the next meeting held, and signed by the chairman.

10. The general committee shall meet weekly upon such days and at such hour as shall be most convenient to the members.

11. Any person wishing to become a member of the society shall be proposed and seconded by two members of the society, and be elected if approved of by the committee. Every such candidate for admission must have been in the employ of the *Lyttelton Times Company (Limited)* not less than one month previous to such application for admission, and any member leaving or being discharged from the employment shall be entitled to a refund of 25 per cent. of his contributions, provided always that he shall not have received sick-allowance to that extent. The term "being discharged" shall not be held to apply to employés who are temporarily suspended from work in the office.

12. Persons joining the society shall pay an entrance-fee of 1s.

13. Every adult member of this society shall pay a contribution of 6d. for every week of his membership, and youths under eighteen years of age shall pay a contribution of 3d. per week for every week of their membership.

14. All contributions due to the society shall be receivable by the secretary from members every four weeks, and he shall pay the same over to the treasurer within forty-eight hours of the receipt thereof.

15. Any member failing to pay his contributions at the expiration of four weeks shall be fined 6d., and for every other week in which he shall be in arrear of contributions and fines he shall be fined 1s. When eight weeks in arrears of contributions and fines he shall be suspended from all benefits for four weeks, and if still in arrears of contributions and fines at the expiration of fifteen weeks his name shall be struck off the roll of the society.

16. All members who have had their names struck off the roll in compliance with Rule 15 may be allowed to rejoin the society on payment of the amount due at the time they ceased to be members, subject to usual course of election by committee.

17. Should any member of the society fall sick or become disabled from following his employment, such sickness or inability not being occasioned by intemperance or a disease immorally contracted, he must give notice in writing to the secretary, explaining the nature of his illness, within forty-eight hours from the commencement of his illness; thereupon the secretary, immediately on the receipt of such notice, shall cause such member's name to be entered on the sick-books of the society, and report his case to the next meeting of the committee.

18. All sick members shall then be entitled to receive from the society's funds at the rate of £1 5s. per week for the first twenty-six weeks, 12s. 6d. per week for the next twenty-six weeks, and after the expiration of these periods 10s. per week during the pleasure of the committee; except in the case of youths under eighteen, who shall receive 12s. 6d. per week for the first twenty-six weeks, 7s. 6d. per week for the next twenty-six weeks, and subsequently 5s. per week during the pleasure of the committee, always provided that in no case shall the sick-allowance exceed the amount of wages earned by the applicant. Any member absent from work through illness for a less period than one week shall not be entitled to any payment.

19. Every member in receipt of sick-pay must be at his residence by one hour after sunset until sunrise next day, unless by written permission of his medical attendant or the committee. Should any member while in receipt of sick-pay be found drunk, or doing anything likely to retard his recovery, he shall be fined or expelled, at the option of the committee.

20. The committee shall appoint two members of the society to act as sick visitors, whose duty it shall be to visit sick members and report at each meeting of the committee as to their progress.

21. A member who has been receiving sick-allowance, but has returned to work, may at any time claim to be again placed on the sick-list, subject to the following conditions:—

(1.) If such claim is made within three months of the member having been on the sick-list he shall be entitled to the same amount per week and for the total number of weeks that he would have been able to claim if no cessation of sickness had occurred.

(2.) If three months have expired from the time of the member being on the sick-list he shall be entitled to the full amount of the sick-allowance, the same as if he had not previously been on the sick-list.

22. Should any member fall sick or become disabled while in arrears with his contributions or fines the amount of such arrears shall be deducted from any payment to which he may be entitled.

23. Should a suspicion arise in the mind of any member that an applicant for or recipient of sick-allowance is feigning sickness, or otherwise imposing on the society, he shall acquaint the president, who may call for a medical certificate from the recipient or applicant.

24. The secretary shall attend all meetings of the committee and all general meetings of the society. He shall take the minutes of proceedings; he shall keep a correct account of each member's contributions, give notice to all members in arrears, conduct the correspondence of the society, and to his keeping shall be committed all books and documents belonging to the society.

25. All entrance-fees and fines due shall be receivable by the secretary, and when paid shall be handed over to the treasurer, to be by him lodged in the bank to the credit of the society, in all respects as provided for the custody and control of contributions.

26. The secretary must, if possible, give four weeks' notice to the president of his intention to resign his office, and shall, when required by the committee, give up to the president all books, documents, or other property of the society which may be in his charge.

27. The treasurer shall receive from the secretary all moneys the property of the society, and, when contributions in his charge shall amount to £2, shall pay the same into the credit of the sick fund at the bank at which the account of the society is kept without unreasonable delay.

28. All sick relief afforded by the society and all debts due shall, when the amount has been passed for payment by the committee, be paid by the treasurer, and the treasurer shall, when required by the committee, after three days' notice, furnish an exact and true account of the income and expenditure of the society.

29. The treasurer shall have prepared a statement of the year's receipts and expenditure of the society for submission to the auditors in time to admit of the accounts duly audited being laid before the annual meeting in each year.

30. Two auditors shall be appointed by the committee for the purpose of checking the accounts of the society, and the committee shall see that the annual statement and account is laid before the auditors and duly audited by them in time for the annual meeting.

31. The committee shall have power to decide upon the investment of all funds of the society, and may incur such an expenditure of an incidental character as may, in their opinion, be necessary for the proper working of the society.

32. The bank of the society shall be the Colonial Bank of New Zealand,

33. All cheques upon the sick fund account at the bank shall be drawn by the treasurer, and countersigned by the president and vice-president.

34. The president or a vice-president shall take the bank pass-book to the bank once in each month for the purpose of being checked.

35. Should the conduct of any officers of the society become unsatisfactory they may be dismissed from office by the votes of members at a general meeting, and other members may be appointed at the same meeting in their stead.

36. Should any officer be discovered in fraud or embezzlement, or any member in wilful imposition on the funds of the society, he shall be expelled from the membership of the society.

37. Accounts for all expenses incurred at any special or general meeting of the society shall be placed before the committee for inspection, and if found to be correct the committee shall authorise their payment.

38. On the death of a member who has been in the society for twelve calendar months the sum of £10 in the case of adults and £5 in the case of youths shall be payable to his widow, next-of-kin, or nominee, and on the death of a member's wife the sum of £5 shall be payable to such member. Half these benefits shall be paid on the death of a member who has been in the society for six and under twelve calendar months.

39. No alteration or addition to the above rules shall be made except at a general meeting of members, and seven clear days' notice shall be given of such alteration or addition.

40. The sum of £565 shall be set apart as a reserve fund, and no money be voted therefrom save and except by resolution passed at a general meeting of members, such resolution to be carried only in the event of three-fourths of those present voting in its favour. This rule shall not be altered, modified, or rescinded except by vote of three-fourths of the members of the society.

LOAN REGULATIONS.

1. That loans be granted to members in sums from £1 to £20, which shall be repaid by weekly instalments of 1s. in the pound, and the charge for interest shall be at the rate of 1s. in the pound, which shall be deducted from the loan at the time of granting. There may also be charged a sum not to exceed 2s. 6d. for the stamp. The first instalment to be paid by the borrower on the second Saturday after the date on which the loan is granted. In all loans over £2 that are repaid at the rate of 2s. in the pound per week half the interest shall be returned. If a borrower desires at any time after paying back half his loan to pay off the balance in a lump-sum half the interest on such balance shall be refunded.

2. The committee may also grant loans above £20, and for longer terms than those before mentioned, the interest charged in such cases to be according to agreement: Provided always that the granting of such larger amounts does not prejudice the right of any applicant for any ordinary loan.

3. Loans of £50 or over shall not be granted unless £20 be left for smaller loans.

4. Members requiring loans shall provide, when requested, one or more satisfactory sureties, who shall be responsible for the payment of the same.

5. The committee are released from stating their reasons for not granting any loan applied for, and all communications respecting the same shall be considered strictly confidential.

6. No member will be allowed to contract a loan who is under twenty-one years of age, and no member shall be present while a loan for which he has applied is being discussed.

7. Any member who shall be more than four weeks in arrears with his instalments off his loan shall be fined at the rate of 6d. in the pound per week for all such arrears, and the committee shall also be at liberty to strike him off the sick fund, and to sue for the balance of the loan that is unpaid; and if any member or other person shall be security for the borrower it shall be at the option of the committee whether the security, the borrower, or both, shall be sued for the same.

8. Any one borrowing money to be repaid by instalments will be required to give an order on the manager of the *Lyttelton Times Company* (Limited) for the weekly payments to be deducted from his salary each week.

9. Loans will be secured by promissory note of the borrower payable to the trustees on demand, or such other security as the committee shall consider satisfactory.

EXHIBIT 28.

LYTTELTON TIMES SICK FUND SOCIETY.

EIGHTEENTH ANNUAL REPORT.

LADIES AND GENTLEMAN,—

Your committee have much pleasure in presenting their eighteenth annual report and balance-sheet for the year ending the 31st December, 1896.

The income of the society for the year just closed amounts to £193 17s. 6d., made up as follows: Contributions, £131 9s.; entrance-fees, 8s.; interest, £62 0s. 6d.: total, £193 17s. 6d. While the expenditure has been: Sick-allowance, £46 6s. 8d.; amount expended from library vote, £34 5s. 6d.; working-expenses, £29 8s. 6d.; refund interest, £3 5s. 3d.; refund contributions, £2 2s. 6d.: total, £115 8s. 5d. Thus showing a profit on the working of the year of £78 9s. 1d., an increase of £12 14s. 3d. as compared with last year. This result is due to our fortunate immunity from any serious outbreak of sickness, which is a matter for hearty congratulation.

The receipts show a slight falling-off compared with that of the previous year; but, on the other hand, the expenditure shows a marked decrease, especially in the amount granted for sick-allowance, which averages only 8s. 3½d. per head, and is the third lowest since the inauguration of the society.

Your committee beg to recommend that the sum of £81 6s. 6d. be added to the reserve fund of the society, making the total fund £700. Your committee also recommend that the sick-pay be increased from £1 to £1 5s. per week.

The third half-yearly social meeting of the members and their families was held in the art gallery on the 25th July, and was, as usual, largely attended.

Library.—During the past year eighty new volumes have been added, a number of old books have been destroyed, and many have been rebound. At the present time the library is in a very sound condition. Your committee ask for the usual grant of £50.

Members.—During the year eight new members have been elected and twelve have left the employ of the company; number at present on roll, 112.

Progress of Society.

Number of Members.			Contributions.			Sick-allowance.			Number of Members.			Contributions.			Sick-allowance.		
			£	s.	d.	£	s.	d.				£	s.	d.	£	s.	d.
1879	..	94	109	9	3	40	10	0	1888	..	96	114	4	9	37	4	1
1880	..	82	87	18	8	48	10	0	1889	..	104	113	11	3	57	0	0
1881	..	84	87	3	0	69	19	6	1890	..	103	116	17	0	102	16	1
1882	..	107	96	17	0	82	5	6	1891	..	109	123	7	0	145	2	0
1883	..	91	94	15	6	77	3	9	1892	..	105	116	0	0	85	8	2
1884	..	102	109	16	3	61	19	2	1893	..	107	119	13	6	47	4	2
1885	..	105	132	12	0	109	14	7	1894	..	106	123	3	0	90	15	6
1886	..	109	134	17	6	117	4	10	1895	..	116	133	0	0	63	4	0
1887	..	121	134	15	3	227	7	0	1896	..	112	131	9	0	46	6	8

18th January, 1897.

BALANCE-SHEET, 1896.

<i>Receipts.</i>		£ s. d.	<i>Expenditure.</i>		£ s. d.
To Balance in bank forward		9 12 4	By Sick-pay		46 6 8
Contributions		131 9 0	Loans granted		693 13 6
Entrance-fees		0 8 0	Library vote		50 0 0
Interest on ordinary loans		44 14 6	Working-expenses		29 8 6
Interest on shares in Permanent Investment and Loan Association, 1896		10 0 0	Refunds of interest on loans		3 5 3
Interest on deposits in Post-Office Savings-Bank		7 6 0	Interest not collected—Post-Office bank deposit		7 6 0
Refunds ordinary loans		830 15 6	Refund, contributions		2 2 6
Refund library vote		15 14 6	Refund proceeds social, 1895		0 5 3
Surplus from social, 1896		0 12 6	Deposit Post-Office bank		100 0 0
		£1,050 12 4	Balance in bank		118 4 8
					£1,050 12 4

<i>Liabilities.</i>		£ s. d.	<i>Assets.</i>		£ s. d.
To Reserve fund		618 13 6	By Twenty shares Permanent Investment and Loan Association		200 0 0
Social committee		0 12 6	Amount due on loans		197 0 0
Profit and Loss Account—			Deposits in Post-Office Savings-Bank		296 19 8
Credit balance, 1893		14 2 0	Balance in bank		118 4 8
" 1894		34 12 5			
" 1895		65 14 10			
" 1896		78 9 1			
		£812 4 4			£812 4 4
					£812 4 4

LIBRARY FUND ACCOUNT.

<i>Liabilities.</i>		£ s. d.	<i>Assets.</i>		£ s. d.
To Printing, binding, &c.		6 8 0	By vote		50 0 0
Magazines, books, &c.		22 17 6			
Honorarium to librarian		5 0 0			
Balance to profit and loss		15 14 6			
		£50 0 0			£50 0 0
					£50 0 0

Audited and found correct.

W. H. GUNDRY.

1st January, 1897.

EXHIBIT 29.

PRESS SICK FUND.

RULES.

1. THAT this society be called the "Press Sick Fund."
 2. The objects of the society shall be to render assistance to its members during sickness or at death.
 3. The officers of the society shall consist of a president, two vice-presidents, and a committee of seven members. The secretary shall be elected by the committee from among their own number. The president and vice-presidents shall be *ex officio* members of committee.
 4. It shall be the duty of two members of committee to visit sick members, and if they think it necessary a medical certificate shall be demanded.
 5. It shall be the duty of the secretary, on application being made for sick-pay by any member, to make out his claim, and have the same certified by two members of committee. A list of members will then be given, with the amounts to be collected from each, and the cashier shall, and is hereby empowered to, collect the said amount from the wages of the members named, and hand the same to the secretary or whom he may appoint, taking a receipt for the same.
 6. The members of this fund shall be divided into two classes, senior and junior, the former to include those earning £2 per week and over, and the latter those earning less than that amount. The contribution of the former not to exceed 2s. 6d. per week, and the latter to pay in proportion of the amount of sick-pay they are entitled to under these rules.
 7. The amount of sick-pay to be claimed shall be as follows: To senior members, £2 per week; and to junior members, two-thirds the amount of their wages. No member to be allowed to declare on the fund unless he shall have been incapacitated three consecutive days; sick-pay to date from the third day after the member has been incapacitated. Every member who shall claim on this fund shall send a written declaration to the secretary.
 8. In no case will a member receive more than thirteen weeks' full and six weeks' half sick-pay in any one year.
 9. No member whilst upon the funds shall be away from home after the hour of 7 p.m. from the 1st day of September to the 31st day of March, nor after the hour of 5 p.m. from the 1st day of April to the 31st day of August, unless by leave of the committee.
 10. In each case of death there shall be a levy of 5s. from the senior members and 2s. 6d. from the junior members.
 11. No member shall be allowed to resign during the continuance of any case of illness. Any present employé of the Press Company not signing the following form of membership prior to the 1st day of November, 1893, shall be obliged to give one month's notice of his intention to become a member, and, in addition, he shall, if the committee consider it necessary, produce a medical certificate that he is not suffering from any chronic disease.
 12. The signing of the following form shall constitute membership: I, the undersigned, hereby agree to abide by the foregoing rules, and to pay such sums as are named therein.
- The Press Company (Limited) has agreed to supplement all moneys collected under these rules by 5s. for every £1 subscribed by the members.

EXHIBIT 30.

CHRISTCHURCH RAILWAY ANNUAL SICK BENEFIT SOCIETY.

RULES.

1. THIS society shall be called "The Christchurch Railway Annual Sick Benefit Society." It shall have for its objects the raising of funds, in a manner afterwards provided, in order to afford to its members a weekly payment in time of sickness or accident which renders them unable to follow their employment (provided that such accident or sickness is not caused through competing for honour or gain), and a sum at the decease of a member or member's wife.

2. This society shall have a president, vice-president, secretary, treasurer, two auditors, a number of visiting stewards, and a committee elected to represent each department. The whole of the officers to be elected at the annual meeting of the society, but if any officer should die or resign his place shall be filled (temporarily) by the committee until another is elected in his place at a special general meeting called for the purpose.

All general and special meetings to be called for 8 p.m.; roll to be called at 8.30 p.m. Any member failing to attend must render a satisfactory apology. Any member residing over three miles to be exempt.

3. The president shall preside over all meetings, and see that the business is conducted with propriety and order. The president shall sign the minutes of each meeting. He shall not be allowed to vote on any question affecting the government or business of the society unless there be an equality of votes, when he shall give a casting-vote. All fines by these rules imposed shall be imposed by the president, unless directly specified otherwise. If he neglect any of the above duties he shall be fined the sum of 1s. for each neglect.

4. The secretary shall attend all meetings of the society, and take the minutes of the proceedings. He shall keep a correct account of each member's contributions. He shall, within six days, give notice to all members who owe more than four weeks' contributions, and conduct such correspondence as belongs to his office. The secretary shall keep all books and documents belonging to the society. All applications for sick benefit must be made to him in writing, and within twelve hours of his receiving such notice he shall order a visiting steward to visit the sick member; and if a member reside at a distance the secretary shall have power to request a member to visit him. The secretary, previous to resigning, must, if possible, give at least four weeks' notice. Should his conduct at any time become unsatisfactory, he will be immediately removed from his office, and another elected in his place, when he must give up to the president or treasurer all books, papers, or any other property of the society. The secretary shall receive for his services the sum of 1d. per member per month for all members, and outside collectors shall receive 9d. per member for all members they collect from. For neglecting any of the above duties he shall be fined the sum of 1s. 6d. for each neglect.

5. The treasurer shall hold all moneys payable to the society, pay all lawful debts, deposit and withdraw money at the bank, and be ready at all times, after three days' notice, to give an exact and complete account of the financial position of the society. Should his conduct at any time become unsatisfactory he shall be subject to immediate removal, and another elected in his place; and, should he be found to be in arrears, he must make good any deficiency previous to receiving any benefit from the society. £10 to be the maximum held by the treasurer. All moneys must be banked in the Post-Office Savings-Bank in the name of treasurer and president, or secretary, or whom the society may appoint, and the bank-books to be produced at committee meetings and placed on table. The treasurer shall receive the sum of £2 per annum for his services.

6. The committee shall meet at least once every four weeks to settle all disputes and see that the rules of the society are properly carried out by its officers; and any member absent from more than two meetings in succession shall be fined the sum of 1s. for each consecutive absence after the second unless satisfactory written apology be sent to the president before the meeting opens; the committee to meet at 7.30 p.m. each meeting. All decisions of the committee to be considered final; but should a member feel aggrieved at any decision of the committee he can appeal at the next general meeting.

7. The visiting stewards shall visit sick members on receiving notice from the secretary, and report on them to him every week; they shall also visit sick members at least once a week as long as they remain sick. Should any suspicion arise in the mind of any of the visiting stewards, or any member of the society, that any member in receipt of sick benefit is feigning sickness, he shall acquaint the secretary, who shall lay the case before the committee for investigation, who shall have power to call a surgeon, at the society's expense, to examine such member, and if he be found to be feigning sickness he shall be dealt with according to Rule 13.

8. The auditors shall audit and examine all books, papers, and documents belonging to the society once a year, and report on them at the annual general meeting of the society to be held in the month of December.

9. Every member shall pay contributions of not less than 2s. every four weeks, which must be paid in advance. Any member being in arrears with his contributions for over eight weeks shall be fined 6d. per week, and be suspended from all benefits until he has paid up the arrears, and if twelve weeks in arrears he shall be struck off the roll of the society.

10. No person shall be admitted who is not employed on the railway, or whose wages are less than £1 per week, or whose age exceeds forty-five years. They will also be required, previous to their admission, to furnish the committee with a declaration as to their being in good bodily health. Upon joining the society each person must pay an entrance-fee of 2s. 6d., and make further payments in accordance with Rule 9. Benefits to commence three months from first contributions except disabled by accident. Persons wishing to join the society may apply to the committee-men of their department, or direct to the secretary, but all applications must be subject to the approval of the committee.

11. Any free member falling sick, such illness not being caused by immoral conduct or drunkenness, shall give notice, with his name and address, in writing to the secretary within six days, failing which he shall receive payment only for one day previous to his giving notice. And all members who shall receive sick-pay for a longer period than one week shall be required to furnish the secretary with a doctor's certificate, if required by the committee. Any member having left the railway, and still continuing in the society, will be required to send a surgeon's certificate to the secretary in every case of sickness. Upon the secretary receiving notice he shall, within twelve hours, order a visiting steward to visit the sick member, and, if his case be satisfactory, he shall receive the sum of £1 per week for twelve weeks, 15s. per week for the next twelve weeks, and 10s. per week for a further period of twelve weeks. After a member has received the above benefit he shall not again be entitled to sick benefit for thirty-six weeks, except in case of accident, subject to the decision of the committee. No member shall receive sick-pay for less than three days, nor for any day that he has worked part of, unless approved by the committee. Members in receipt of sick benefit shall not be allowed to enter a publichouse except such be their residence, and, being absent from home, must at all times leave word where they may be found, and must remain at home between the hours of 6 p.m. and 8 a.m. from the 1st April to the 1st October, and between 8 p.m. and 6 a.m. from the 1st October to the 1st April, or they will forfeit their sick-pay for each day this rule is transgressed. Members recovering from sickness must send notice to the secretary within twenty-four hours of their resuming work or be fined 1s. Should a member, after declaring off the funds of the society, again fall sick and declare on before twelve weeks shall have elapsed, such sickness shall be considered a continuation of his former sickness.

12. Any member leaving the railway may remain in the society until the end of the financial year when the funds are shared; but, should he wish to leave the society, the amount he is entitled to will be paid to him on application. Any member leaving the society and not leaving the railway shall forfeit all he has paid into the society.

13. Any member found guilty of fraud or embezzlement, or of wilful imposition on the funds of the society, shall be deprived of all benefits until he has refunded the amount improperly received or misappropriated and paid a fine of 10s. 6d., the same to be paid within four weeks.

Any member while in receipt of sick benefit found doing any kind of work whatever shall be deemed to be acting contrary to these rules, and dealt with accordingly.

Should any person have to refund any moneys or pay a fine, and the same be not paid within four weeks, he shall be excluded from all benefits until such moneys or fines have been paid.

14. On the death of any member his wife shall receive the full amount accruing from levy to be struck at 1s. per member; and the same on death of member's wife.

15. At the close of the financial year the accounts shall be balanced, and the surplus, if any, shall be divided among members, to be calculated quarterly as from the first quarter-day after any member joins the society. The financial year shall close on the Monday following the pay-day in December, provided that it be not nearer than seven clear days to Christmas Day, in which case it shall close on the second Monday in December; and any member in arrears at the close of the financial year will forfeit his share of any surplus, unless as per Rule 9.

16. No new rule shall be made, or any rule altered or rescinded, unless by consent of a special general meeting to be called for the purpose. Notice of all such alterations or new rules must be left with the secretary in writing at least one month previous to such special meeting being held.

EXHIBIT 31.

CHRISTCHURCH RAILWAY ANNUAL SICK BENEFIT SOCIETY.

STATEMENT OF ACCOUNTS FOR THE YEARS ENDING DECEMBER, 1893, 1894, 1895, AND 1896, WITH STATEMENT OF ACCOUNTS UP TO THE 30TH APRIL, 1897.

		1893.		£ s. d.	
Receipts (including three death levies: average on each death, £13)	.. .. .	..	..	..	366 4 8
Expenditure	.. .. .	..	..	..	255 10 0
Credit balance	.. .. .	..	..	..	110 13 8
Absorbed by dividend	.. .. .	..	..	..	117 0 0
Carried forward on to next year's account	.. .. .	..	..	..	2 18 2
		1894.		£ s. d.	
Receipts (including one levy: £13)	.. .. .	..	..	..	367 12 5
Expenditure	.. .. .	..	..	..	256 10 11
Credit balance	.. .. .	..	..	..	131 1 6
Absorbed by dividend	.. .. .	..	..	..	129 7 6
Carried forward	.. .. .	..	..	..	1 4 0
		1895.		£ s. d.	
Receipts (including nine levies: about £14 each)	.. .. .	..	..	..	527 18 6
Expenditure	.. .. .	..	..	..	399 13 3
Credit balance	.. .. .	..	..	..	128 5 3
Absorbed by dividend	.. .. .	..	..	..	125 11 9
Carried forward	.. .. .	..	..	..	2 13 6
		1896.		£ s. d.	
Receipts (including three levies: each averaging £14 16s.)	.. .. .	..	..	..	447 4 1
Expenditure	.. .. .	..	..	..	329 5 3
Credit balance	.. .. .	..	..	..	117 18 10
Absorbed by dividend	.. .. .	..	..	..	113 18 10
Carried forward	.. .. .	..	..	..	4 0 0
		30th April, 1897.		£ s. d.	
Receipts (including one levy: £15 10s.)	.. .. .	..	..	..	169 1 6
Expenditure	.. .. .	..	..	..	111 2 6

EXHIBIT 32.

KAIAPOI CLOTHING-FACORY SICK AND ACCIDENT BENEFIT SOCIETY.

RULES.

1. THE society shall be called "The Kaiapoi Clothing-factory Sick and Accident Benefit Society." Its object shall be the creation of a fund by weekly contributions to pay all necessary expenses in connection therewith and a weekly allowance to its members in time of sickness, as hereinafter provided.

2. All employés (except apprentices) of the factory are eligible to become members, providing they are in good health at the time of joining.

3. The society shall hold its annual meeting not later than the 14th day of January in each year. At such meeting two trustees, secretary, treasurer, two auditors, visiting committee, and a committee of nine shall be elected. The committee of nine will be a managing committee, to transact any business that may arise in connection with the society, five members to form a quorum. They shall elect one of their own members as chairman, who shall be the president of the society for the current year, and shall sign the minutes of each meeting. In the case of a tie he shall have a casting-vote.

4. The secretary shall keep a correct record of all meetings (general or committee), keep all books and accounts, notify the committee of special meetings, and carry on all correspondence by instructions from the chairman, and shall receive all contributions and pay the same to the treasurer.

5. The treasurer shall receive all moneys from the secretary and pay the same to the trustees, pay all accounts passed by the committee and signed by the secretary, keep a correct account of all the receipts and disbursements of the society, and at the committee meeting prior to the annual general meeting produce a balance-sheet signed by two auditors, such balance-sheet to be laid before the general meeting.

6. The trustees shall receive all moneys from the treasurer, and bank the same in the Post Office in the name of the society, and shall, if necessary, draw any sums that may be required, by order of the general committee.

7. Two auditors shall be appointed at the annual general meeting, who shall be members of the society outside the committee. They shall examine all books and accounts of the society, and report thereon (in writing) to the committee, such report to be read at the annual general meeting.

8. (a.) The contributions shall be paid upon shares of the value of 5s. each, each share represented by a weekly payment of 1½d. (b.) Those earning up to 12s. 6d. per week shall take one share; over 12s. 6d. and up to £1, two shares; over £1 and up to £1 10s., three shares; and over £1 10s., four shares. (c.) The sick benefit shall be 5s. per share per week.

Any person being in arrears four weeks shall not be entitled to sick benefit for one week after becoming financial. Any person being in arrears eight weeks shall not be entitled to sick benefit for two weeks after becoming financial. Any person being in arrears twelve weeks shall not be entitled to sick benefit for three weeks after becoming financial. And any person failing to pay at the end of twelve weeks shall be reported to the general committee.

place shall be filled (temporarily) by the committee until another is elected in his place at a special or general meeting. All general and special meetings to be called for 7.30 p.m.; roll to be called at 8 o'clock. Any member failing to answer the roll-call to be fined 1s. unless a satisfactory apology be received. Any member residing over three miles from the place of meeting to be exempt.

3. The president shall preside over all meetings, and see that the business is conducted with propriety and order. The president shall sign the minutes of each meeting. He shall also sign all vouchers. He shall not be allowed to vote on any question affecting the government or business of the society unless there be an equality of votes, when he shall have a casting-vote. If he neglects any of the above duties he shall be fined the sum of 1s. for each neglect.

4. The secretary shall attend all meetings of the society and take the minutes of the proceedings. He shall keep a correct account of each member's contributions. He shall within six days give notice to all members who owe more than four weeks' contributions, and conduct such correspondence as belongs to his office. All applications for sick benefit must be made to him in writing, and within twelve hours of his receiving such notice he shall order a visiting steward to visit the sick member. The secretary, previous to resigning, must, if possible, give at least four weeks' notice. Should his conduct at any time become unsatisfactory, he will be immediately removed from his office, and another elected in his place, when he must give up to the president or treasurer all books, papers, or any other property of the society. The secretary shall receive for his services the sum of 1d. per member per month, the above not to exceed 1s. per member per annum. For neglecting any of the above duties he shall be fined the sum of 1s. 6d. for each neglect.

5. The treasurer shall attend all committee meetings, take charge of the funds of the society, pay all sick-pay and other lawful demands when authorised to do so by a voucher drawn by the secretary and duly signed by the president. All payments made between one committee meeting and the following one shall be reported to the committee at their next meeting, and approved of or otherwise, and the fact duly recorded in the minutes. He shall attend each audit and balance his accounts, and whenever required by the committee, or a majority of the members, he shall render a true account of all moneys received and paid by him, and also deliver up all books, documents, moneys, and property of the society to the president or members of the committee. He, in conjunction with the president or a member of the committee, shall pay into the Post-Office Savings-Bank, Christchurch, within twenty-four hours after receipt, all moneys exceeding £10, which he shall hold in hand to meet current expenditure. He shall at each committee meeting produce the bank-book for the satisfaction of the members of the committee. The treasurer shall receive the sum of £2 10s. per annum for his services. For neglecting any of the above duties he shall be fined the sum of 1s. 6d. for each neglect.

6. The committee shall meet at least once in every four weeks to settle all disputes and see that the rules of the society are properly carried out by its officers; and any member absent for more than two meetings in succession shall be fined the sum of 1s. for each consecutive absence after the second, unless a satisfactory apology be received at the meeting. In all cases of dispute the decisions of the committee are to be subject to the approval of a general meeting of the society. Should the funds at any time fall below £5 the committee shall have power to strike a levy not exceeding 2s. per member. Should any member be not satisfied with the decision of the committee he may appeal to the next general meeting, but he must give at least fourteen days' notice in writing to the secretary.

7. The visiting stewards shall visit sick members on receiving notice from the secretary, and report on them to him every week; they shall also visit sick members at least once a week as long as they remain sick. Should any suspicion arise in the mind of any of the visiting stewards, or any member of the society, that any member in receipt of sick benefit is feigning sickness, he shall acquaint the secretary, who shall lay the case before the committee for investigation, who shall have power to call a surgeon, at the society's expense, to examine such member, and if he be found to be feigning sickness he shall be deemed to be contrary to Rule 13, and dealt with accordingly.

8. The auditors shall meet and audit all books, papers, and documents belonging to the society at least twice in each year, and report on them at the next general meeting of the society, which shall be held in the months of July and December respectively. The auditors shall receive for their services the sum of 10s. each per annum.

9. Every member shall pay contributions of not less than 2s. every four weeks, which must be paid in advance. Any member failing to pay when four weeks' contributions are due shall be fined 6d., and for every other week he is in arrears 1s.; when eight weeks are due he shall be suspended from all benefits for four weeks; and, if fifteen weeks, his name shall be struck off the roll of the society: except in cases where members are working at places other than Christchurch, when the committee shall have power to decide on the matter.

10. No person shall be admitted who is not employed on the railway, or whose wages are less than £1 per week; and no person shall be a member whose income when sick would be in excess of that he would receive were he at work: each case to be subject to the approval of the committee. Upon joining this society each person must pay an entrance-fee of 2s. 6d., and make further payments within four weeks, or be fined in accordance with Rule 9. The benefits to commence from the date of the first contribution. Persons wishing to join the society may apply to the committee-men of their department or direct to the secretary, but all the applications must be subject to the approval of the committee. No person shall become a member who is above forty-five years of age, excepting in cases where a member has been transferred from the district and again returns, or a person who has been a member of a kindred society in the service, or any person having left the service and re-entering the same within twelve months. Should any member leave the society through being dismissed from the service and be re-engaged within twelve months he shall be allowed to rejoin without payment of entrance-fee, providing he has not claimed his dividend and has paid all demands to the end of the year. He must apply for readmission within one month from starting work.

11. Any free member falling sick, such illness not being caused by immoral conduct or drunkenness, shall give notice, with his name and address, in writing to the secretary within three days, failing which he shall receive payment only for one day previous to his giving notice. And all members who shall receive sick-pay for a longer period than one week shall be required to furnish the secretary with a doctor's certificate, if required by the committee. Any member having left the railway and still continuing in the society will be required to send a surgeon's certificate to the secretary in every case of sickness. Upon the secretary receiving notice he shall, within twelve hours, order a visiting steward to visit the sick member, and if his case be satisfactory he shall receive the sum of £1 per week for twelve weeks, 15s. per week for the next twelve weeks, and 10s. per week for a further period of twelve weeks. No member shall receive sick-pay for less than three days, nor for any day he has worked part of. Members in receipt of sick benefit being absent from home must at all times leave word where they may be found, and must remain at home between the hours of 6 p.m. and 8 a.m. from the 1st April to the 1st October, and between 8 p.m. and 6 a.m. from the 1st October to the 1st April, except with the consent of the committee, or they will forfeit their sick-pay for each day this rule is transgressed. Members recovering from sickness must send notice to the secretary within twenty-four hours of their resuming work or be fined 1s. Should a member after declaring off the funds of the society again fall sick and declare on before twelve weeks shall have elapsed, such sickness shall be considered a continuation of his former sickness. Before any of the above benefits are paid all moneys owing shall be deducted from the first payment. After a member has received the above benefits he shall not again be entitled to sick benefit for thirty-six weeks, except in cases of accident, subject to the decision of the committee.

12. Any member leaving the railway may remain in the society until the end of the financial year, when the funds are shared; but should he wish to leave the society the amount he is entitled to will be paid to him on application. Any member leaving the society and not leaving the railway shall forfeit all he has paid into the society.

13. Any member found guilty of fraud or embezzlement, or of wilful imposition on the funds of the society, shall be deprived of all benefits until he has refunded the amount improperly received or misappropriated and paid a fine of £1 1s., the same to be paid within four weeks, or he shall be expelled from the society. Any member, while in receipt of sick benefit, found doing any kind of work whatever shall be deemed to be acting contrary to this rule, and be dealt with accordingly.

14. On the death of any member his wife, or next-of-kin, or nominee shall receive the sum of £6, the same to be raised by a levy of 1s. per member. On the death of a member's wife he shall receive the sum of £6, the same to be raised by a levy of 1s. per member. Any deficiency in the above sums shall be made up out of the general fund of the society, and any surplus over and above the amount named shall go to the general fund of the society.

15. At the close of the financial year the accounts of the society shall be balanced, and the surplus (if any) shall be divided among the members in proportion to the time they have been in the society. At the close of the financial year the accounts of the society shall be balanced, and any surplus over £10 shall be divided among the members in proportion to the time they have been in the society.

16. No new rule shall be made, or any rule altered or rescinded, unless by consent of a general or special meeting to be called for the purpose. Notice of all such alterations or new rules must be left with the secretary in writing at least one month previous to such general or special meeting being held.

EXHIBIT 36.

CHRISTCHURCH RAILWAY EMPLOYÉS' SICK BENEFIT SOCIETY.

BALANCE-SHEET FOR YEAR ENDING 14TH DECEMBER, 1895.

<i>Income.</i>			£ s. d.	<i>Expenditure.</i>			£ s. d.
Balance from last year	..	..	22 0 2	Paid in dividends	..	..	10 5 11
Contributions and levies	..	..	205 17 6	Sick benefit	..	..	147 6 0
Entrances	..	..	1 17 6	Funeral benefit	..	..	15 0 0
Rules	..	..	3 9	Stationery and printing	..	..	1 11 0
Bank interest	..	..	1 11 3	Secretary's salary	..	..	7 10 5
				Treasurer's salary	..	..	2 10 0
				Hall rent	..	..	2 15 0
				Auditors' fees	..	..	1 0 0
				Dividend to member leaving	..	..	0 4 6
				Total expenditure	..	..	188 3 6
				Balance	..	..	43 6 8
			<u>£231 10 2</u>				<u>£231 10 2</u>
<i>Assets.</i>			£ s. d.	<i>Liabilities.</i>			£ s. d.
In treasurer's hands	..	..	43 6 8	Dividend to members	..	..	40 2 11
				Balance in treasurer's hands	..	..	3 3 9
			<u>£43 6 8</u>				<u>£43 6 8</u>

Examined and found correct.

ROBERT WINTER }
W. BULTITUDE } Auditors for period ending 14th December, 1895.

BALANCE-SHEET FOR THE YEAR ENDING 12TH DECEMBER, 1896.

<i>Income.</i>			£ s. d.	<i>Expenditure.</i>			£ s. d.
Contributions	..	..	226 13 0	Sick benefit	..	..	220 11 10
Entrances	..	..	1 10 0	Secretary's salary	..	..	7 16 0
Rules	..	..	0 3 3	Treasurer's salary	..	..	2 10 0
Fines	..	..	0 4 0	Banking expenses	..	..	0 8 0
Balance from last year	..	..	3 3 9	Hall rent	..	..	2 15 0
				Refund entrance	..	..	0 4 9
				Dividend to member	..	..	0 2 9
				Stationery	..	..	1 11 4
				Auditors' fees	..	..	0 10 0
			<u>£231 14 0</u>	Total expenditure	..	..	<u>£236 9 8</u>
			4 15 8				
			<u>£236 9 8</u>				
<i>Assets.</i>			£ s. d.	<i>Liabilities.</i>			£ s. d.
Fines	..	..	0 6 0	Advanced by treasurer	..	..	4 15 8
Interest, Post-Office Savings-Bank	..	..	0 10 7				
Balance	..	..	3 19 1				
			<u>£4 15 8</u>				<u>£4 15 8</u>

Examined and found correct.

ROBERT WINTER }
W. B. BULTITUDE } Auditors for term ending 12th December, 1896.

EXHIBIT 37.

LYTTELTON LUMPERS' AND WHARF-LABOURERS' ASSOCIATION.

RULES.

1. THIS association shall be called the "Lyttelton Lumpers' and Wharf-labourers' Association."
2. This association is established for the purpose of promoting harmony between employers of labour and workmen in Lyttelton, for preventing strikes and lock-outs, for securing freedom of contract, and for general co-operation in the best interests of all connected with the trade of Lyttelton.
3. All workmen joining this association shall be registered, and shall receive a certificate of membership free of charge.
4. No workman shall be eligible for membership who is a member of any union not affiliated with this association.
5. No affiliation with any union shall be effected without the consent of the committee.

6. Any member absent from Lyttelton without the consent of the committee for one month shall be deemed to have forfeited his membership.

7. Workmen wishing to join this association shall send in their names to the secretary of the Canterbury Stevedoring Association, who shall submit the same to the committee, and the latter body shall elect or reject at discretion.

8. The Canterbury Stevedoring Association having undertaken not to employ any outside labour whilst members of this association are available, this association undertakes not to work for any other body or persons without the consent of the committee.

9. The committee of management shall consist of nine members, to be appointed as follows: (a) The chairman of the Canterbury Stevedoring Association shall be *ex officio* chairman of the committee; (b) four directors of the said association, all the directors of which body shall be deemed members of the Lyttelton Lumpers' and Wharf-labourers' Association; (c) four members of the Lyttelton Lumpers' and Wharf-labourers' Association, who shall be elected by ballot at a general meeting to be held for that purpose in the month of _____ in each year; (d) five to form a quorum.

10. Until the committee of management is appointed the under-mentioned shall form a provisional committee, viz.: The chairman of the Canterbury Stevedoring Association, Messrs. Stead, Gibbs, Turnbull, Kinsey, P. Brown, F. Gordon, J. Duff, F. Flauss, A. I. Reid, J. Madden, T. Claridge, W. Dass.

11. At the first ordinary meeting, to be held during February, 1891, the whole of the provisional committee shall retire and the association shall elect its committee of management, as provided in Rule 9.

12. An annual meeting shall be held in February in each year, at which a committee of management and secretary and treasurer shall be elected for the ensuing year.

13. Special meeting may be called at any time by the committee, or on a requisition signed by not less than fifty members.

14. Vacancies on the committee shall be filled, so far as the workmen's section is concerned, at a special general meeting to be called for that purpose, by a notice posted seven days previously at the offices of the Canterbury Stevedoring Association, Lyttelton.

15. Any member of the workmen's section of the committee shall retire upon the votes of three-fourths of the members present at a special meeting called for the purpose of considering his retirement. Seven days' notice of such meeting shall be posted at the offices of the Canterbury Stevedoring Association, Lyttelton.

16. An entrance-fee of 5s. will be required from workmen on their becoming members of the association. With the object of providing a fund for the aid of workmen in cases of accident or illness, every member shall pay a monthly subscription, to be fixed by the committee, payable in advance.

17. All workmen being members of this association, and having contributed their subscriptions for not less than two months, shall be entitled in case of accident during the performance of their duties to receive the sum of 12s. 6d. per week for a period of eight weeks.

18. In order to provide the nucleus of a fund, the Canterbury Stevedoring Association has promised to pay into the funds of this association the sum of £100, and has further promised to supplement it from time to time as their funds will admit.

19. The funds of the association shall be wholly applied for the benefit of the workmen, and for the expenses of carrying on the duties of the association.

20. The funds of the association shall be vested in three trustees, one to be the chairman for the time being of the Canterbury Stevedoring Association, one to be appointed by the members of this association, and one by the Canterbury Stevedoring Association.

21. All cheques shall be signed by one of the trustees, the treasurer, and countersigned by the secretary.

22. Any member guilty of insubordination, misconduct, or of any breach of these rules, or of any offence calculated to bring discredit upon the association, may be suspended by any member of the committee; but such member may bring his case before the committee for their consideration, and their decision shall be final.

23. Any member of this association who may broach cargo or pillage shall, upon proper representation from the owners or employers, or upon conviction by a Court of Justice, be summarily expelled.

24. Any member of this association who may at any time consider himself bullied, abused, or otherwise menaced, or who may be "knocked off work" without, in his opinion, just cause by any employer, officer, manager, or foreman, shall quietly submit thereto, and shall place his grievance before the committee, who shall at once investigate the case and deal with it as they may decide.

25. That eight hours' labour between the hours of 8 a.m. and 5 p.m. shall be considered an ordinary day's work, with one hour for dinner. Overtime to be paid for working meal-hours and on Sundays, also on public holidays, viz.: New Year's Day, Anniversary Day, Good Friday, Easter Monday, Queen's Birthday, Prince of Wales's Birthday, Christmas Day, and Boxing Day. In the event of these holidays falling on a Sunday working on the day on which the holiday is proclaimed shall be considered overtime. The meal-hour to be between 12 and 1 o'clock mid-day. No member shall refuse to work at any time in case of emergency.

26. Wages shall be paid at the rate of 1s. 3d. per hour daytime and 2s. per hour overtime.

27. All members of this association shall work or labour with the crews of any foreign-going or intercolonial vessel.

28. Every person shall, on being admitted to membership, subscribe to a book set apart for that purpose to the following declaration: I, _____, having become a member of this association, do hereby pledge myself to promote and help on any movement likely to attain the objects set forth in the foregoing preamble to the utmost in my power; to abide faithfully by the rules laid down for the government of the association; and generally to study the interest and welfare of the association.

29. Subscriptions shall be paid to the secretary and treasurer of the Lyttelton Lumpers' and Wharf-labourers' Association on the night appointed for the general meeting, or on the night after at the shelter-shed between the hours of 5 and 6. The treasurer shall sign the secretary's book, and shall bank the money within twenty-four hours of receipt of same.

30. The secretary and treasurer shall receive such remuneration as the general body may decide upon from time to time.

31. If any case arise that is not, in the opinion of the committee, provided for by their rules, it may be decided by the committee in any way they may deem fit.

32. No amendment or alteration shall be made to the rules of this association without first being recommended by the committee.

33. Any member owing a sum of 2s. 8d.—two months' contributions—shall be unfinancial, and shall not be allowed to work if a financial member is obtainable, or speak or vote on any question until he makes himself good in the books of the association by paying up all arrears, sick or distress excepted; such arrears must be paid, with a fine of 1s., any Friday at the shelter-shed.

34. No member shall speak more than twice, nor longer than five minutes on any subject, unless in answer to a question or by permission of the chairman.

35. All labour to be engaged at the breastwork, by the shelter-shed. No member shall take the lines or go alongside any steamboat or ship seeking employment at any time unless ordered to do so by the employer.

36. Any member declaring on the funds of the association shall produce a medical certificate declaring on and off the funds.

37. Providing a member requires accident allowance longer than for a period of eight weeks it shall be imperative on the part of the committee to bring the case before the general body, to be dealt with as they may deem fit.

38. Any member receiving accident allowance from this association shall be at home by 8 o'clock p.m., except by permission of the doctor.

EXHIBIT 38.

LYTTELTON LUMPERS' AND WHARF-LABOURERS' ASSOCIATION.

BALANCE-SHEET FOR YEAR ENDING FEBRUARY, 1897.

<i>Receipts.</i>			<i>£ s. d.</i>	<i>Expenditure.</i>			<i>£ s. d.</i>
Balance last audit	..	..	48 13 0	Caretaker's salary	..	..	27 0 6
Members' contributions	..	..	75 15 2	Accident allowance	..	..	33 14 1
Balance E. Scott	..	..	5 18 0	Secretary's salary	..	..	8 0 0
				Treasurer's salary	..	..	3 0 0
				Auditor's fee	..	..	2 12 6
				Deputation, Harbour Board	..	..	1 2 6
				Collins, stationery	..	..	0 11 1
				Incidental expenses	..	..	0 7 6
				Forbes's account	..	..	0 6 6
				Curtis, coal	..	..	0 6 0
				Cheque-book	..	..	0 2 0
							77 2 8
				Balance in bank	..	..	50 1 6
				In treasurer's hand	..	..	3 2 0
			£130 6 2				£130 6 2

EXHIBIT 39.

THE KAIAPOI WOOLLEN FACTORY SICK AND ACCIDENT BENEFIT SOCIETY.

RULES.

1. This society shall be called "The Kaiapoi Woollen Factory Sick and Accident Benefit Society." It shall have for its object the raising of funds (as hereinafter provided) for the relief of its members in case of sickness or accident.

2. This society shall be governed by a treasurer, secretary, and a committee of nine, to be elected annually at the general meeting. The chairman shall be chosen by the committee from among themselves.

3. The chairman shall preside over all meetings of the society, and shall sign the minutes of each meeting. He shall have a deliberative vote as a member of the committee, and, in case of a tie, a casting-vote.

4. The secretary shall keep a correct record of all meetings (general or committee), keep all books and accounts, notify the committee of special meetings, and carry on all correspondence by instructions from the chairman, and shall receive all contributions and pay the same to the treasurer.

5. The treasurer shall receive all moneys and bank them with the company in the name of the society, pay all accounts passed by the committee and signed by the secretary, keep a correct account of all the receipts and disbursements of the society, and at the committee meeting prior to the annual general meeting produce a balance-sheet signed by two auditors, such balance-sheet to be laid before the general meeting for its approval.

6. The committee shall transact all the business of the society, and shall meet regularly on the Friday of every fourth week. No business shall be transacted at any meeting unless there are five members of committee present. The chairman shall have the power to call a special meeting at any time.

7. Two auditors shall be appointed at the annual general meeting, who shall be members of the society outside the committee. They shall examine all books and accounts of the society, and report thereon (in writing) to the committee, such report to be read at the annual general meeting.

8. Two female sick visitors shall be appointed at the annual general meeting, who shall visit all female sick members within forty-eight hours of receiving notice from the secretary, and once a week so long as sickness continues, and report to the secretary.

9. Any person employed at the factory shall, on making application to the secretary, be admitted into membership with this society (subject to the approval of the committee), providing such applicant be in good health at the time.

10. Contributions per week: Males—eighteen years of age and upwards, 3d.; under eighteen years of age and above sixteen, 2d.; under sixteen years of age, 1d. Females—sixteen years of age and upwards, 2d.; under sixteen years of age, 1d.

11. Rates of sick payments: Those who pay 3d. per week shall receive 10s. 6d. per week. Those who pay 2d. per week shall receive 7s. per week. Those who pay 1d. per week shall receive 3s. 6d. per week. Any person claiming sick-pay shall acquaint the committee (in writing) within forty-eight hours from commencement of illness, and produce a doctor's certificate, except those members paying the lowest rate of contributions; failing to do so, to receive no sick-pay unless a satisfactory explanation be given to the committee. No person shall receive more than three months' full pay and three months' half-pay.

12. No person in receipt of sick-pay shall be allowed out after 8 o'clock in the evening between the 25th day of September and the 25th day of March, or after 6 o'clock in the evening between the 25th day of March and the 25th day of September. No person in receipt of sick-pay shall go away to another district for change of air without the sanction of the committee. No person in receipt of sick-pay shall do any work, domestic or otherwise. Any person breaking any of these rules shall forfeit all claim for sick-pay on the society. Any person declaring off the funds of the society shall send notice of the same (in writing) to the secretary within forty-eight hours.

13. Any of the employes leaving the factory may remain in the society until the end of the current year if they desire.

14. Members failing to pay two consecutive subscriptions shall forfeit membership and all claims upon the society.

15. Any person forfeiting membership may, on application to the committee, be readmitted; his or her claim to benefits to date from the time of readmission.

16. At the close of the year the whole of the money in hand shall be divided amongst the members proportionately, with the exception of £25, which shall be carried forward to the new account.

17. No new rules shall be made, or any of these rules repealed or altered, except at a general meeting called for that purpose. Notice of such proposed alterations or additions must be left with the secretary at least one week before such general meeting is held.

20. That these rules are to be understood in their true and literal sense, and any dispute arising or any exigency occurring not provided for to be referred to a majority of members, whose decision shall be final.

21. No alteration to be made to these rules unless by a three-fourths majority of a special meeting called for the purpose when at least a majority of the members are present.

EXHIBIT 42.

MESSRS. STEWART AND CO.'S WORKMEN'S SICK CLUB.

BALANCE-SHEET FOR 1896.

<i>Expenditure.</i>		£	s.	d.	<i>Receipts.</i>		£	s.	d.	
By Sick-pay .. .. .	.. .. .	5	17	9	To Balance from last audit .. .. .	.. .. .	5	0	7½
Pence cards .. .. .	.. .. .	0	16	0	Interest .. .. .	.. .. .	0	9	3
Dividend .. .. .	.. .. .	35	0	4	Contributions, &c., .. .. .	.. .. .	43	7	0
Secretary's fee .. .. .	.. .. .	0	10	0					
Treasurer's fee .. .. .	.. .. .	0	10	0					
Balance to next year .. .. .	.. .. .	5	2	9½					
		<u>£48 16 10½</u>				Total	<u>£48 16 10½</u>		

GEO. F. FREW.

EXHIBIT 43.

"PALACE" BOOT-FACTORY EMPLOYÉS' SICK BENEFIT SOCIETY.

RULES.

1. This society shall be known as the "Palace" Boot-factory Employés' Sick Benefit Society," and shall have for its object the raising of a fund, by weekly contributions and by such other means as may from time to time be agreed upon, in order to afford financial assistance to its members in time of sickness; and each member to receive a book of rules gratis.

2. This society shall have a patron, president, two vice-presidents, secretary, treasurer, two auditors, a visiting committee, and a committee to represent each department. Each department to be entitled to elect one committeeman for every fifteen or portion of fifteen members of the society. The whole of the officers to be elected at the general meeting of the society, but should any officer die or resign such vacancy shall be filled temporarily by the committee until another is elected in his or her place at a special general meeting. The annual meeting of members shall be held on the second Friday in December in each year. In the event of the day of the annual meeting falling on a holiday the meeting shall take place on the following day. All general and special meetings to be called for 8 p.m. Roll to be called at 8.30 p.m. Any member failing to answer the roll-call to be fined 3d. unless a satisfactory apology be received. Any member residing over two miles from the place of meeting to be exempt.

3. The president shall preside over all meetings at which he may be present. In his absence, however, a vice-president shall preside, but should he be absent the meeting shall appoint a chairman for the conduct of its business, the chairman to have a casting-vote only. Minutes shall be kept of the proceedings of all meetings, which shall be confirmed in the usual manner at the next meeting held, and signed by the chairman. The president shall call a meeting within fourteen days of receiving a requisition signed by fifteen financial members.

4. The secretary shall attend all meetings of the committee and all general meetings of the society. He shall take the minutes of proceedings; he shall keep a correct account of each member's contributions, give notice to all members in arrears, and conduct the correspondence of the society. All applications for sick benefit must be made to him in writing, and within twenty-four hours of his receiving such notice he shall order a member of the visiting committee to visit the sick member. The secretary, previous to resigning, must, if possible, give at least four weeks' notice. Should the secretary's conduct at any time become unsatisfactory the committee shall have power to suspend him from his office, and to demand from him all papers, books, and any other property of the society. The president shall, within one week, call a special meeting of the society upon the question. The secretary shall receive for his services the sum of 1d. per four shares per month, the above not to exceed 1s. per four shares per annum. For neglecting any of the above duties he shall be fined the sum of 1s. for each neglect. That the secretary is required to pay over to the treasurer all moneys received by him within forty-eight hours of receipt of the same.

5. The treasurer shall attend all committee meetings, take charge of the funds of the society, pay all sick-pay and other lawful demands, when authorised to do so by a voucher drawn by the secretary and duly signed by the president. All payments made between one committee meeting and the following one shall be reported to the committee at their next meeting, and approved of or otherwise, and the fact duly recorded in the minutes. He shall attend each audit and balance his accounts, and whenever required by the committee, or a majority of the members, he shall render a true account of all moneys received and paid by him, and also deliver up all books, documents, moneys, and property of the society to the president or members of the committee. He, in conjunction with the president or a member of the committee, shall pay into the Post-Office Savings-Bank, Wellington, within twenty-four hours after receipt, all moneys exceeding £2, which he may hold in hand to meet current expenditure. He shall at each committee meeting produce the bank-book, for the satisfaction of the members of the committee. The treasurer shall receive the sum of £1 1s. per annum for his services. For neglecting any of the above duties he shall be fined the sum of 1s. for each neglect.

6. The management committee shall meet on the second Friday in each month to settle all disputes and to see that the rules of the society are properly carried out by its officers; and any member absent for more than two meetings in succession shall be fined the sum of 1s. for each consecutive absence after the second, unless a satisfactory apology be received at the meeting. Should any dispute arise between any member and the committee that member shall be entitled to demand a general meeting of the society upon payment to the secretary of the sum of 1s. 3d. per share on number of shares held by the member aggrieved; and should the action of the committee be confirmed by the general meeting the amount deposited by the member shall be forfeited to the society.

7. The visiting committee shall visit sick members on receiving notice from the secretary, and report on them to him every week. They shall also visit sick members at least once a week as long as they remain sick. That the visiting committee shall consist of the whole of the financial members of the society. Should any suspicion arise in the minds of any of the visiting committee, or any member of the society, that any member in receipt of sick benefit is feigning sickness, he shall acquaint the secretary, who shall lay the case before the committee for investigation. The committee shall have power to call a surgeon, at the society's expense, to examine such member, and if he be found to be feigning sickness it shall be left in the power of the committee to deal with him as they deem advisable.

8. The auditors shall meet and audit all books, papers, and documents belonging to the society (annually), and report on them at the general meeting of the society, which shall be held in the month of December.

9. One trustee shall be appointed by the society, and should at any time a vacancy occur such vacancy shall be filled by a majority of members present at a general meeting of the society; and no money shall be withdrawn without the signature of the trustee.

10. The contributions shall be paid upon shares, each of the value of 5s. No member shall be allowed to take more than four shares, each share represented by a weekly payment of 1½d., to be paid fortnightly in advance; the entrance-fee to be 1s. per member. That a committee-man in each department shall collect contributions, and shall pay the same over to the secretary within twenty-four hours of receipt, or, failing in any of the above duties, to be fined the sum of 1s. for each neglect. That any member being one month in arrears shall be fined ½d. per share per week. That any member being more than six weeks in arrears shall not be entitled to receive sick-pay, and shall be

suspended from receiving sick-pay until one month after bringing himself or herself into compliance. That no member shall be entitled to sick-pay until he or she has been a member six weeks.

11. No person shall be admitted a member who is not an employé of this firm. Persons wishing to join the society may apply to the committee-man of their department or direct to the secretary; but all applications must be subject to the approval of the committee, who shall have power to limit the number of shares.

12. Persons may become honorary members of this society by an annual payment of not less than 10s. 6d.

13. Any free members falling sick, such illness not being caused by immoral conduct or drunkenness, shall give notice, with his or her name and address, in writing to the secretary within three days, failing which he or she shall receive payment for one day only previous to giving notice. And all members who shall receive such pay for a longer period than one week shall be required to furnish the secretary with a doctor's certificate if required by the committee. Any member falling sick after having left this firm, and still continuing in this society, will be required to send a surgeon's certificate every fortnight. Upon the secretary receiving notice he shall, within twenty-four hours, order a member of the visiting committee to visit the sick member, and, if his or her case be satisfactory, he or she shall receive the sum of 5s. per share per week for twelve weeks, and 3s. 9d. per share per week for twelve weeks, and 2s. 6d. per share per week for a further period of twelve weeks. No member shall receive sick-pay for less than two days nor for any day he or she has worked part of. Members in receipt of sick benefit being absent from home must at all times leave word where they may be found, and must remain at home between the hours of 6 p.m. and 8 a.m. from the 1st day of April to the 1st October and between 8 p.m. and 6 a.m. from the 1st October to the 1st April, except with the consent of the committee, or they will forfeit the sick-pay for each day this rule is transgressed. Members recovering from sickness must send notice to the secretary within twenty-four hours of their resuming work, or to be fined the sum of 6d. Should any member, after declaring off the funds of the society, again fall sick and declare on, or before twelve weeks shall have elapsed, such illness shall be considered a continuation of his or her former sickness. Before any of the above benefits are paid all moneys owing shall be deducted from the first payment.

14. Any member leaving this firm may remain in the society until the end of the financial year, when the sick funds are divided. Any member leaving the society and not leaving this firm shall forfeit all he or she has paid into the society.

15. Any member found guilty of fraud or embezzlement, or of wilful imposition on the funds of the society, shall be deprived of all benefits until he or she has refunded the amount improperly received or misappropriated, and pay a fine of £1 1s., the same to be paid within four weeks or such member be expelled from the society. Any member while in receipt of sick benefit found doing any kind of work shall be deemed to be acting contrary to this rule, and be dealt with by one of the committee as they deem advisable.

16. All honorary members' subscriptions, donations, and any surplus from entertainments or otherwise shall be placed to the credit of this fund, and shall be used for no other purpose than that of assisting in defraying the funeral expenses of a deceased member or member's wife.

17. On the death of any member his wife or next-of-kin or nominee shall receive the sum of £1 10s. per share. On the death of a member's wife he shall receive the sum of 15s. per share from the funeral fund. Should there not be sufficient funds in hand to meet the funeral claims the committee shall have power to strike a levy of 1½d. per share per week to make up such deficiency.

18. At the close of the financial year the sick-fund account shall be balanced, and the sum of £20 shall be carried forward to a new account, the balance to be divided amongst the members according to the number of shares held and *pro rata* of contributions. The financial year shall close on the second Monday in December, and any member in arrears at the close of the financial year will have all amounts so in arrears deducted from his or her share of the surplus.

19. No new rule shall be made or any rule altered or rescinded unless by the consent of a general or special meeting of the society to be called for the purpose. Notice of such alterations or new rules must be left with the secretary in writing at least one month previous to such general or special meeting being held.

EXHIBIT 44.

"PALACE" BOOT-FACORY EMPLOYÉ'S SICK BENEFIT SOCIETY.

BALANCE-SHEET FROM 10TH DECEMBER, 1894, TO 6TH DECEMBER, 1895.

<i>Receipts.</i>			£ s. d.	<i>Expenditure.</i>			£ s. d.
Balance last audit	..	..	25 0 0	Sick-pay to members	..	..	42 2 10
Funeral donation from R. Hannah, Esq.	..	..	5 0 0	Rent and stationery	..	..	0 10 8
Funeral donation from member	..	..	0 5 0	Cash in Post-Office Savings-Bank	..	..	62 8 0
Contributions, &c.	..	..	83 18 9	Cash in hand	..	..	9 10 3
Interest for 1894	..	..	0 8 0				
			<u>£114 11 9</u>				<u>£114 11 9</u>
<i>Liabilities.</i>			£ s. d.	<i>Assets.</i>			£ s. d.
Secretary's salary	..	..	3 0 0	Arrears contributions	..	..	1 16 6
Treasurer's salary	..	..	1 1 0				
			<u>£4 1 0</u>				<u>£1 16 6</u>

Number of members, 86; number of shares, 241; dividend per share, 3s.

N. J. LESLIE }
W. E. PLOWMAN } Auditors.

J. HARPER, President.
W. D. MARRIOTT, Secretary.
W. J. HARPER, Treasurer.

BALANCE-SHEET FROM 16TH DECEMBER, 1895, TO 11TH DECEMBER, 1896.

<i>Receipts.</i>			£ s. d.	<i>Expenditure.</i>			£ s. d.
Balance last audit	..	..	30 13 0	Sick-pay to members	..	..	23 15 4
Contributions: Entrance-fees	..	..	74 3 6	Secretary's salary	..	..	2 18 0
Interest for 1895	..	..	1 11 0	Treasurer's salary	..	..	1 1 0
				Auditors' salary	..	..	0 10 0
				Rent	..	..	0 6 6
				To sick and funeral fund	..	..	32 4 0
				Balance to be divided	..	..	45 12 8
			<u>£106 7 6</u>				<u>£106 7 6</u>

Number of members, 81; number of shares, 234; dividend per share, 4s.

A. W. ANDERSON }
R. ONYON } Auditors.

J. HARPER, President.
W. PLOWMAN, Secretary.
W. J. HARPER, Treasurer.

EXHIBIT 45.

BANK OF NEW ZEALAND OFFICERS' GUARANTEE AND PROVIDENT ASSOCIATION.

DEED OF SETTLEMENT.

THIS DEED, made the 15th day of March, 1887, between the Bank of New Zealand (incorporated under an Act of the General Assembly of New Zealand intitled "The New Zealand Bank Act, 1861," and hereinafter called "the bank"), of the first part; John Logan Campbell, president, David Limond Murdock, general manager, and John Murray, inspector of the bank (hereinafter called "the trustees") of the second part; the several persons whose signatures are hereunto attached or hereunder written in the Second Schedule to these presents, all being salaried officers or clerks for the time being of the bank (such persons being enrolled as the first members of the association hereinafter mentioned on a roll of members which has been prepared and signed by the trustees, and which roll is intended to be the commencement of the roll of members of the said association), of the third part; and the several other persons who are or shall become salaried officers or clerks of the bank, and who shall be admitted and enrolled by the trustees as members of the said association after application (in such form as the trustees may from time to time appoint) to be so admitted and enrolled, of the fourth part. Whereas in the year 1878 the directors of the bank established and endowed two funds, which were called respectively the "Bank of New Zealand Officers' Guarantee Fund" and the "Bank of New Zealand Provident Fund," such funds being established and endowed for the purposes hereinafter mentioned: And whereas the president, general manager, and inspector for the time being of the bank were appointed trustees for the said funds: And whereas the said John Logan Campbell is the president, and the said David Limond Murdock is the general manager, and the said John Murray is the inspector for the time being of the said bank: And whereas the salaried officers or clerks of the bank have contributed towards the said funds, and contributions or donations were made towards such funds by the bank, being the endowment hereinbefore mentioned: And whereas the moneys and securities for money now held by the trustees on account of the said guarantee fund amount to the sum of £10,417 5s., and the moneys and securities for money held by the trustees on account of the said provident fund amount to the sum of £69,328 15s. 8d.: And whereas it is expedient that an association should be formed for the purpose of giving security to the bank for the faithful discharge by the officers and clerks of the bank of their respective duties and continuing to raise and increase the said guarantee fund and provident fund respectively by the subscriptions or contributions of the officers and clerks of the bank, and by such donations on the part of the bank as the board of directors may from time to time think fit to make: Now this deed witnesseth that the said parties to these presents do hereby mutually agree, the one with the other, and each and all with the other and others of them, in manner following, *i.e.*:—

1. That the moneys and securities for money now held by the trustees on account of the said guarantee fund and the said provident fund respectively, and all moneys to be hereafter raised or forming part of such funds respectively as hereinafter mentioned, shall be held by the trustees upon the trusts and for the purposes hereinafter declared concerning the guarantee and provident funds respectively hereinafter mentioned.

2. That an association shall be formed which shall be called "The Bank of New Zealand Officers' Guarantee and Provident Association."

3. The said association shall be regulated under and in accordance with the provisions of these presents, which shall be the deed of settlement of the association; and such provisions shall be obligatory upon, and be observed, performed, fulfilled, and kept by, the parties hereto, and by all persons who may hereafter become members of the said association, and their respective executors and administrators.

4. The objects and business of the association shall be—(1) To provide a guarantee to the bank for the fidelity of officers in its service, and to establish a guarantee fund for that purpose; (2) to establish a provident fund to be applied for the benefit of members of the association, such provident fund being intended primarily to provide pensions to superannuated or disabled members; but it is also intended that donations or payments may be made thereout at the discretion of the trustees (subject to the regulations for the time being in force with regard to such provident fund) to any member, or the wife or children of any member, who would be entitled to a pension, but who for any cause whatever may be or may have rendered himself disqualified to receive such pension.

5. The association shall be under the management of three trustees, in whom the property and funds of the association shall be vested, one of whom shall be the general manager, another the inspector for the time being of the bank, and the third such other member of the association or person drawing or entitled to draw a pension out of the provident fund as the board of directors of the bank shall from time to time appoint: Provided always that two at least of the said trustees shall be members of the association. In case any or either of such trustees shall refuse or be unable to act through absence from the colony, or any other cause, or shall desire to be relieved from the trusts hereof, then and in any such case the remaining trustees for the time being shall from time to time appoint some other officer of the bank to be a trustee in the place or stead of the trustee so refusing or being unable to act or desiring to be relieved as aforesaid; but such appointment shall be subject to confirmation by the board of directors of the bank, provided that the appointee of the remaining trustees shall have full power to act in the trusts hereof pending reference of the question of such confirmation as aforesaid to the board: Provided also that in case the inability to act shall be only temporary the officer appointed on account of such inability shall cease to be a trustee on the cessation thereof, and the trustee in respect of whose inability the appointment was made shall resume his trusteeship.

6. The members of the association shall consist of the persons whose signatures appear in the Second Schedule to these presents, and such other persons in the service of the bank as may be required by the bank to become members, and who shall from time to time, after application as aforesaid, be admitted and enrolled as members of the association, but no person shall be admitted whose age at the time of application exceeds sixteen years, except upon payment of a sum to represent loading, the amount of such loading in each case to be adjusted upon a scale to be drawn up by the actuary to the fund: Provided always that the trustees may, if they think fit, decline to admit any officer to be a guaranteed member of the association until he shall have been on the staff of the bank for a period of twelve months; and no officer shall be admitted as a guaranteed member of the association unless his application to be so admitted is supported by a recommendation to that effect by the manager or other superior officer under whom he serves and by at least one satisfactory referee not of the bank's staff. But this proviso shall not apply to any officer who may have been guaranteed by the said guarantee fund before the formation of the association.

7. Except as hereinafter provided, should any member of the association resign his position, be discharged, or otherwise cease to be an officer of the bank, he shall, immediately thereupon, cease to be a member of the association; but should any person who had ceased to be an officer of the bank and a member of the association be afterwards re-engaged he shall immediately on such re-engagement become reinstated as a member of the association, and subject to all the privileges and advantages conditions and liabilities attaching to a member thereof; and his position as a guaranteed member shall revive: Provided that the time he was not an officer of the bank shall not be reckoned in calculating any term or period which would entitle him to any advantages or increased advantages according to the regulations of the association: Provided also that should any member of the association, with the concurrence of the board of directors of the bank, accept a position not hitherto filled by an officer of the bank, but of which the duties relates to the bank, and the salary or remuneration appertaining to which is payable by the bank, he shall not, on account of such acceptance, cease to be a member of the association, or forfeit any of the claims, rights, and privileges of membership, provided that such member shall continue to contribute to the provident fund in accordance with clause 8 of the deed of settlement.

8. Each member to be guaranteed by the association shall pay an entrance-fee of £1 for every £1,000, or part of £1,000, for which the member is first to be guaranteed to the bank, and shall also pay an additional fee of £1 for every £1,000 after the first £1,000 for which he may thereafter require to be guaranteed by the said association, and

such fees shall be credited to the guarantee fund; and each member guaranteed by the association shall also contribute to the said guarantee fund five annual payments of 11s. per cent. on the amount for which the member is guaranteed by the association to the bank; and in case at any time the amount of a member's guarantee to the bank is increased he shall pay five annual payments of 11s. per cent. on the amount of such increase, and all such contributions shall be paid yearly in advance. Each member of the association shall also contribute to the provident fund at such rate in proportion to his total remuneration from the bank as the trustees may from time to time determine, but such rate, until altered by the trustees, shall be 1 per cent. per annum, payable half-yearly: Provided always that all sums of money which any member may have contributed to the guarantee fund before the formation of the association shall be credited to such member, and allowed in reduction of the amount which he would otherwise be liable to pay under this clause.

9. The bank may retain out of the salaries of the members all sums which under these presents the members are liable to pay to the association, and shall forthwith pay to the trustees any sum so retained as aforesaid which may be payable to the association.

10. Every member on account of whose unfaithfulness or dishonesty any sum shall have been paid out of the guarantee fund to the bank shall forthwith, on demand, repay and make good to the trustees on account of the guarantee fund all sums so paid to the bank thereout, together with interest thereon until actual payment at the rate of £8 per cent. per annum; and the trustees shall not be required to postpone their claim on the estate of a defaulting member in respect of any amount paid under such guarantee for him until the bank has been paid in full any claim the bank may have on such defaulting member's estate.

11. The trustees shall keep separate and distinct accounts for each of the said two funds—viz., the guarantee fund and provident fund respectively.

12. The inspector's accountant for the time being, or such other person as the trustees may appoint, shall be secretary to the trustees, and shall have charge of all deeds, papers, or books connected with the association, and shall be responsible for the safe custody and proper order of all such papers or books.

13. The guarantee fund shall consist of the said sum of £10,417 5s., so held by the trustees as aforesaid, together with all contributions to be paid by members of the association as aforesaid: Provided always that all accumulations of the guarantee fund in excess of £10,000 shall be carried to the credit of and paid into the provident fund: Provided, further, that in case the guarantee fund shall be unable to meet claims upon it the provident fund shall be liable to refund, but without interest, so much of the amounts so credited and paid to it from the guarantee fund as aforesaid as may be necessary to meet the claims upon the guarantee fund: Provided also that if the guarantee fund (after having such refund from the provident fund as last aforesaid) shall, in consequence of claims upon it, be exhausted, the trustees may, and if required by the board of directors of the bank shall, make a special levy upon all persons who are guaranteed members of the association at the time such special levy is authorised, rateably according to the amount they are respectively guaranteed to the bank, to raise the fund again to £10,000; but no member shall be required under such special levy to pay in any one year more than 10s. per cent. on the amount for which he is guaranteed, and it shall not be competent to the trustees to levy such special rate for any longer time than shall be necessary to raise the guarantee fund to the said sum of £10,000.

14. The provident fund shall consist of the said sum of £69,328 15s. 8d. so held by the trustees as aforesaid, and of all accumulations credited and paid to it from the guarantee fund as aforesaid, together with all donations which may be made to such provident fund by the bank or any member of the association: Provided always, and it is hereby declared, that the said sum of £69,328 15s. 8d. includes moneys which have from time to time been credited to it from the guarantee fund. And it is hereby expressly declared and agreed that in case occasion shall require the amounts so credited to the provident fund from the guarantee fund, and so included in the said sum of £69,328 15s. 8d., shall be liable to be refunded to the guarantee fund under the second proviso of the preceding clause of these presents.

15. The guarantee fund shall be applied by the trustees towards indemnifying the bank against any loss or losses it may sustain through or on account of the unfaithfulness or dishonesty of any member guaranteed by the association according to the following scale—*i.e.*: Where any such member receives a salary from the bank not exceeding £100 per annum the amount guaranteed to the bank shall be £500; where such salary exceeds £100 per annum, but does not exceed £250 per annum, the amount guaranteed shall be £1,000; where such salary exceeds £250, but does not exceed £400, per annum the amount guaranteed shall be £2,000; where such salary exceeds £400, but does not exceed £700, per annum the amount guaranteed shall be £3,000; where such salary exceeds £700 per annum the amount guaranteed shall be £4,000: Provided always that whenever the salary of any member is increased so as to render an increased guarantee necessary such guarantee shall be increased accordingly, but the member whose guarantee is so increased shall pay an increased contribution to the said funds, as mentioned in clause No. 8 hereof.

16. All moneys accruing to the said funds shall be paid into accounts to be kept in the bank in the name of the said funds respectively, and no moneys shall be withdrawn therefrom except upon a cheque signed by at least one of the trustees, and countersigned by the secretary.

17. Investment of the moneys of the said guarantee and provident fund shall be made only in the following securities: (1) Mortgage of freehold estate in New Zealand to the extent of two-thirds of value, as certified by an expert; (2) bonds of Australasian Governments; (3) municipal bonds; (4) Harbour Board bonds; (5) on deposit with the bank. No investment shall be made in any securities to which any liability whatever attaches. No investment shall be made without the assent of a majority of the trustees: Provided always that securities for moneys invested shall be taken in the names of the trustees until the board of directors of the bank shall direct the trustees to take such securities in some other manner.

18. For the purpose of investment the guarantee and provident funds shall be treated as one fund, and as between the two funds, if any loss shall arise upon any investment, such loss shall be divided between the two funds *pro rata* according to the total amounts of the respective funds.

19. The trustees shall not be personally liable for loss resulting from investments made in accordance with the provisions herein contained, or in accordance with such provisions as altered from time to time as hereinafter provided for; and no trustee shall be personally liable for any act whatever of the trustees, or any of them, done without his knowledge or consent. Nor shall any trustee be liable for any defalcation of any of his co-trustees, or of any officer, agent, or other person into whose hands any moneys may come in the usual and regular course of dealing with the same.

20. The trustees shall cause an annual statement of the position of each of the said funds to be prepared, with a summary of receipts and disbursements, and of the current liabilities of each fund respectively, made up to the 31st day of October in each year, which statements shall be signed by at least two of the trustees, and a copy of such statements signed as aforesaid shall at an early date thereafter be supplied to the board of directors of the bank and to the members of the association.

21. The provident fund shall be applied for the purposes of the association as mentioned in subdivision 2 of clause No. 4 of these presents, and in dealing with such fund the trustees shall be guided by the rules and regulations contained and set forth in the First Schedule of these presents, but which rules and regulations may be altered as mentioned in clause No. 23 hereof.

22. Subject to appeal to the board of directors as hereinbefore provided for the control of the trustees over the provident fund as against members shall be absolute, admitting of no interference, and the decision of the trustees respecting any claim made by any member of the association shall be binding as between such member and the association or the said trustees: Provided that any member who may be dissatisfied with the decision of the trustees may appeal to the board of directors of the bank, and the decision of such board of directors shall be final and conclusive, both at law and in equity, upon the association, the trustees, and the member appealing to such board.

23. The trustees, subject to the assent and approval of the board of directors of the bank, may from time to time, as they may think fit, alter, cancel, or add to the clauses contained in these presents, or the rules and regulations contained in the said First Schedule hereto.

24. In case the association shall, for any cause whatever, cease to exist, but some other analogous provision which has due regard to the vested interests of members of the association shall be made by the board of directors of the bank, or the officers and clerks of the bank with the approval of the board of directors of the bank, the trustees shall, on being requested by the board of directors of the bank, hand over the amounts at the credit of the said two funds respectively to such person or persons as the board of directors may name as being the proper person or persons to receive the said funds respectively, and the receipt or receipts of the person or persons so named shall be a good and sufficient receipt and release and acquittance to the trustees so handing over such funds: Provided always that in case the said association shall cease to exist because the bank shall cease its operations, then and in such case the guarantee fund shall be added to the provident fund, the assets realised, and the proceeds divided amongst members as follows, first returning to all members the amounts they have respectively paid to the provident and guarantee funds, with 5 per cent. compound interest, the balance remaining to be divided amongst members, including pensioners, entitled to the benefits of the provident fund, as provided in clause 1 of the First Schedule hereto, and in proportion to their respective pension interest in the fund, as calculated by an actuary to be appointed by the trustees. Or should it appear to be brought to the notice of the trustees, or of any person or persons appointed to distribute the assets, that any member, by actual bankruptcy, or by any cause whatever, has become disqualified to receive or shall be or be liable to be deprived of the personal enjoyment of his proper share of the assets of the fund, then the trustees or person or persons appointed to distribute the assets may, at their discretion, pay over to the wife, or the child, or children, or both, of such member, in such proportion as the said trustees or other person or persons appointed to distribute the assets of the fund in their sole discretion may think fit, any sum not exceeding that which he would have been entitled to out of the assets of the fund had he not been disqualified from receiving the same, or had he not become liable to be deprived of the personal enjoyment of the same.

25. And whereas certain officers of the bank who are or may hereafter become members of the association are already or may hereafter be fully guaranteed to the satisfaction of the bank by some other association or society or in some other way, and certain other officers who are or may hereafter become members of the association are partly guaranteed by some other association or society or in some other way as aforesaid, now it is hereby declared that the following provisions shall apply to such officers:—

(1.) With respect to officers who are or may hereafter become members of the association, and who are fully guaranteed to the satisfaction of the bank by some other association or society or in some other way as aforesaid,—

(a.) The provisions of these presents referring to contributions to and the application of guarantee fund shall not apply, but they shall nevertheless be entitled to all other benefits of the association, and shall be subject to all the other provisions of these presents: Provided always that if at any time hereafter it shall be found necessary that any such officers should be guaranteed or partly guaranteed by the association it shall be lawful for the trustees to place such officers, or any of them, upon the list of guaranteed members for such amount of guarantee as the trustees may think fit.

(b.) If any of such officers shall be placed by the trustees on the list of guaranteed members, immediately thereupon the provisions of these presents with respect to the guarantee fund shall apply to such members so placed upon the list of guaranteed members according to the amount for which they are to be guaranteed by the association.

(c.) Any such officer who may require to be guaranteed by the association shall sign an application to be so guaranteed in such form as the trustees may from time to time appoint. But it shall not be necessary for any officer whose guarantee or fidelity bond the bank may have accepted for a period exceeding twelve calendar months prior to his application to be placed on the guarantee list of the association to support his application by a recommendation or reference, as provided in clause No. 6 of these presents.

(2.) With respect to officers who are only partly guaranteed to the satisfaction of the bank by some other association or society or in some other way as aforesaid: The provisions of these presents relating to the guarantee fund shall apply only to the extent and according to the amount for which such officers are to be guaranteed by the association.

THE FIRST SCHEDULE WITHIN REFERRED TO.

Rules and Regulations for the Management of the Provident Fund.

1. Members of the association who have been ten years and upwards in the service of the bank shall be entitled to the benefits of the provident fund, according to the rules and regulations for the time being in force relating thereto.

2. Any officer of the bank who shall have been a contributor to the fund for ten years and upwards shall, upon attaining the age of fifty-five years, be obliged to retire upon such pension as may accrue to him under the rules of the fund for the time being, unless the board desires his continuance in the service for a further period. Every officer of the bank shall be entitled to retire upon pension upon attaining the age of sixty years.

3. Any officer of the bank being a member of the association who after a period of fifteen years' service shall, with the consent of the directors, retire on account of ill-health or other disability, shall be entitled to pension in proportion to his length of service, as provided under Rule No. 7; but should it in any case appear to the trustees that the disability of such officer was caused by his own misconduct it shall be in the option of the trustees to refuse pension.

4. Any officer in receipt of a pension on the ground of ill-health or other disability shall, when required by the trustees, satisfy them with regard to the continuance of the disability, and shall, if called upon, re-enter the service of the bank, in which case, or should he decline to re-enter, his pension shall cease.

5. In the event of any member having an unblemished record of twenty years' service or more being forced to retire from the bank because of error of judgment, or for any other reason involving no question of personal misconduct, he shall be deemed to have a claim upon the consideration of the trustees, and it shall be optional with them to grant him pension at the rate pertaining to his length of service and for a period not exceeding fifteen years, or they may pay him pension at that rate from the time of his attaining sixty years till his death.

6. Any officer in receipt of a pension who shall engage in other banking service, direct or indirect, without the consent of the board of directors, or who shall be guilty of gross misconduct, shall forfeit his pension, but it shall be in the discretion of the trustees, with the sanction of the board of directors, to resume payment of pension to such officer and to make the same retrospective for the period during which it was suspended, if they think fit.

7. The standard pension scale shall be: A sum per annum equal for a full service of not less than forty years to 48 per cent. of the average salary of the whole period, and for a shorter term of service to one-fortieth of 48 per cent. of the average salary during the period served for each year of service, but no pension to exceed £500 per annum: Provided however, that pensions granted prior to June, 1891, shall, until the pension scale shall be again revised, continue to be paid according to the scale in force up to that date. And for the purposes of this clause the "average salary" of a member shall be ascertained as regards the period during which a member shall have contributed to the provident fund by calculating his remuneration during that period from the aggregate of his contributions at the rate or rates of assessment, and as regards the period (if any) previous to the time during which he shall have contributed to the provident fund by adding to his actual salary and money allowances such annual valuation of house or other emoluments, not consisting of money, which may have been enjoyed by the member during the time of service as the trustees shall think fit; the total of such ascertained remuneration for the whole time of service shall be divided by the number of years of service, and the result shall be considered the "average salary" of the member.

8. In reckoning length of service a period of six months or more shall be deemed to be one year, and a period of less than six months shall not be reckoned; and in the case of any officer who shall have retired from the service and shall have been subsequently re-employed his length of service in the bank previous to his retirement shall count for pension.

9. All pensions shall be payable monthly on or after the last business day of each calendar month, and shall cease to accrue on the day of the death of the recipient; any proportionate amount due up to the date of death shall be paid to such representative of the deceased as the trustees shall think fit.

10. No officer to whom a pension is granted shall have any vested legal or equitable right therein or thereto enforceable by or recoverable in any Court of law or equity, nor shall such pension be attachable by any process of law; but in the case of the bankruptcy of such officer, or in case any proceedings are taken to attach such pension or to divert it from such officer for the payment of any of his debts, the trustees may, in their discretion, forthwith declare such pension forfeited, but nevertheless the provisions of the next-succeeding rule shall be applicable to such a case.

11. If a member shall be or be liable to be deprived of the personal enjoyment of his pension from any cause whatever, or if in the opinion of the trustees the pension should not be paid to himself personally, the trustees may pay (but it shall not be incumbent on them to pay) out of the provident fund to such person or persons, and in such manner as they may think fit, for the benefit of such member, his wife, or children, or any of them, at any time, and from time to time during the residue of his life, or until he may again be enabled to enjoy his pension personally, any sum or sums not exceeding altogether the amount which would have been payable to himself if his yearly pension had continued to be payable.

12. The trustees shall, at such intervals as appear to them fit, cause investigations to be made into the state of the fund, and if upon such investigation it shall appear that the then existing scale of pension is either beyond or less than the capacity of the fund it shall be in the discretion of the trustees, subject to the approval of the board of directors, to increase or reduce such scale of pensions: Provided always that if the board of directors of the bank disapprove of the action of the trustees herein it shall be in the power of the board of directors themselves to alter the pension scale.

EXHIBIT 46.

BANK OF NEW ZEALAND OFFICERS' GUARANTEE AND PROVIDENT ASSOCIATION.

BALANCE-SHEET.

Statement of Guarantee Fund for the Year ended 31st October, 1896.

	£	s.	d.	£	s.	d.
Fixed capital sum at 31st March, 1895 .. .. .	..	..	..	10,000	0	0
Receipts—						
Officers' premiums	729	2	11			
Interest	594	10	10			
				1,323	13	9
Disbursements—						
Proportion of land-tax for year ended 31st March, 1896	33	9	9			
" actuarial investigation fee	16	3	0			
" amount paid for management, &c.	4	0	3			
" legal charges	2	1	2			
" printing and stationery charges	0	10	0			
Defalcations at Marton	236	18	7			
Surplus in excess of £10,000 paid to provident fund	1,030	11	0			
				1,323	13	9
Fixed capital sum at 31st October, 1896, invested conjointly with provident fund money .. .. .	..	..	..	£10,000	0	0

NOTE.—Current liabilities, nil; amount of surplus money paid to the provident fund up to 31st October, 1896, £21,236 11s. 7d.; total amount of guarantees current at 31st October, 1896, £411,500.

Statement of Provident Fund for the Year ended 31st October, 1896.

	£	s.	d.	£	s.	d.
Amount of fund at 31st October, 1895 .. .. .	..	..	..	121,188	0	3
Receipts—						
Officers' contributions	953	16	9			
Interest	6,810	10	0			
Surplus money from guarantee fund	1,030	11	0			
				8,794	17	9
Disbursements—						
Pensions	4,089	0	7			
Proportion of land-tax for year ended 31st March, 1896	401	11	4			
" actuarial investigation fee	193	17	0			
" amount paid for management, &c.	48	1	9			
" legal charges (balance of cost of transferring securities into name of New Zealand Insurance Company in trust)	22	12	0			
" printing and stationery charges	6	5	6			
				4,761	8	2
Increase during the year .. .. .	..	..	..	..	..	..
				4,033	9	7
Amount of fund at 31st October, 1896 .. .. .	..	..	..	125,221	9	10
Whereof invested (as below) .. .. .	..	..	..	104,753	4	2
Balance in bank awaiting investment .. .. .	..	..	..	20,463	5	8
				125,221	9	10

NOTE.—Current liabilities, nil; contingent liability, amount received from guarantee fund and repayable in case of need, £21,236 11s. 7d.; pensions at the rate of £4,006 9s. p.a. current at 31st October, 1896.

Total Funds of the Association at 31st October, 1896.

Investments—	£	s. d.	£	s. d.	£	s. d.
Mortgage of freehold security			92,718	0 0		
New Plymouth Borough debentures			10,927	0 0		
Oamaru Harbour Board debentures (1883 issue)			400	0 0		
City of Christchurch drainage loan debentures			1,400	0 0		
Freehold acquired under mortgage (satisfactorily leased with purchasing clause)			3,539	11 7		
Balance of freehold acquired under mortgage (in course of realisation)	5,298	5 10				
Amounts due on account of scales		475	6 9			
			5,773	12 7		
Balance in bank awaiting investment					114,758	4 2
					20,463	5 8
					£135,221	9 10

(The average return on investment at this date is £5 12s. 2d. per cent. per annum, and on the total funds £5 5s. 10d. per cent. per annum.)

Audited and found correct—

J. H. MENTIPLAY.

R. W. GIBBS, Secretary.

EXHIBIT 47.

BANK OF NEW ZEALAND OFFICERS' GUARANTEE AND PROVIDENT ASSOCIATION.

PENSION LIST.

Name of Pensioner.	Pension per Annum.	Pension paid since
	£ s. d.	
D. L. Murdoch	500 0 0	1st June, 1888.
F. Larkworthy	500 0 0	1st November, 1888.
John Murray	368 15 0	1st November, 1889.
James Peele	101 6 0	1st February, 1889.
W. O. Allender	71 5 0	1st February, 1889.
T. M. Stewart	345 15 0	10th November, 1890.
John Gray	48 1 0	1st July, 1891.
E. Campbell	104 13 0	8th March, 1892.
C. G. Gentil	103 0 0	16th July, 1892.
F. Ronalds	133 1 0	1st August, 1892.
H. B. Macnab	214 11 0	31st August, 1893.
J. G. Fildes	153 12 0	1st February, 1894.
W. F. Russell	225 12 0	1st February, 1894.
J. W. Matthews	157 14 0	1st February, 1894.
John Winstone	72 19 0	1st April, 1895.
J. N. Flower	80 16 0	1st April, 1895.
S. S. Revans	135 1 0	1st June, 1895.
T. W. Balfour	218 0 0	4th June, 1895.
C. Campbell	113 18 0	1st July, 1895.
Thos. Steele	104 19 0	1st July, 1895.
B. A. Dickinson	125 9 0	12th May, 1896.
H. F. Christie	128 2 0	1st July, 1896.
J. W. Henderson	80 2 0	1st February, 1897.
J. C. Boddington	163 12 0	1st February, 1897.
Chas. Furness	116 12 0	16th February, 1897.
W. G. Forbes	106 14 0	19th February, 1897.
J. P. Harris	152 8 0	2nd March, 1897.
John Holloway	189 3 0	11th April, 1897.
Total	£4,815 0 0	

Fund established, 1879.

Wellington, 17th June, 1897.

R. W. GIBBS, Secretary.

EXHIBIT 48.

Bank of New Zealand Guarantee and Provident Association,
Wellington, 9th December, 1895.

DEAR SIR,—

I beg to advise you that the trustees, being apprehensive that, in consequence of the fall in the rate of interest and other causes, pensions were being paid on a scale exceeding the capabilities of the fund, determined upon a further investigation, as provided by clause 12 of the rules and regulations in the deed of settlement. This has been completed, and the report of our actuary, Mr. Manly, came to hand by last San Francisco mail.

The result shows that the trustees' fears were not groundless, and it is with regret that I have to inform you that the report makes it imperative that the scale of pensions be immediately reduced. The trustees have reluctantly resolved that the new scale provided—viz., "A sum equal to one-fortieth of 48 per cent. of the average salary for each year of service"—take effect as from the 1st proximo. From that date the pension payable to you will be at the rate of £104 19s. per annum.

Thomas Steele, Esq., Wellington,

I am, &c.,

RICHARD W. GIBBS, Secretary.

EXHIBIT 49.

(Circular—Confidential.)

DEAR SIR,—

Bank of New Zealand, Auckland, 1st May, 1878.

It was proposed in 1866 to establish within the bank a guarantee and provident fund, the one for guaranteeing the fidelity of the officers, and the other to make future provision for those who, from age or infirmity, become incapacitated for further employment. The proposal was subsequently abandoned in favour of the Colonial and Foreign Banks Guarantee Fund, which appeared to offer advantages greater than could really be expected from our own fund; but, though the guarantee afforded by it is satisfactory, the contingent benefits are so problematical as to afford little hope of its furnishing any relief in the cases intended to be provided for by our provident fund.

The idea of establishing a guarantee and provident fund within the bank has now been revived, and the directors have very heartily taken it up, and have agreed to endow the provident fund liberally, and to make at least temporary endowment of the guarantee fund also on a liberal scale.

The proposal is that the bank at once contribute £25,000 to be specially invested, and that this sum and its accumulating interest form the nucleus of a provident fund, to be supplemented by an annual contribution by the staff of 1 per cent. on the amount of their salaries; and that all officers not already guaranteed by the Colonial and Foreign Banks Guarantee Fund shall further contribute to a guarantee fund within the bank at the same cost as to the Colonial and Foreign Banks Guarantee Fund, to which the directors have assented to allow the £2,500 voted by shareholders in 1866 to be a present endowment, retaining the option of demanding repayment from accumulations beyond £10,000.

The proposal of the board is so liberal, and the prospects of the provident fund under such auspices soon becoming of such value as to afford a very appreciable provision for those who, from age, accident, or infirmity, and with the sanction of the board, quit the bank service, so good, that it is unnecessary for me to add a word in its support, feeling assured that the staff will adopt it in the same spirit as the directors have received it.

I enclose a sketch of the rules under which it is proposed to inaugurate the two funds, and would invite special attention to the terms of clause 3, in the section setting forth the objects of the provident fund. It is in no way intended to burden this fund with claims of the representatives of deceased officers, the directors making it a distinct stipulation that officers make provision by life assurance or otherwise for those dependent on them.

The rules enclosed are only intended as the basis on which the funds are to be formed, and will be altered or added to as occasion demands. Any material alteration or addition will first be submitted for the consideration of all officers who for five years have held the rank of manager in the bank service, with a view to elicit their opinions, but not in any way necessarily to interfere with the absolute control of the trustees, as provided for in clause 2 of the provident fund.

Yours faithfully,

D. L. MURDOCK, General Manager.

EXHIBIT 50.

BENEFIT SOCIETY OF THE EMPLOYÉS OF THE COLONIAL SUGAR-REFINING COMPANY (LIMITED).

RULES.

1. THIS society shall be called "The Colonial Sugar-refining Company (Limited) Employés Benefit Society," and the business thereof shall be held at O'Connell Street, Sydney, and at such other places as may be appointed by the committee.

2. The objects thereof shall be to provide funds by the contributions of its members, with the aid of donations, for the following purposes:—Scale A: (1.) A weekly allowance in case of sickness or accident; (2.) A sum payable on the death of subscribing members; (3.) A subsidy to hospitals for the maintenance therein of subscribing members. Scale B: (4.) Fees for medical attendance and medicines for subscribing members. Scale C: (5.) Fees for medical attendance and medicines for members' families. Scale D: (6.) A sum payable on the death of members' wives, or widowed mothers, or children.

3. At the first meeting of the society after these rules are certified by the Registrar there shall be elected by a majority of the members then present a secretary and treasurer and a committee of management consisting of four persons, who shall act as trustees of the society. The secretary and treasurer and committee of management shall continue in office during the pleasure of the society, and may be removable at a general meeting; and, in case of a vacancy or vacancies, another or others shall be elected by a majority of the members at a meeting called for that purpose. A copy of every resolution appointing such members of committee shall be sent to the Registrar of Friendly Societies under the hands of three ordinary members of the society, and signed by the members of committee so appointed.

4. In case any member of committee being removed shall refuse or neglect to assign or transfer any property of the society as the remaining members of committee shall direct, he shall (if he be a member of the society) be expelled from the society, and shall cease to have any claim on the society on account of any contributions paid by him. The treasurer shall, in the months of January and July of each year, and also when required by the trustees, render to them a true account of all moneys received and paid by him on account of the society, and shall also, when required by the trustees, pay over all moneys remaining in his hands, and assign and deliver all securities and effects, books, papers, and property of or belonging to the society in his hands or custody, to such person or persons as the trustees shall appoint. He shall be responsible for such sums of money as may from time to time be paid into his hands by any person on account of the society; he shall balance his cash accounts monthly, and shall—before taking upon himself the execution of his office—give security pursuant to the Friendly Societies Act. The committee of management shall meet at least once in each month, any three of the committee duly assembled at any such meeting shall form a quorum. They shall elect from among themselves a chairman, and shall have full power to superintend and conduct the business of the society according to the rules provided for the government thereof, and shall in all things act for and in the name of the society; and all acts and orders under the powers delegated to them shall have the like force and effect as the acts and orders of this society at any general meeting. Every question at such meeting shall be decided by a majority of votes, and, if the votes be equal, the chairman shall have a casting vote. Any two of the committee may call a special meeting thereof by giving seven clear days' notice in writing to the secretary; but at such special meeting no other business than that specified in the notice shall be taken into consideration. The committee shall convene all the meetings of the society on such requisitions as are herein mentioned. The secretary shall record the names of the members of committee present at all meetings and the minutes of their proceedings, which he shall transcribe in a book, to be authenticated by the signature of the chairman as the proceedings of the meeting, and shall prepare the annual and other returns required by the Friendly Societies Act to be sent to the Registrar. All notices of proposed amendment of these rules, or other matters affecting the general welfare of the society, shall be submitted by the committee of management to the various district committees as hereafter provided.

5. The committee of management shall receive, through the proper officers, donations to the funds of the society made by the Colonial Sugar-refining Company (Limited), or any other person or persons, and shall cause proper receipts to be given for the same.

6. All donations, contributions, interest, and income, from whatever source arising, shall be invested by the trustees on deposit with the Colonial Sugar-refining Company (Limited), and shall bear interest at the rate of 6 per cent. per annum, calculated on the monthly balance at the credit of the society.

7. A branch of this society shall be established at each refinery and sugar-mill of the Colonial Sugar-refining Company (Limited), for the convenience of the subscribers, and such branch shall be managed by a district committee acting under these rules. Each district committee shall consist of six members, elected annually by the local subscribers, but, if necessary, the number of members of such district committee may be increased up to a maximum of twelve. Half the members of each district committee shall retire in rotation every six months, but shall be eligible for re-election. Candidates shall be nominated at least one week before the date of election, and no nomination shall be made without the consent of the candidate. Each district committee shall elect from among themselves a chairman, secretary, and treasurer, also sick visitors, as may be required. Should any local office become vacant through death or resignation, the remaining members of the district committee shall elect another officer, who shall retire at the expiration of his predecessor's term of office. Any local officer absenting himself from three consecutive district committee meetings without giving reasonable cause shall be held to have resigned his office.

8. Meetings of the district committees shall be held not less than once in each month, at which four shall form a quorum. Every question shall be decided by a majority of the votes, and, should the votes be equally divided, the chairman shall, in addition to his ordinary vote, have a casting-vote.

9. The district committees shall have power to enrol members, and to admit new employés of the Colonial Sugar-refining Company (Limited), after three months' service, to full participation in the benefits of the society, if satisfied as to their health and general habits; but it shall be lawful for a district committee, on a two-thirds majority of their votes, to refuse further contributions from such members, and to refund all amounts paid by them to the society, provided that they have received no sick-pay, or to refund the amounts paid by such members since last in receipt of sick-pay, when they shall have no further claim on the society. The district committees shall not be called upon to give their reasons for excluding any such new employés from permanent membership except to the trustees, to whom they shall report monthly the names of those excluded, and their reasons for excluding them.

10. In the event of the disbursements at any one branch exceeding the amount of the local receipts for the current year the district committee, if in need of further funds, shall make application for the same to the trustees; but, unless under exceptional circumstances, no district committee shall be entitled to assistance from the trustees if the funds of their branch have not exceeded a sum equivalent to 12s. per head of the local members subsequent to their last application for assistance, if any. Should the payments for sick-pay made by any one branch be considered by the trustees excessive and unjustifiable, assistance from the general funds may be refused by the trustees, or, at their discretion, the rate of sick-pay at such branch may be temporarily reduced for a period of six months.

11. Any branch issuing a clearance shall, for a period of twenty-six weeks from date of issue, be responsible for all disbursements for sick-pay, funeral allowance, or hospital subsidy made by any other branch of the society on behalf of the member in question.

12. The district chairman shall summon all district committee meetings and, upon a requisition signed by five members, call a special meeting. In the absence of any person entitled to receive funeral benefits on behalf of a deceased member he shall take charge of the funeral, and render full account to the district committee at its next regular meeting. All personal expenses incurred by the district chairman in carrying out the same shall be defrayed from the funds of the society. He shall sign all clearances and orders for payment. In the absence of the chairman the chair shall be taken by any member of the district committee the meeting may appoint.

13. The district secretary shall enter the minutes of all proceedings, furnish the trustees with a list of the subscribers, and credit the payments made in the members' contribution-books. He shall receive all amounts which may be paid for the registration of the relatives of members, or for the sale of books of rules or otherwise, and shall pay over to the treasurer within forty-eight hours all sums so received without any deduction whatever. He shall keep a record of the names and addresses of members, dates of certificates of sickness, and amount of allowances to sick members, countersign all orders for payment and all clearances, and conduct other clerical work appertaining to his office. He shall furnish the medical officer and the trustees with all particulars as to the local members, shall pay all claims on the local branch of the society on the usual day of payment of wages, and, in conjunction with the district treasurer, shall prepare a balance-sheet to be submitted to the half-yearly general meeting of the local subscribers, which, on being audited by two members appointed for the purpose, and certified as correct by the other members of the district committee, shall be forwarded to the trustees. He shall receive half-yearly such remuneration as may be determined by the local members, with the approval of the trustees.

14. The district treasurer shall receive members' subscriptions, give receipt for all sums received from the district secretary, and pay in to the credit of the society all amounts so received without any deduction whatever. He shall hold in safe keeping all vouchers and documents, which, with the deposit book, he shall deliver up when ordered to do so by a resolution of the other members of the district committee. He shall issue to the district secretary, on orders signed by the district chairman and countersigned by the district secretary, such sums as may be required for the purposes of the society, but not exceeding the amount of the local receipts for the current year, without special authority from the trustees.

15. Each district committee shall arrange among themselves for each sick member to be visited by one of their number at least once in every week. The sick visitors shall pay sick benefits when due, obtaining receipts for the same, and shall report to the district committee as to the condition of the members on sick-pay visited by them, and give particulars of any fresh application for relief, as hereafter provided. All personal expenses incurred by the members of the district committee in visiting the sick members shall be defrayed from the funds of the society, and (at branches where it is held to be warranted) they shall receive half-yearly such remuneration as may be determined by the local members, with the approval of the trustees.

16. There shall be a half-yearly general meeting of the subscribers at each branch in the first week of January and July of each year, for the purpose of receiving the local accounts for the preceding half-year, and at such meeting the members of the district committee shall be elected by ballot, and the remuneration of the district secretary and of the district sick visitors for the past half-year shall be voted. The first duty of the new district committee shall be the appointment, if required, of a medical officer for the ensuing half-year.

17. Special meetings of the members of the branches may be held when considered necessary on one month's notice being given to the chairman of the district committee by at least five of the local members.

18. The committee of management shall keep proper books of account dealing with each fund separately, and shall once every year prepare a balance-sheet showing the working of each branch separately, and the total receipts and expenditure, and the assets and liabilities of the society, together with a statement of the affairs of the society since the last report, which balance-sheet and statement shall be audited and signed by the accountant of the Colonial Sugar-refining Company (Limited). The books and accounts of the society shall be open to the inspection of any member at all reasonable times, and every member shall be entitled to a copy of such statement and report.

19. Copies of these rules shall be exhibited in prominent positions at each of the branches, and books of rules shall be provided free to each member on joining.

20. Membership of this society shall be restricted to employés of the Colonial Sugar-refining Company (Limited), and of such other persons as come within the provisions of Rule 32. Contractors with their men, who are employed at the refineries or sugar-mills belonging to the Colonial Sugar-refining Company (Limited), shall be deemed employés for the purposes of these rules. Every applicant for membership shall sign an application in the form contained in Schedule I. to these rules. The district committee may require any employé at present in the service of the Colonial Sugar-refining Company (Limited) who does not join the society within three months from the date hereof, or any new entrant, to produce a certificate of good health to their satisfaction from a medical man appointed by them before admitting to full membership. Employés receiving wages of less than £1 weekly may, at their option, contribute at half-rates and receive half benefits. Members other than those temporarily engaged at the mills shall be immediately eligible for all benefits under these rules, but subject to the limitation of sick-pay to be granted to new members during the first quarter of membership, and subject to the approval of the district committee after three months' service. Members temporarily engaged at the mills shall be at once eligible for full benefits without any

restriction whatever. The production of their clearance and payment of arrears, if any, shall entitle members to participate at any branch in all the benefits granted by the society on the same terms as before. Natives of India, China, Japan, Malaysia, or Polynesia shall not be eligible for membership.

21. The rates of contribution shall be as follows :—*Scale A: 6d. per week; payable monthly in advance, insuring sick-pay, funeral allowance, maintenance in hospital. Scale B: Not less than 2d. per week; payable monthly in advance, insuring medical attendance and medicines to subscribing members; registration-fee of 1s. to be paid by each member subscribing under this scale. Scale C: Not less than 4d. per week; payable monthly in advance, insuring medical attendance and medicines to the families of members; registration-fee of 1s. for each adult and 6d. for each child to be paid for each person to be entitled to benefit under this rule. Scale D: 1s. per quarter; payable in advance, insuring funeral allowance on the death of the wives or widowed mothers or children of members; registration-fee of 1s. for each adult and 6d. for each child to be paid for each person to be entitled to benefit under this rule, if not already registered under Scale C. Only members subscribing under Scale A can avail themselves of the advantages of the other scales.

22. In the event of there being undue expense or difficulty in obtaining a doctor's certificate as to the illness of any member, and in all cases of evident incapacity for duty, the local manager of the company's works may, on the report of two members of the district committee, himself issue such certificate. No certificates of sickness shall be antedated.

23. Sick-pay shall commence from the date of the certificate of sickness, and shall be at the rate of £1 per week for the first twenty-six weeks of illness, 12s. 6d. per week for the next twenty-six weeks of illness, and 7s. 6d. per week thereafter, at the discretion of the district committee. No sick-pay shall be granted for illness of less than three days' duration, or to members whose wages are paid either wholly or in part by the company during sickness, or whose incapacity is the result of drunkenness, immorality, or any disease or bodily infirmity which may have been present on the member joining the society. When practicable, sick members shall, once weekly, make personal application to the district secretary for the amount due, but in no case shall payments for sick-pay be made otherwise than by a member of the district committee to the sick person entitled to receive such. Members other than those employed for the season at the mills shall not be entitled to receive more than £4 on account of sick-pay during the first quarter of membership, unless their illness be the result of accident sustained whilst engaged at the company's work, under which circumstances the certificate of the manager of the company's works shall be deemed sufficient but in ordinary cases of sickness during the first quarter of membership no relief whatever shall be granted without production of a certificate of sickness from a medical man, as hereafter provided. Any member employed for the season only at one of the mills, who is in receipt of sick-pay when his fellow-workers are paid off, shall only be entitled to relief for four weeks thereafter; provided, however, that he shall then have received at least £1 for every shilling subscribed by him to the society during the past crushing season. Should any member in receipt of sick-pay recover, but again become ill within six calendar months, he shall be placed in the same position as regards sick-pay as if his illness had been continuous from the first. Before granting sick-pay the district committee shall be entitled to call for a certificate of sickness, to be provided by a medical man appointed by them, and at any time thereafter during the continuation of relief, the granting of which shall always be subject to their being satisfied as to the continued ill-health of the applicant. Members of other benefit societies may claim relief without further doctor's certificate on production of evidence of their claim for sick-pay having been recognised by any other benefit society. The fees for the examination of applicants for sick-pay who may be required to provide medical certificates shall be paid by the applicant if he be not already subscribing for medical attendance. During the continuation of sick-pay to a member the subscriptions due shall be deducted from the amount of such sick-pay. In the event of the health of any member being so much affected as to render his return to the service improbable the district committee may, with the consent of the sick member, submit to the trustees their recommendation for the payment of a single sum, based on a sick person's record of membership and previous benefit received, in satisfaction of all claims of the society on his account; but the amount so to be granted shall be left entirely to the discretion of the trustees.

24. Any member being incapacitated by sickness or accident, and being desirous of participation in the benefits of the society, shall give notice to the district committee within forty-eight hours from the date of his certificate of sickness, and on recovery at once acquaint the district secretary of his resumption of work, when his sick-pay shall cease. No member in receipt of sick-pay may absent himself from his home between sunset and sunrise without the written consent of the district committee.

25. Any member working or otherwise imposing on the funds of the society whilst in receipt of sick-pay, or doing anything to retard his recovery, shall, at the discretion of the district committee, be suspended from all benefits, subject to appeal to the arbitration committee. The performance of any work having a monetary value shall be deemed an imposture under these rules. In all cases of supposed imposition on the funds the district committee shall report the circumstances of the case to the trustees.

26. The district committee may pay the sum of 10s. weekly to any hospital towards the support of a sick member, an inmate thereof, whose admission has been recommended by them. This sum shall be in addition to the amount of sick-pay for which the member may be otherwise eligible.

27. The following amounts shall be paid to the next legal representatives of those in respect of whose deaths claims are payable by the society: On the death of a member, £15; on the death of a member's wife or the widowed mother of an unmarried member, residing with him, £10; on the death of a member's child over three and under fourteen years, or unmarried member's brother or sister, between three and fourteen years of age, residing with him, £2. Payments only to be made on production of a duly attested certificate of death. Any amount due under these rules which is not claimed within thirty days from the date of death shall be forfeited to the society.

28. The district committee shall be at liberty to give one month's notice of their intention to bring up the case of any member who, through his own habitual misconduct or neglect, may probably become a charge on the funds; and thereafter at their next meeting, on the decision of a two-thirds majority of the votes of the members then present, they may refund such member the amount of his own contributions, provided that he has received no sick-pay from the society during his term of membership; or the amount of his own contributions since last in receipt of sick-pay; and such member shall have no further claim on the society.

29. At the request of at least ten of the local members each district committee may appoint one or more medical officers for the purposes of the society. The rate of contribution payable by those desiring such benefit shall be not less than 2d. per week for subscribing members and not less than 4d. per week for the families of members, but the entire cost at each branch shall be borne wholly by the local members subscribing under Scales B and C. No medical officer shall be appointed unless he be duly qualified and enrolled as such by a recognised medical board, and he shall, within seven days of appointment, sign an agreement as per Form No. IX. Each district committee shall make their own arrangements with doctors as to length of engagement and payment of fees. A return shall be furnished to the medical officer by the district secretary quarterly, specifying what members are entitled to his services during the ensuing quarter. The duties of the medical officer of each branch shall be to provide (if required) medicines other than patent medicines and to give his best professional attendance to the sick, and visit at their residence any that may not be able to attend at his house, or whose going out might endanger or retard their recovery, and to provide surgical and medical aid and medicine (if required) to members, their wives and families up to seventeen years of age. He shall have stated times when he may be consulted at his own residence, but in cases of emergency he shall attend when required, if possible, or provide a duly qualified substitute. He shall attend, when required, the widowed mothers and family up to seventeen years of age of unmarried members. He shall visit all sick members registered

* Under an agreement made between the committee of management of the employes benefit society and the Colonial Sugar-refining Company (Limited), the latter undertake to pay, on behalf of members in their service, one-half of the subscriptions levied under Scale A, thus reducing the members' payments under that scale to 3d. per week, which sum insures sick-pay, funeral allowance, and hospital subsidy, in accordance with the rules.

with him at least once in each week, and sign a printed form on each visit, such form being provided by the secretary of the branch to which the member belongs. Any member requiring the services of a medical officer for an accouchment case shall give at least fourteen days' notice to the district secretary, who shall inform the medical officer that his services have been retained for such case, and an extra fee of £1 1s. shall be paid to the secretary on notice being given, and the society shall pay this sum to the medical officer at the next monthly settlement. The time for attendance on an accouchment case shall be nine days from the day of birth. In addition to the cases of those subscribing for medical attendance the medical officer shall report on the state of health of any other members of the society when requested to do so in writing by the district secretary, and he shall receive from the society the sum of 5s. for each certificate granted to such persons attending at his house, and such sum as may be agreed upon for each certificate granted in the cases of those unable so to attend. All disbursements for medical certificates granted in the cases of those not subscribing under Scale B shall be at the expense of the members in question, who shall refund the amount to the society from their next payment for sick-pay or otherwise, the society paying the medical officer at the next monthly settlement.

30. Any member, not coming within the provisions of Rule 32, who is discharged from the company's employment, and is not in receipt of relief, shall thereupon cease to have any interest in the society, and shall be repaid one half the amount credited to him under Scale A, provided that he has received no sick-pay from the society during his term of membership; but there shall be no refund to any member who has been in receipt of sick-pay, or who has voluntarily resigned from the service of the Colonial Sugar-refining Company (Limited) before completion of five years continuous membership, or who may elect to discontinue his subscription to the society. Members leaving the service of their own accord after contributing for five years continuously shall be entitled to a refund of one-half the amount paid by them under Scale A, less the amount of benefits already received by them. Any member being entitled to a refund of his contributions under these rules, and not making application for the same within thirty days after leaving the service, shall forfeit all claim on the amount.

31. Any member whose employment at a sugar-mill terminates at the end of the crushing season may, at his option, obtain a refund of his contributions under the preceding rule, or allow his membership to remain in abeyance until he is again employed by the company, when he may resume the payment of his subscription, and be at once entitled to the full benefits of membership, provided that it shall be the care of the member to obtain an indorsement of his contribution-book to the above effect, which shall be the only authority subsequently recognised for any claim under this rule.

32. It shall be lawful for members who may resign or be discharged from the service of the Colonial Sugar-refining Company (Limited), and who have attained the age of forty years after contributing continuously for five years, or who have attained the age of thirty-five years after contributing continuously for ten years, to elect to continue the payment of their subscriptions to the society, and such members shall thereafter be eligible for relief on the same terms as before, and shall be bound by the rules in force for the time being in the same manner as if they were still in the employment of the aforesaid company.

33. Members over two months in arrears shall forfeit all claims on the society, and the society shall not be held responsible for any loss which may accrue to members through non-payment of their contributions.

34. Any member wilfully making a false declaration in respect of any particulars which may be required for the purposes of the society shall, on proof thereof being furnished to the district committee, be suspended from all benefits pending report to the trustees, who may expel him from the society, and forfeit all amounts paid by him.

35. Any matters of doubt as to the interpretation of these rules shall be referred to the trustees, whose decision shall be final; and if any dispute should arise between any member or person claiming through or under a member, or under the rules of the society, or the executors, administrators, nominee or assigns of a member, and the trustees, treasurer, or other officer of the society, or the committee of management thereof, it shall be referred to arbitration. At the second meeting of the society after these rules are certified by the Registrar five arbitrators shall be named and elected, none of them being directly or indirectly beneficially interested in the funds of the society; and in each case of dispute the names of the arbitrators shall be written on pieces of paper, and placed in a box or glass, and the three whose names are first drawn out by the complaining party, or by some one appointed by him, shall be the arbitrators to decide the matter in difference. In case of a vacancy or vacancies, another or others shall be elected at a general meeting.

36. Subscribers desiring the amendment of any rule shall give notice of the proposed alteration at least three months before the next half-yearly meeting of the local members, when such proposal shall be considered, and, in the event of the amendment being adopted by such meeting, particulars thereof shall be forwarded to the committee of management, who shall submit the proposed alteration for the consideration of the Registrar of Friendly Societies, provided that it be first approved by a majority of the members of the other branches.

In case of any alterations or additions being made in this deed as hereinbefore provided, a copy of the same shall be forwarded to the chairman of the district committee at each branch, and thereupon such alteration or additions shall be read and construed as if originally inserted in these rules.

We, the undersigned, do hereby certify the foregoing rules to be the rules adopted by the benefit society of the employes of the Colonial Sugar-refining Company (Limited).

RICHARD BURNS }
RICHARD CLARE } Trustees.
JOHN WILSON }
JAMES KILLIP }

THOMAS HUGHES, Secretary and Treasurer.

I hereby certify that the foregoing rules of the benefit society of the employes of the colonial Sugar-refining Company (Limited), at Sydney, are in conformity with law, and that the society is duly established from the present date, and is subject to the provisions and entitled to the privileges of "The Friendly Societies Act, 1873."

Dated this 22nd day of March, 1893.

T. A. COGHLAN, Registrar of Friendly Societies.

EXHIBIT 51.

BENEFIT SOCIETY OF THE EMPLOYÉS OF THE COLONIAL SUGAR-REFINING COMPANY (LIMITED).

FOURTH ANNUAL REPORT.

THE committee of management now place before the subscribers the fourth balance-sheet and report on the working of the society for the year ended 31st December, 1896.

The income from all sources has been £3,578 9s. 2d., of which the company contributed £1,173 15s. 10d. under Scale A, and, after expending £2,750 15s. 9d. for the various objects of the society, and allowing £175 for repayments to be made at the close of the season at Broadwater and Condong, there remains a sum of £652 13s. 5d. to add to the accrued funds.

Sick-pay amounting to £1,451 3s. 4d. has been disbursed among 587 members, the average duration of sickness being sixteen days, and, in addition, a sum of £39 3s. 4d. has been granted for the maintenance of various cases in the hospitals.

Seven members and one member's child have died, and £89 2s. 10d. has been paid for funeral allowances.

The sum of £137 14s. 8d. has been refunded to those who left the service without having made any claim on the funds.

R. BURNS, Chairman.
H. W. WARDEN, Secretary.

O'Connell Street, Sydney, 23rd March, 1897.

STATEMENT OF RECEIPTS AND EXPENDITURE FOR YEAR ENDED 31ST DECEMBER, 1896.

	Scale A.				Scale B.		Scale C.		Scale D.		Scales B, C, D.		Scale A.		Synopsis of Funds.				
	Receipts.		Expenditure.		Funds on 1st Jan., 1896.		Capital per Head.		Receipts.		Expenditure.		Funds on 1st Jan., 1896.			Funds on 31st Dec., 1896.			
	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.		£	s. d.	£	s. d.
Pyrmont	410	7 9	404	2 10	391	15 7	1 7 4	57	16 0	117	9 6	101	2 3	89	18 4	398	0 6	538	3 0
Yarraville	229	5 6	175	16 1	50	12 4	0 10 9	23	11 10	11	3 4	10	1 0	27	8 4	104	1 9	142	2 3
Chelsea	118	13 1	135	8 2	89	14 1	0 6 5	..	..	..	..	..	..	..	..	72	19 0	72	19 0
Glanville	82	14 1	90	7 5	114	8 0	1 1 11	..	..	..	..	..	..	..	..	106	14 8	106	14 8
New Farm	88	10 1	56	16 2	130	9 1	2 10 8	15	5 4	21	7 10	21	15 11	..	..	162	3 0	169	17 7
Harwood	227	16 9	185	10 0	302	17 9	10 5 9	133	12 8	4	19 10	4	15 8	..	..	345	4 6	415	14 0
Broadwater	511	19 3	288	3 5	418	2 7	1 1 1	296	8 2	45	1 6	34	13 0	..	..	641	18 5	845	5 8
Condong	258	12 1	93	12 3	226	11 8	1 9 10	22	13 4	11	9 10	11	6 2	..	..	391	11 6	419	19 0
Homebush	89	1 4	55	5 5	231	17 5	7 16 3	..	..	..	..	..	..	..	..	265	13 4	265	13 4
Victoria	137	3 1	105	4 7	148	11 7	2 4 7	16	0 9	11	5 6	14	19 10	..	..	180	10 1	193	9 2
Goondi	123	15 9	71	2 0	148	18 7	2 15 3	..	..	..	..	..	..	..	..	201	12 4	201	12 4
Childers	151	11 4	111	18 4	63	19 3	4 10 1	102	5 2	..	..	..	..	..	..	103	12 3	127	0 1
Nausori	40	14 3	46	5 8	31	11 10	0 15 4	12	9 4	8	8 2	20	5 0	..	..	26	0 5	26	0 5
Rarawai	51	7 11	50	17 10	18	1 7	0 14 10	40	7 0	6	3 0	2	15 2	..	..	18	11 8	18	17 6
Labasa	93	14 6	7	4 10	..	..	0 14 5	12	16 0	0	8 0	10	5 0	..	..	19	18 4	12	17 4
Nausori	2,555	6 9	1,877	15 0	2,367	11 4	1 11 10	733	5 7	237	16 6	231	19 0	52	0 4	3,088	11 9	3,529	11 7
Labasa	..	..	..	..	6	11 4	..	..	..	..	..	..	..	..	..	..	..	9	2 8
Totals	2,555	6 9	1,877	15 0	2,361	0 0	1 11 10	733	5 7	237	16 6	231	19 0	52	0 4	3,088	11 9	3,519	5 6

EXHIBIT 53.

EMPLOYÉES' PROVIDENT FUND OF THE COLONIAL SUGAR-REFINING COMPANY (LIMITED).

RULES AND REGULATIONS.

This indenture, made the 9th day of September, 1890, between the Colonial Sugar-refining Company (Limited), duly registered under the provisions of "The Companies Act, 1874" (hereinafter called "the said company"), of the first part; Edward William Knox, Waldemar Henrik Rothe, Thomas Utrick Walton, George Henry Robinson, and William Dickey (hereinafter called "the trustees") of the second part; and the employés of the company subscribing to the employés' provident fund, hereinafter referred to, who are now or may hereafter be on the staff or otherwise in the employ of the company, and whose names are given or intended to be given in the schedule hereto (hereinafter called "the subscribers"), of the third part: Whereas it has been resolved by the company that an employés' provident fund should be instituted in lieu of the provident fund now in existence (hereinafter referred to as "the old fund"), which is limited to portion only of the staff of the said company, and which it is intended to wind up and discontinue, and towards which employés' provident fund the company should give a donation of £2,000, besides a further monthly subscription equal to the subscribers' contributions to such fund for the same period, but not exceeding the sum of £3,000 in any one year. And, further, that such of the present employés as may desire to participate in the benefits of the said fund, and all other employés who at any future time may, under the following rules, be admitted as subscribers, should contribute 2½ per cent. per annum, or such further or lesser percentage of their respective salaries and allowances or wages as is hereafter provided, towards keeping up and providing funds for the increase, support, and better working of the said fund: And whereas it is desirable that the rules and regulations, conditions, provisions, and agreements with regard to such fund should be clearly set out: Now this indenture witnesseth that, in pursuance of the aforesaid resolution, and in consideration of the premises and of the sum of £2,000 in pursuance of the aforesaid resolution, paid by the company to the trustees, it is hereby mutually agreed by and between the said parties hereto as follows:—

1. The objects of the fund shall be to provide life insurance and pensions for the permanent employés of the company subscribers thereto.

2. The fund shall be under the control and management of five trustees—namely, the general manager or acting general manager of the company, who shall be chairman of the trustees; two trustees to be elected every three years by ballot by the subscribers to the fund in the Sydney office of the company from the following officers of the company—namely, the secretary, the manager of the Pyrmont Refinery, the chief clerk, the principal chemist, the head book-keeper, and the head draughtsman; and two trustees, to be foremen at Pyrmont Refinery, in receipt of weekly wages, but not being members of the local committee, to be chosen by the directors of the company, one of them retiring each year, and not being eligible for re-election for twelve months subsequent to such retirement. The first trustees of the fund shall be Edward William Knox, Waldemar Henrik Rothe, Thomas Utrick Walton, George Henry Robinson, and William Dickey, all of whom at the present time fulfil the respective requirements before mentioned.

3. The trustees elected by the subscribers in the Sydney office shall be eligible for re-election, and in case of any extraordinary vacancy occurring in the trust the remaining trustees, or a majority of them, shall elect another trustee, who shall retire at the expiration of his predecessor's term of office.

4. The amount standing at the credit of the members of the old fund intended to be wound up and discontinued shall be transferred to the new fund, with the exception of such sum or sums contributed by any subscriber or subscribers to the old fund who decline to become subscribers to the new fund. The subscribers to the old fund who shall elect to become subscribers to the new fund shall have the right to apply the amount respectively subscribed by them to such fund, with interest thereon, to dating back their membership in the new fund, in accordance with the scheme prepared and submitted by the trustees of the old fund to such subscribers; but no subscriber shall be allowed to date back beyond the time at which he entered the service of the company.

5. The said sum of £2,000, together with the amount to be transferred to the credit of the fund in accordance with the provisions of the last foregoing clause, and all donations, contributions and payments, interest, income, accretions, accumulations, and profits whatsoever arising from or made in connection with the said fund, shall be invested by the trustees on deposit with the company, and shall bear interest at the rate of 6 per cent. per annum, calculated on the monthly balance at the credit of the fund; but the trustees shall have the option of investing one-fourth of the amount for the time being at the credit of the fund in the purchase of fully-paid-up shares in the company, at such price as will give a return of at least 7 per cent. per annum at the then current rate of dividend. The trustees shall have full liberty from time to time to transpose any such investments, and for that purpose they shall have power to sign, seal, execute, and deliver all transfers, receipts, discharges, releases, or other documents whatsoever, for the better and more effectually enabling them to deal with such investments; but no liability shall in anywise attach to the said trustees in respect of any losses in connection with any investments hereunder or otherwise howsoever.

6. Meetings of the the trustees shall be held half-yearly, or oftener if deemed necessary, at which meetings three of the trustees shall form a quorum, but one of those present must be a trustee elected by the subscribers and one a trustee appointed by the directors. Every question shall be decided by a majority of votes, and the chairman shall, in addition to his ordinary vote, have a casting-vote. Two days' notice shall be given to each trustee of all such meetings.

7. The trustees shall have the complete management and control of all matters, things, and proceedings in connection with the fund which is to be administered in accordance with these presents.

8. At each refinery and sugar-mill of the company the details of business in connection with the administration of the fund shall be managed by a local committee acting under the direction of the trustees, and under rules framed by them.

9. Each local committee shall consist of the local manager and chief engineer for the time being, and of two of the local foremen, the latter to be elected annually by the subscribers at each refinery or sugar-mill, the first such election to take place within three months of the date hereof.

10. The trustees shall keep proper books of account, showing all receipts and disbursements in connection with the said fund; shall once every year prepare a balance-sheet showing the state of the fund, circulating the same among the subscribers; and shall, out of the moneys from time to time coming to their hands, defray all clerical, actuarial, legal, and medical fees charged, and all other expenditure which shall, at the discretion of the said trustees, be deemed necessary or expedient in the administration or management of the said fund.

11. The company may, and the trustees are hereby empowered, if they deem it necessary, to call upon all subscribers, with all reasonable despatch, to execute these presents, or any copy thereof as hereinafter provided; but notwithstanding the non-execution of these presents, or any copy thereof, by any present or future subscriber, he shall, from the mere fact of his being or becoming a subscriber to the fund, be bound by these presents and the rules and provisions herein contained, or by any future amendment thereof or addition thereto, as fully as if he had executed these presents or a copy thereof.

Rules and Regulations in Connection with the Objects of the Fund.

12. The general manager of the company shall not be a subscriber to the fund.

13. Subscription to the fund shall be optional for all employés in the service of the company at the date hereof, but compulsory, subject to the restrictions hereinafter appearing, for every person who shall at any time hereafter, being under the age of thirty-three years, be admitted to the salaried staff, and who shall pass a satisfactory examination by a medical man approved by the trustees.

14. The trustees may require any employé in receipt of weekly wages at present in the service of the company who wishes to subscribe to the fund, and has not been ten years in the service of the company, to produce a medical

certificate as to his health, and shall not admit any such employé who is of intemperate habits or in unsound bodily health, and may, without assigning any reason, reject any intending subscriber otherwise eligible under these presents.

15. No employé in receipt of weekly wages shall be permitted to subscribe to the fund until he shall have been for a period of two years in the constant employment of the company, excepting, nevertheless, apprentices, who shall be permitted to subscribe after six months' service.

16. No employé in the service of the company who is over fifty years of age shall be permitted to subscribe to the fund unless at the date hereof he shall have been for a continuous period of ten years in the service of the company, except on payment of such increased contribution to the fund as the trustees may decide. Service in the Victoria Sugar Company or the New Zealand Sugar Company (Limited) shall, for the purposes of this rule, be considered as equivalent to service in the company.

17. Any employé at present in the service of the company who is over thirty-three years of age, and who wishes to subscribe to the fund, shall, unless he becomes a subscriber within three months from the date hereof, pay such increased contributions as the trustees may decide, but no employé who commences to subscribe after attaining the age of forty-five shall be entitled to a pension.

18. Subscribers on the salaried staff shall contribute $2\frac{1}{2}$ per cent. per annum, or such greater or lesser sum as may be determined by the trustees as aforesaid under the present and the two foregoing rules, calculated on the salaries and allowances they receive from the company, but during the first ten years from the date hereof the maximum monthly subscriptions from any one employé shall be £1 11s. 3d. from employés under thirty-three years of age at the date of their becoming subscribers to the fund and £1 0s. 10d. from employés over that age at such date. Subscribers in receipt of weekly wages shall contribute in accordance with the following scheme, unless the rates be altered by the trustees, as provided for under the present and the two foregoing rules:—

Ordinary Rate of Weekly Wages.		Amount of Weekly Contribution.	
Not exceeding £1	.. ..	6d.	
Over £1, but not exceeding £1 10s.	.. ..	6d. or 9d.,	in the option of the subscriber.
" £1 10s.,	" £2	9d. or 1s.,	"
" £2,	" £2 10s.	1s. or 1s. 3d.,	"
" £2 10s.,	" £3	1s. 3d. or 1s. 6d.,	"
" £3,	" £3 10s.	1s. 6d. or 1s. 9d.,	"
" £3 10s.,	" £4	1s. 9d. or 2s.,	"
" £4	.. ..	$2\frac{1}{2}$ per cent. of ordinary wages.	"

Should the subscriptions exceed the sum contributed by the company under Rule 19 in any one year the trustees may restrict the admission of employés as subscribers, or reduce the annual contribution of subscribers.

19. The company shall place to the credit of the fund monthly a sum equal to the subscribers' contributions for such month to the fund, but so that such subscription shall not exceed the sum of £3,000 in any one year.

20. All contributions to the fund shall be deducted by the company at the rate hereinbefore provided from the monthly payment of salaries, and the weekly payment of wages, as the case may be, and shall be paid to the trustees, or to the person or persons appointed by them to receive the same, or otherwise credited to the fund.

21. Every person who commenced to subscribe to the fund before attaining the age of forty-five years shall, on attaining the age of sixty years, or at an earlier period should he come within the provisions of Rule 23, or on becoming disabled or incapacitated from further service, after subscribing for ten years, be entitled to retire on a pension, the amount whereof shall be actuarially determined once at least in every five years, and shall be based on the amount and period of contribution of such member: Provided that the trustees shall be at liberty, in their discretion, to withhold such pension, or any part thereof, from any subscriber who is disabled or incapacitated through his own habitual misconduct or neglect: And provided, also, that, however far a subscriber may date back his membership in accordance with Rule 4, no pension shall be paid until five years from the date hereof.

22. All pensions shall be paid weekly or monthly, as the case may be, at the usual time of payment of wages or salaries.

23. In deciding the amount of the pension to be paid to any subscriber, length of service in the tropics shall be taken as equal to one-third more than the same period of service elsewhere, or, in lieu thereof, a subscriber shall, for every year of such service, be entitled to retire four months earlier than the age of sixty years on a pension calculated on his actual period of contribution.

24. Every question as to disablement or incapacity for further service shall be decided by the trustees on receipt of a report by a medical officer approved by them, but in the event of the health of any subscriber who has retired so disabled or incapacitated becoming restored, so as to enable him to perform his duties, or any other duties for which he may be qualified, at his former salary or wages, his pension may be discontinued, and he may be called upon by the trustees, with the concurrence of the board of directors, to resume such duties, and again become a subscriber to the fund, and if he decline to do so he shall forfeit his right to such pension and all other his rights and benefits under these presents.

25. In the event of any subscriber in receipt of a pension dying before he has received double the amount of his own contributions to the fund the difference between the amount received by him and double the amount of such contribution shall be paid to his legal representatives.

26. On the death of any subscriber who is not at the time in receipt of a pension the trustees shall pay to his legal representatives a sum equal to the average yearly salary and allowances or wages upon which the subscription has been paid by deceased during membership.

27. The trustees shall pay the amount due to the legal representatives of a deceased subscriber either in one sum or by instalments, at their discretion.

28. If no legal representative of a deceased subscriber be known, the trustees shall have power to hand the moneys which such legal representatives, had they been known, would have been entitled to receive to any person or persons who shall in their opinion be entitled to receive the same.

29. In the event of the sickness of any subscriber his subscription may, at the discretion of the trustees, remain in abeyance for and during such period as the said trustees may limit or appoint, but such period shall be deducted from his term of membership, unless he pay subsequently the subscription for such period, together with interest thereon at the rate of 6 per cent. per annum.

30. In the event of the death of a subscriber whose subscription has been allowed to remain in abeyance, in terms of the last foregoing clause, the trustees shall, after deducting the amount of subscription in arrear at the time of the death of such subscriber, and interest at the rate aforesaid, pay to his legal representatives the amount which would have been payable to them had such subscriptions been paid up to the time of the subscriber's death.

31. Any subscriber voluntarily leaving the service of the company, but not in order to escape dismissal for fraud or dishonesty, after being a subscriber to the fund for a period of less than five years, shall have the right to receive one-half the amount he shall have contributed to the fund, without interest, and no more; but shall have the right to receive back the whole of his own contributions, if any, that have been transferred from the old fund. Any subscriber voluntarily leaving the service of the said company, but not in order to escape dismissal for fraud or dishonesty, after being a subscriber to the fund for a period of or exceeding five years, and any subscriber dismissed by the company, or required to resign his position, for any cause other than fraud or dishonesty, shall have the right to receive the whole of the amount of his contributions to the fund, without interest.

32. Any subscriber dismissed by the company for fraud or dishonesty, or retiring in order to escape dismissal for fraud or dishonesty, shall forfeit all claims on the fund, and all losses sustained by the company through the fraud or dishonesty of such subscriber shall be made good by the trustees out of the said fund up to three times the amount of his own contributions.

33. If any subscriber to the fund shall become bankrupt or insolvent, or assign his estate for the benefit of his creditors, or shall alienate or charge his interest in the fund, or any part thereof, or attempt to do so, or if any event shall happen during his lifetime which shall disentitle him personally from participating in the benefits conferred by the said fund, he shall forfeit his interest in the said fund until he shall have obtained a discharge or release from the Court or other the proper parties, or shall otherwise be in a position to personally participate in the benefits conferred by the said fund, free from the claims of Official Assignee or creditors whatsoever, and pending such event any moneys which otherwise would have been payable to him may, at the discretion of the said trustees, be paid over to or applied for the benefit of any other person or persons whom the said trustees may in their discretion consider entitled to them.

34. Any subscriber who absents himself from his employment for a period of one week without leave from the company or its representative shall be deemed to have resigned from the service of the company, and shall be dealt with accordingly; but, in the event of his re-engagement, the trustees shall have power to reinstate him in his position as subscriber to the fund upon such terms as they may see fit.

Miscellaneous Provisions.

35. Nothing in these presents contained shall be deemed in any way to affect, prejudice, or alter the powers of the company with regard to the dismissal, remuneration, or any dealings whatsoever with their employes for the time being subscribers to the fund.

36. The trustees, or a majority of them, may at any time add to or alter the present provisions of this deed, and may add fresh provisions thereto, provided that such alterations or additions shall first receive the sanction of the board of directors of the company, and the approval of a majority of the local committees.

37. The signatures of three trustees, one of whom shall be the general manager, or acting general manager, shall be necessary for the payment of any moneys out of the fund.

38. Nothing in these presents contained shall be construed as importing any personal or other liability with regard to the said fund on the part of the said trustees, but the said fund shall be solely and entirely liable for any act, matter, or thing arising hereunder; nor shall anything herein be construed as rendering the company in anywise liable or responsible for anything whatever which may be done or omitted in these presents.

39. If there shall arise any dispute or doubt as to the interpretation of any of the provisions of this deed, or the rights of any parties thereto, between a subscriber and any one of the local committees, or between a subscriber and the trustees, the decision of such dispute or doubt shall be wholly and finally with the trustees, who may nevertheless in their discretion allow an appeal from their decision to the chairman of the board of directors of the company, whose decision shall be final and conclusive. Any subscriber refusing to abide by such decision, or taking legal proceedings in respect of any matter or thing connected with his interest in the fund, shall *ipso facto* absolutely forfeit such interest.

40. Any receipt given by any person to whom the trustees or the officer authorised by them shall pay any sum due on account of any of the benefits accruing hereunder shall be an absolute discharge to the said fund.

41. A copy of this deed shall be kept at every office other than the principal office, and at every refinery and mill of the said company, and shall, where practicable, be duly executed by the subscribers to the fund for the time being connected with such office, refinery, or mill respectively, and the execution of such copies respectively shall to all intents and purposes be as binding and effectual upon the executors as if they had executed the original; and, in case of any alterations or additions being made in this deed as hereinbefore provided, a copy of the same shall be forwarded to the principal officer in charge at every such office, refinery, or mill, or to the local committee, and shall be attached to or annexed to the copy of this deed kept at such office, refinery, or mill, and thereupon such alterations or additions shall be read and construed as if originally inserted in this deed and each copy thereof. Each copy of this deed, and all alterations and additions thereto, shall be certified by the secretary of the company in Sydney as correct, and such certificate shall be conclusive evidence of such correctness.

In witness whereof the common seal of the said company was hereunto affixed, and the other parties hereto have hereunto set their hands and seals the day and year first before written.

The common seal of the Colonial Sugar-refining Company (Limited) was affixed hereto by the directors present at and forming a board of directors of the said company held the 9th day of September, 1890, in the presence of—
EDW. W. KNOX, General Manager.

EDW. KNOX, F. C. GRIFFITHS, WALTER LAMB, WALTER C. WATT, THOS. BUCKLAND,	} Directors.	EDW. W. KNOX, W. H. ROTHE, T. U. WALTON, GEORGE HENRY ROBINSON, WILLIAM DICKEY,	} Trustees.
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EXHIBIT 54.

EMPLOYÉS' PROVIDENT FUND OF THE COLONIAL SUGAR REFINING-COMPANY (LIMITED).

SIXTH ANNUAL REPORT.

THE trustees now place before the subscribers a statement of accounts and report on the working of the fund for the past year.

Subscriptions have been received from 956 contributors, of whom 843 were admitted prior to last report, and 113 are new subscribers accepted during the year. Of this number, ninety have retired from the service, and six have died, leaving 860 employes now on the books. The six death claims received were:—

Name.	Age.	Branch.	Joined.	Died.	Amount of Claim.
1. J. Waterson	44	Pymont ..	September, 1890..	November, 1895..	£ 104 0 0
2. C. A. Smith	27	Condong ..	February, 1894 ..	November, 1895..	143 0 0
3. M. R. Raphael	37	Goondi ..	*April, 1886 ..	February, 1896 ..	273 9 1
4. C. N. Stephens	54	Harwood ..	*October, 1882 ..	March, 1896 ..	500 0 0
5. J. W. Fowler	41	Goondi ..	November, 1890 ..	April, 1896 ..	222 10 0
6. W. Walker	17	Yarraville ..	April, 1895 ..	May, 1896 ..	52 0 0
					£1,294 19 1

* Subscribers to former Officers' Provident Fund.

The fund now holds 905 fully-paid shares in the company, the average book cost of which is £24 14s. 3d. per share.

The first actuarial investigation on the working of the fund for the five years ended 30th June, 1895, was undertaken by Mr. E. M. Moors, M.A., A.I.A., and completed in December. He reports as follows:—

“I find that the fund is at present sufficient to allow of pensions to be paid to members entitled to such (other than those who have served in the tropics) at the rate of $\frac{1}{100}$ for each year of service, of the average yearly salary

and emoluments upon which subscriptions have been paid, such pensions to be entered upon at age sixty or earlier, in accordance with the provisions of Rule 21, in case of members disabled or incapacitated after ten years of service.

"In accordance with the provisions of Rule 23, each year of service in the tropics has been taken as equal to one year and one-third of service elsewhere, so that for each year of service in the tropics the fraction $\frac{1}{10}$ will be replaced by $\frac{4}{30}$ in calculating the amount of the pension payable on retirement at age sixty. The member also has the option of retiring four months earlier than the age of sixty years for each such year of service on a pension calculated on the actual period of contribution.

"The amount of these pensions has been based on the assumption that the company will contribute pound for pound of the members' contributions, and no reduction of the annual contributions of the subscribers should be made, as mentioned at the end of Rule 18, without reference to the amount of the pensions as fixed in the last actuarial report. It has also been assumed that the subscribers on weekly wages have in every case contributed $2\frac{1}{2}$ per cent. of their yearly wage to the fund; those who, in accordance with Rule 18, have paid less than this percentage will only be entitled to pensions decreased in proportion.

"I beg to call attention to the unequal values of the options allowed to subscribers in the tropics under Rule 23. The value of the pension on retirement at age sixty of 33 per cent. more than the normal is very much less than the value of the smaller pension to be entered upon at an earlier age. A member entering at age twenty at a uniform salary throughout of £100 would on retirement at age sixty be entitled to a pension of £53, the value of which at the time of entry is £43. He also has the option of retiring at age fifty on a pension of £30, the value of which at the time of entry is £59. In addition to this there would be ten years less payments to be made to the fund in this latter case.

"If any extra benefit is to be continued to be allowed to subscribers in the tropics this large discrepancy in the options allowed should be removed. These options have necessitated an additional reserve of many thousand pounds. Had it not been for this large 'tropical reserve,' the normal pensions could be very largely increased at the younger ages, almost doubled, in fact, at the youngest age at entry.

"Due provision has been made for the requisite payments on the death of subscribers in accordance with Rules 25 and 26, and this latter rule has been so read as to include the only benefit which the subscribers other than those entitled to pensions will receive.

"The rate of interest assumed has been 5 per cent. throughout. Although at the present time the funds are being accumulated at something over 7 per cent., I have not felt myself justified in assuming any higher rate than 5. The memorandum of 3rd January, 1893, and letter of 31st May, 1895, state that the funds shall, to the extent of one-half of the amount thereof, be invested on deposit with the company, and shall bear interest at the rate of 6 per cent. per annum, so that 6 per cent. is certain to be realised upon half the funds.

"With regard to the remainder of the funds invested in fully-paid-up shares of the company, or in such other investments as the trustees shall agree upon, it is, in my opinion, imprudent to assume that any higher rate than 4 per cent. will be realised throughout the natural life of the youngest member now on the funds. Consideration must also be given to the circumstances of the subscribers; they are not numerous, and their occupations require them to work to some extent in groups. Any sudden disaster might easily include many at once, and so involve a large increase in the assumed rates of mortality and disablement. If the assumed rate of interest were close up to the actual rate there would be but little reserve left to carry this unexpected load, and readjustment in the shape of lowering the amount of the pensions would probably be necessary. As it is, a continuance of the present rate of interest realised should lead to a very sensible increase in the amount of the pensions, as any interest actually realised over the valuation rate can easily and equitably be distributed among the subscribers at each quinquennial valuation.

"With regard to the benefit which may accrue to the fund from future retirements, voluntary or otherwise, no credit whatever has been taken in the valuation. Any benefit so arising can be dealt with at the next ensuing valuation."

In consequence of the actuary's report, and of the very strong recommendations made by him in the course of several interviews, the trustees felt it their duty to endeavour to remove the inequality involved in the tropical benefits. At the same time, they recognised that they could not, without some breach of faith, entirely abolish the provisions of Rule 23, and, after much consideration, they submitted for the approval of the various local committees an amendment, which has now been adopted, providing that subscribers residing in the tropics prior to the 1st March, 1896, shall continue to enjoy all their special privileges up to the date of leaving there; but, should they return after an absence of not less than six months, their contributions from that time will only entitle them to the same benefits as those of subscribers elsewhere; and that all members admitted to the fund after the 1st March, 1895, as well as those now living elsewhere than in the tropics, will not then, if transferred to or employed for tropical service, receive any special benefits in respect of such service.

With reference to the rate of pension fixed by the actuary, which is much below that expected when the fund was established, the trustees would point out two matters that have not, in their opinion, been taken sufficiently into account. In the first place, no allowance has been made for the sums that must in future revert to the fund through resignations from the company's service, though the revenue from this source, after repaying the contributions of the members in question, was, during the first five years, £2,500. Secondly, it has been assumed that the shares held by the trustees will only yield 4 per cent. interest on the money so invested, though at present they are yielding over 8 per cent. per annum. Another important consideration is that, while it has been found necessary to set apart nearly one-third of the assets as a reserve to provide for the special benefits allowed to tropical subscribers under Rule 23, the amendment recently adopted will have the effect of rendering a larger proportion of the funds available for ordinary pensions.

It is therefore expected that at the end of the present quinquennial period a higher rate will be possible, especially as it has been found that the London and North-western Railway Company, under a similar scheme to ours, has undertaken for the next twenty years to pay pensions at the rates shown in the following table:—

London and North-western Railway Scheme.

Years of Contribution completed.	Super-annuation in Percentage of Average Salary.	Years of Contribution completed.	Super-annuation in Percentage of Average Salary.	Years of Contribution completed.	Super-annuation in Percentage of Average Salary.	Years of Contribution completed.	Super-annuation in Percentage of Average Salary.
10	22 $\frac{1}{2}$	19	43 $\frac{1}{2}$	28	64 $\frac{1}{2}$	37	86 $\frac{1}{2}$
11	25	20	45 $\frac{1}{2}$	29	66 $\frac{1}{2}$	38	89 $\frac{1}{2}$
12	27 $\frac{1}{2}$	21	48	30	69 $\frac{1}{2}$	39	91 $\frac{1}{2}$
13	29 $\frac{1}{2}$	22	50	31	71 $\frac{1}{2}$	40	94 $\frac{1}{2}$
14	31 $\frac{1}{2}$	23	52 $\frac{1}{2}$	32	74	41	97 $\frac{1}{2}$
15	34 $\frac{1}{2}$	24	55	33	76 $\frac{1}{2}$	42	100
16	36 $\frac{1}{2}$	25	57 $\frac{1}{2}$	34	79	43	103
17	38 $\frac{1}{2}$	26	59 $\frac{1}{2}$	35	81 $\frac{1}{2}$	44	106
18	41	27	62	36	84	45	109
						and upwards	

The average age of the members of the fund now stand at 28·95 years as against 29·09 a year ago. The trustees would urge on all the local committees the importance of securing as subscribers any young employés who are not yet admitted as members of the fund, for it is of great importance that the average age should not increase.

EDW. W. KNOX, R. CLARE,
W. H. ROTHE, R. BURNS,
T. U. WALTON, Trustees.

BALANCE-SHEET FOR THE YEAR ENDING 30TH JUNE, 1896.

Receipts.				Disbursements.			
	Total for Five Years ending 30th June, 1895.	Year ending 30th June, 1896.	Total for Six Years ending 30th June, 1896.		Total for Five Years ending 30th June, 1895.	Year ending 30th June, 1896.	Total for Six Years ending 30th June, 1896.
	£ s. d.	£ s. d.	£ s. d.		£ s. d.	£ s. d.	£ s. d.
To Balance from old fund	5,738 10 4	..	5,738 10 4	By Death claims	3,814 14 3	1,294 19 1	5,109 13 4
Donations from company	2,733 1 0	..	2,733 1 0	Withdrawals	1,973 5 11	788 4 5	2,761 10 4
Subscribers' contributions	13,879 13 11	3,391 2 11	17,270 16 10	Payments under Rule 32	151 4 0	..	151 4 0
Company's contributions	13,879 13 11	3,391 2 11	17,270 16 10	Petty expenses	71 6 10	15 15 2	87 2 0
Interest ..	3,702 10	71,130 12 1	4,833 2 8	Actuarial expenses	..	63 0 0	63 0 0
Dividends ..	3,316 9 11	1,757 0 0	5,073 9 1	Payments under Rule 21A	..	90 0 0	90 0 0
				Balance ..	37,239 7 10	7,417 19 3	44,657 7 1
	43,249 18 10	9,669 17 11	52,919 16 9		43,249 18 10	9,669 17 11	52,919 16 9

Balance to credit of fund, £44,657 7s. 1d., invested as follows:—

Shares with Colonial Sugar-refining Company (Limited) ..	..	..	£22,382 3 1
Deposit with Colonial Sugar-refining Company (Limited), at 6 per cent. interest ..	..	..	.. £22,771 3 1
Less death claims unpaid ..	..	..	.. 495 19 1
			22,275 4 0
			<u>£44,657 7 1</u>

EDW. W. KNOX, R. CLARE,
W. H. ROTHE, R. BURNS,
T. U. WALTON, Trustees.

EXHIBIT 55.

STITCHWELL CLUB.

RULES.

1. ALL employés of four weeks' standing may be members.
2. Contributions will be 1d. per week.
3. Mr. Breda is an honorary member, and as such pays 5s. per week.
4. The club will be conducted by a president, a vice-president, treasurer, and secretary, and five members as a committee.
5. A general meeting is held once a year to elect officers, and to verify the financial state of the club.
6. The money in hand is to be devoted—(a) To give assistance to a member in case of temporary distress; (b) to buy a present, if desirable, to a member when leaving the club; (c) to have an occasional social or outing.
7. The vote of two-thirds of the members is required in favour of any resolution to authorise the spending of any of the funds.
8. The honorary member has no vote; his only privilege consists in paying contributions promptly.
9. A meeting may be called at any time by three members if a notice is posted up in the dining-room three days beforehand.

EXHIBIT 56.

KAURI TIMBER COMPANY'S EMPLOYÉS' ACCIDENT RELIEF FUND.

RULES.

1. A COMMITTEE of members, consisting of seven, shall be appointed at a general meeting of subscribers.
2. The committee so appointed shall have the general management of the fund, and will decide on the time for which relief is to be given, and their decision shall be final.
3. A committee meeting shall not be duly constituted if less than four members are present. The chairman of committee to have the casting-vote in case the votes are equal.
4. The committee to meet as often as necessary for the transaction of business.
5. Weekly subscriptions, 6d. each man and 3d. each lad. Any member receiving less than £1 per week as wages to be considered a lad.
6. At the expiration of twelve months the committee shall call a special meeting of the subscribers to decide on an equitable division of any sum remaining after all the charges upon the fund shall have been satisfied.
7. Any member leaving the employ of the company shall be entitled to have returned to him such portion as the committee may decide, provided he has been a subscriber for a period of three months.
8. No person is to derive any benefit from the funds excepting from that caused by accidents sustained while on work connected with the mill.
9. The relief to be given to each member while suffering from accident, rendering him unfit for work, shall be £1 per week for the first six months and 10s. per week for the next six months. Boys paying the smaller subscriptions to receive half the same amounts for the same periods of time, but no relief is to extend beyond a period of twelve months, provided always that the funds permit.
10. No subscriber shall be called upon to pay his weekly subscription during the time he may be receiving relief from the fund.
11. No member absent from any general meeting of the society shall take exception to the decision of such meeting.

12. All members joining the fund shall be subject to such rules as are in force at the time of their joining.
13. If from any cause it may be deemed advisable to expel any subscribers from the benefits of the fund the committee shall call a special meeting of subscribers, who shall decide on the case, and, in case of expulsion, such person shall not be entitled to any return whatever of his subscriptions, and shall forfeit all benefit therefrom of whatever nature or kind soever.
14. The funds of the society shall be deposited in the Auckland Savings-bank, and shall be operated upon by the joint signatures of the treasurer, secretary, and chairman, who will be chosen out of the committee.
15. Members shall, at reasonable hours, be allowed to inspect the books of the society.
16. Any member being in arrears for one month's subscriptions shall, at the discretion of the committee, cease to be a member, and shall forfeit all claims and benefit from the society, but may rejoin at any future time as a new member.
17. All alterations in the rules of the society must be made at a general meeting of subscribers.
18. If the funds of the society are not sufficient to meet the current demands caused by accidents it shall be in the power of the committee to levy a further weekly sum of 6d. from each member.
19. A notice posted on the office of the company shall be deemed sufficient for the purpose of calling meetings.
20. No members of the fund will countenance any subscription-list after formation of this fund.
21. In case of death from accident the sum of £7 to be given as funeral expenses to wife or other relative of deceased.

EXHIBIT 57.

KAURI TIMBER COMPANY'S EMPLOYEES' ACCIDENT BENEFIT SOCIETY.

BALANCE-SHEET FOR 1896.

<i>Dr.</i>	£ s. d.	<i>Cr.</i>	£ s. d.
To Balance from 1895	20 3 7	By Accident expenses	66 1 3
Contributions of members	142 19 6	Members' rebate withdrawn	3 11 10
Interest due to 11th December	1 6 9	Stationery	0 0 9
		Interest overpaid by bank, 1895	0 6 2
		Secretary's percentage	5 10 0
		Treasurer's percentage	2 15 0
		Dividend payable to members	65 5 0
		Balance	20 19 10
	£164 9 10		£164 9 10

CASH STATEMENTS.

<i>Assets.</i>	£ s. d.	<i>Liabilities.</i>	£ s. d.
To Cash in Savings-bank	93 1 7	By Dividend payable to members	65 5 0
Interest due on deposit	1 6 9	Salaries	8 5 0
Cash in hand	0 1 6	Balance (asset over liabilities)	20 19 10
	£94 9 10		£94 9 10

T. H. WHITE, Chairman.
 JAMES STEVENS, Treasurer.
 FREDK. C. THOMAS, Secretary.

We hereby certify that we have examined all books and vouchers in connection with the accident benefit society, and find them correct.

S. ROBERTS,
 J. W. REDMAN, } Auditors.

16th December, 1896.

EXHIBIT 58.

TIMBER-WORKERS' ACCIDENT RELIEF FUND.

RULES.

1. A COMMITTEE of members, consisting of seven, shall be appointed at a general meeting of subscribers.
2. The committee so appointed shall have the general management of the fund, and will decide on the time for which relief is to be given, and their decision shall be final.
3. A committee meeting shall not be duly constituted if less than four members are present. The chairman of committee to have the casting-vote in case the votes are equal.
4. The committee to meet as often as necessary for the transaction of business.
5. Weekly subscriptions, 6d. each man and 3d. each lad. Any member receiving less than £1 per week as wages to be considered a lad.
6. At the expiration of twelve months the committee shall call a special meeting of the subscribers to decide on an equitable division of any sum remaining after all the charges upon the fund shall have been satisfied.
7. Any member leaving the society shall be entitled to have returned to him such portion as the committee may decide, provided he has been a subscriber for a period of three months.
8. No person is to derive any benefit from the funds excepting from that caused by accidents sustained while on work connected with the mill.
9. The relief to be given to each member while suffering from accident, rendering him unfit for work, shall be £1 per week for the first six months and 10s. per week for the next six months. Boys paying the smaller subscriptions to receive half the same amounts for the same periods of time, but no relief is to extend beyond a period of twelve months, provided always that the funds permit.
10. No subscriber shall be called upon to pay his weekly subscription during the time he may be receiving relief from the fund.
11. No member absent from any general meeting of the society shall take exception to the decision of such a meeting.
12. All members joining the fund shall be subject to such rules as are in force at the time of their joining.
13. If from any cause it may be deemed advisable to expel any subscribers from the benefits of the fund the committee shall call a special meeting of subscribers who shall decide on the case, and, in case of expulsion, such person shall not be entitled to any return whatever of his subscriptions, and shall forfeit all benefit therefrom of whatever nature or kind soever.
14. The funds of the society shall be deposited in the Auckland Savings-Bank, and shall be operated upon by the joint signatures of the treasurer, secretary, and chairman, who will be chosen out of the committee.
15. Members shall, at reasonable hours, be allowed to inspect the books of the society.
16. Any member being in arrears for one month's subscriptions shall, at the discretion of the committee, cease to be a member, and shall forfeit all claims and benefit from the society, but may rejoin at any future time as a new member.

17. All alterations in the rules of the society must be made at a general meeting of subscribers.
18. If the funds of the society are not sufficient to meet the current demands caused by accidents it shall be in the power of the committee to levy a further weekly sum of 6d. from each member.
19. A notice posted on the office of the company shall be deemed sufficient for the purpose of calling meetings.
20. No members of the fund will countenance any subscription-list after formation of this fund.
21. In case of death from accident the sum of £7 to be given as funeral expenses to wife or other relative of deceased.

EXHIBIT 59.

SIR,—

St. Leonards, New South Wales, 5th July, 1897.

It has come under my notice that in evidence given before your Commission a rule of the Bank of New Zealand Guarantee and Provident Association is said to have been "made elastic and comfortable" for me.

The Commission will, I trust, permit me to say that no rule was so treated on my behalf; nor was any rule made, altered, or strained for that purpose. I was as unquestionably entitled to pension under the original, and then existing, rules of the fund as any person who has received pension.

This can, if thought necessary, be easily verified by inquiry into the circumstances.

I have, &c.,

JOHN MURRAY.

The Chairman, New Zealand Parliamentary Commission on Private Benefit Societies.

EXHIBIT 60.

EMPLOYEES' PROVIDENT FUND OF THE COLONIAL SUGAR-REFINING COMPANY (LIMITED).

AMENDED RULES AND REGULATIONS.

THIS indenture, made the 9th day of September, 1890, between the Colonial Sugar-refining Company (Limited), duly registered under the provisions of "The Companies Act, 1874" (hereinafter called "the said company"), of the first part; Edward William Knox, Waldemar Henrik Rothe, Thomas Utrick Walton, George Henry Robinson, and William Dickey (hereinafter called "the trustees") of the second part; and the employes of the company subscribing to the employes' provident fund, hereinafter referred to, who are now or may hereafter be on the staff or otherwise in the employ of the company, and whose names are given or intended to be given in the schedule hereto (hereinafter called "the subscribers"), of the third part: Whereas it has been resolved by the company that an employes' provident fund should be instituted in lieu of the provident fund now in existence (hereinafter referred to as "the old fund"), which is limited to portion only of the staff of the said company, and which it is intended to wind up and discontinue, and towards which employes' provident fund the company should give a donation of £2,000, besides a further monthly subscription equal to the subscribers' contributions to such fund for the same period, but not exceeding the sum of £3,500 [altered to £3,500, 3rd January, 1893] in any one year. And, further, that such of the present employes as may desire to participate in the benefits of the said fund, and all other employes who at any future time may, under the following rules, be admitted as subscribers, should contribute $2\frac{1}{2}$ per cent. per annum, or such further or lesser percentage of their respective salaries and allowances or wages as is hereafter provided, towards keeping up and providing funds for the increase, support, and better working of the said fund: And whereas it is desirable that the rules and regulations, conditions, provisions, and agreements with regard to such fund should be clearly set out: Now this indenture witnesseth that, in pursuance of the aforesaid resolution, and in consideration of the premises and of the sum of £2,000 in pursuance of the aforesaid resolution, paid by the company to the trustees, it is hereby mutually agreed by and between the said parties hereto as follows:—

1. The objects of the fund shall be to provide life insurance and pensions for the permanent employes of the company subscribers thereto.
2. The fund shall be under the control and management of five trustees—namely, the general manager or acting general manager of the company, who shall be chairman of the trustees; two trustees to be elected every three years by ballot by the subscribers to the fund in the Sydney office of the company from the following officers of the company—namely, the secretary, the manager of the Pyrmont Refinery, the chief clerk, the principal chemist, the head book-keeper, and the head draughtsman; and two trustees, to be foremen at Pyrmont Refinery, in receipt of weekly wages, but not being members of the local committee, to be chosen by the directors of the company, one of them retiring each year, and not being eligible for re-election for twelve months subsequent to such retirement. The first trustees of the fund shall be Edward William Knox, Waldemar Henrik Rothe, Thomas Utrick Walton, George Henry Robinson, and William Dickey, all of whom at the present time fulfil the respective requirements before mentioned.
3. The trustees elected by the subscribers in the Sydney office shall be eligible for re-election, and in case of any extraordinary vacancy occurring in the trust the remaining trustees, or a majority of them, shall elect another trustee, who shall retire at the expiration of his predecessor's term of office.
4. The amount standing at the credit of the members of the old fund intended to be wound up and discontinued shall be transferred to the new fund, with the exception of such sum or sums contributed by any subscriber or subscribers to the old fund who decline to become subscribers to the new fund. The subscribers to the old fund who shall elect to become subscribers to the new fund shall have the right to apply the amount respectively subscribed by them to such fund, with interest thereon, to dating back their membership in the new fund, in accordance with the scheme prepared and submitted by the trustees of the old fund to such subscribers; but no subscriber shall be allowed to date back beyond the time at which he entered the service of the company.

[Altered 3rd January, 1893.]

5. The said sum of £2,000, together with the amount to be transferred to the credit of the fund in accordance with the provisions of the last foregoing clause, and all donations, contributions and payments, interest, income, accretions, accumulations, and profits whatsoever at any time hereafter arising from or made in connection with the said fund, shall, to the extent of one-half the amount thereof, be invested by the trustees on deposit with the company, and shall bear interest at the rate of 6 per cent. per annum, calculated on the monthly balance at the credit of the fund, and, as to the other half of the amount thereof, be invested by the trustees in the purchase of fully-paid-up shares in the company, at the then current market price, or in such other investment as the trustees, or majority of them, shall agree upon and the directors shall sanction. The trustees shall have full liberty from time to time to transpose any such investments, and for that purpose they shall have power to sign, seal, execute, and deliver all transfers, receipts, discharges, releases, or other documents whatsoever, for the better and more effectually enabling them to deal with such investments; but no liability shall in anywise attach to the said trustees in respect of any losses in connection with any investments hereunder or otherwise howsoever.
6. Meetings of the trustees shall be held half-yearly, or oftener if deemed necessary, at which meetings three of the trustees shall form a quorum, but one of those present must be a trustee elected by the subscribers and one a trustee appointed by the directors. Every question shall be decided by a majority of votes, and the chairman shall, in addition to his ordinary vote, have a casting-vote. Two days' notice shall be given to each trustee of all such meetings.
7. The trustees shall have the complete management and control of all matters, things, and proceedings in connection with the fund, which is to be administered in accordance with these presents.
8. At each refinery and sugar-mill of the company the details of business in connection with the administration of the fund shall be managed by a local committee, acting under the direction of the trustees, and under rules framed by them.

9. Each local committee shall consist of the local manager and chief engineer for the time being, and of two of the local foremen, the latter to be elected annually by the subscribers at each refinery or sugar-mill, the first such election to take place within three months of the date hereof.

10. The trustees shall keep proper books of account, showing all receipts and disbursements in connection with the said fund; shall once every year prepare a balance-sheet showing the state of the fund, circulating the same among the subscribers; and shall, out of the moneys from time to time coming to their hands, defray all clerical, actuarial, legal, and medical fees charged, and all other expenditure which shall, at the discretion of the said trustees, be deemed necessary or expedient in the administration or management of the said fund.

11. The company may, and the trustees are hereby empowered, if they deem it necessary, to call upon all subscribers, with all reasonable despatch, to execute these presents, or any copy thereof as hereinafter provided; but notwithstanding the non-execution of these presents, or any copy thereof, by any present or future subscriber, he shall, from the mere fact of his being or becoming a subscriber to the fund, be bound by these presents and the rules and provisions herein contained, or by any future amendment thereof or addition thereto, as fully as if he had executed these presents or a copy thereof.

Rules and Regulations in Connection with the Objects of the Fund.

12. The general manager of the company shall not be a subscriber to the fund.

13. Subscription to the fund shall be optional for all employes in the service of the company at the date hereof, but compulsory, subject to the restrictions hereinafter appearing, for every person who shall at any time hereafter, being under the age of thirty-three years, be admitted to the salaried staff, and who shall pass a satisfactory examination by a medical man approved by the trustees.

[Amended 1st July, 1897.]

14. The trustees may require any employe in receipt of weekly wages who wishes to subscribe to the fund to produce a certificate of having passed a satisfactory examination by a medical man approved of by them, and shall not admit any such employe who is of intemperate habits or in unsound bodily health, and may, without assigning any reason, reject any intending subscriber otherwise eligible under these presents.

[Amended 1st July, 1897.]

15. No employe in receipt of weekly wages shall be permitted to subscribe to the fund until he shall have been for a period of six months in the constant employment of the company.

16. No employe in the service of the company who is over fifty years of age shall be permitted to subscribe to the fund unless at the date hereof he shall have been for a continuous period of ten years in the service of the company, except on payment of such increased contribution to the fund as the trustees may decide. Service in the Victoria Sugar Company or the New Zealand Sugar Company (Limited) shall, for the purpose of this rule, be considered as equivalent to service in the company.

[Amended 31st December, 1891.]

17. Any employe at present in the service of the company who is over thirty-three years of age, and who wishes to subscribe to the fund, shall, unless he become a subscriber within three months from the date hereof, pay such increased contributions as the trustees may decide, but no employe who commences to subscribe after attaining the age of forty-five shall be entitled to a pension, nor shall any employe who becomes a subscriber to the fund after 31st December, 1891, be entitled to retire on a pension unless he is under thirty-five years of age at the date of becoming a subscriber.

18. Subscribers on the salaried staff shall contribute $2\frac{1}{2}$ per cent. per annum, or such greater or lesser sum as may be determined by the trustees as aforesaid, under the present and two foregoing rules, calculated on the salaries and allowances they receive from the company, but during the first ten years from the date hereof the maximum monthly subscriptions from any one employe shall be £1 11s. 3d. from employes under thirty-three years of age at the date of their becoming subscribers to the fund, and £1 0s. 10d. from employes over that age at such date. Subscribers in receipt of weekly wages shall contribute in accordance with the following scheme, unless the rates be altered by the trustees, as provided for under the present and the two foregoing rules:—

Ordinary Rate of Weekly Wages.		Amount of Weekly Contribution.	
Not exceeding £1	.. .. .	6d.	
Over £1 but not exceeding £1 10s.	.. .. .	6d.	or 9d., in the option of the subscriber.
" £1 10s.	"	£2	or 1s., "
" £2	" £2 10s.	.. .. .	1s. or 1s. 3d., "
" £2 10s.	" £3	.. .. .	1s. 3d. or 1s. 6d., "
" £3	" £3 10s.	.. .. .	1s. 6d. or 1s. 9d., "
" £3 10s.	" £4	.. .. .	1s. 9d. or 2s., "
" £4	.. .. .	.. .. .	$2\frac{1}{2}$ per cent. of ordinary wages.

Should the subscriptions exceed the sum contributed by the company under Rule 19 in any one year the trustees may restrict the admission of employes as subscribers, or reduce the annual contribution of subscribers.

[Amended 3rd January, 1893.]

19. The company shall place to the credit of the fund monthly a sum equal to the subscribers' contributions for such month to the fund, but so that such subscription shall not exceed the sum of £3,500 in any one year.

20. All contributions to the fund shall be deducted by the company at the rate hereinbefore provided from the monthly payments of salaries, and the weekly payment of wages, as the case may be, and shall be paid to the trustees, or to the person or persons appointed by them to receive the same, or otherwise credited to the fund.

[Amended 31st December, 1891.]

21. Every person, being a subscriber to the fund, who commenced to subscribe to the fund prior to the 31st December, 1891, and who at the time of becoming a subscriber had not attained the age of forty-five years, shall, on attaining the age of sixty years, or at an earlier period should he come within the provisions of Rule 23, or on becoming disabled or incapacitated from further service after subscribing for ten years, be entitled to retire on a pension, the amount thereof being actuarially determined once at least in every five years, and based on the amount and period of contribution of such member. But every person, being a subscriber to the fund, who commences to subscribe to the fund after 31st December, 1891, shall only be entitled to retire on a pension on the terms already specified, provided he has not attained the age of thirty-five years at the time of becoming a subscriber to the fund: Provided that the trustees shall be at liberty, in their discretion, to withhold such pension, or any part thereof, from any subscriber who is disabled or incapacitated through his own habitual misconduct or neglect: And provided, also, that, however far a subscriber may date back his membership in accordance with Rule 4, no pension shall be paid until five years from the date hereof.

21A. In the event of a subscriber who has contributed to the fund for a shorter period than ten years becoming disabled through sickness or accident, the trustees may, if they deem it unlikely that such subscriber will recover, agree with him for the payment to him of a sum of money not exceeding three-fourths of the sum that would be payable to his heirs in case of death, in full satisfaction of all claim he may have on the fund.

21B. Should any subscriber who has left the service be re-employed by the company, and be readmitted as a subscriber, his connection with the fund shall, for the purpose of these rules, only be reckoned from the date of such readmission: Provided that any such subscriber readmitted as a subscriber to the fund within a period of twelve months from the date of his severing his former connection therewith may be permitted to reckon his connection with the fund from the date of his former admission upon his refunding to the trustees all moneys drawn by him from the fund at the time of the severance of his connection therewith as aforesaid, together with interest thereon at the rate of 6 per cent. per annum, calculated for the period during which he has retained such moneys, and upon

paying his subscriptions for the period during which his connection with the fund and the company had been suspended, together with interest thereon at the rate of 6 per cent. per annum.

22. All pensions shall be paid weekly or monthly, as the case may be, at the usual time of payment of wages or salaries.

[Amended 6th February, 1896, and 1st July, 1897.]

23. In deciding the amount of the pension to be paid to any subscriber, length of service in the tropics prior to the 1st of March, 1896, shall be taken as equal to one-third more than the same period of service elsewhere, or, in lieu thereof, a subscriber shall for every year of such service during which he has been a subscriber to the fund be entitled to retire four months earlier than the age of sixty years, on a pension calculated on his actual period of contribution: Provided, nevertheless, that continuous service in the tropics commenced prior to the said 1st of March, 1896, and determined at a date subsequent thereto, shall, for the purposes of this rule, be deemed service within its provisions, entitling the subscriber to the enlarged benefits thereunder, and shall be reckoned accordingly. But the employment by the company of any such subscriber outside the tropics for any period not less than six months shall, for the purposes of this rule, be deemed a determination of such tropical service.

24. Every question as to disablement or incapacity for further service shall be decided by the trustees, on receipt of a report by a medical officer approved by them; but in the event of the health of any subscriber who has retired so disabled or incapacitated becoming restored, so as to enable him to perform his duties, or any other duties for which he may be qualified, at his former salary or wages, his pension may be discontinued, and he may be called upon by the trustees, with the concurrence of the board of directors, to resume active duty, and again become a subscriber to the fund, and if he decline to do so he shall forfeit his right to such pension and all other his rights and benefits under these presents.

25. In the event of any subscriber in receipt of a pension dying before he has received double the amount of his own contributions to the fund the difference between the amount received by him and double the amount of such contribution shall be paid to his legal representatives.

[Amended 1st July, 1897.]

26. On the death of any subscriber who is not at the time in receipt of a pension the trustees shall pay to his legal representatives a sum equal to the average yearly salary and allowances or wages upon which the subscription paid by deceased during membership has been based.

27. The trustees shall pay the amount due to the legal representatives of a deceased subscriber either in one sum or by instalments, at their discretion.

28. If no legal representative of a deceased subscriber be known the trustees shall have power to hand the moneys which such legal representatives, had they been known, would have been entitled to receive to any person or persons who shall in their opinion be entitled to receive the same.

[Amended 27th September, 1895.]

29. In the event of the sickness of any subscriber, or of his receiving leave of absence without pay, his subscription may, at the discretion of the trustees, remain in abeyance for and during such period as the said trustees may limit or appoint, but such period shall be deducted from his term of membership unless he pay subsequently the subscription for such period, together with interest thereon at the rate of 6 per cent. per annum.

30. In the event of the death of a subscriber whose subscription has been allowed to remain in abeyance in terms of the last foregoing clause, the trustees shall, after deducting the amount of subscription in arrear at the time of the death of such subscriber, and interest at the rate aforesaid, pay to his legal representatives the amount which would have been payable to them had such subscriptions been paid up to the time of the subscriber's death.

[Amended 23rd December, 1895, and 1st July, 1897.]

31. Any subscriber voluntarily leaving the service of the company, but not in order to escape dismissal for fraud or dishonesty, after being a subscriber to the fund for a period of less than five years, shall have the right to receive one-half the amount he shall have contributed to the fund without interest, and no more, but shall have the right to receive back the whole of his own contributions, if any, that have been transferred from the old fund. The trustees may, however, in their absolute discretion, and if, in their opinion, the circumstances of any particular case should warrant it, sanction the refund to such subscriber of the whole amount of his contributions without interest. Any subscriber voluntarily leaving the service of the said company, but not in order to escape dismissal for fraud or dishonesty, after being a subscriber to the fund for a period of or exceeding five years, and any subscriber dismissed by the company, or required to resign his position for any cause other than fraud or dishonesty, shall have the right to receive the whole of the amount of his contributions to the fund without interest, and no more.

32. Any subscriber dismissed by the company for fraud or dishonesty, or retiring in order to escape dismissal for fraud or dishonesty, shall forfeit all claims on the fund, and all losses sustained by the company through the fraud or dishonesty of such subscriber shall be made good by the trustees out of the said fund up to three times the amount of his own contributions.

33. If any subscriber to the fund shall become bankrupt or insolvent, or assign his estate for the benefit of his creditors, or shall alienate or charge his interest in the fund or any part thereof, or attempt to do so, or if any event shall happen during his lifetime which shall disentitle him personally from participating in the benefits conferred by the said fund, he shall forfeit his interest in the said fund until he shall have obtained a discharge or release from the Court or other the proper parties, or shall otherwise be in a position to personally participate in the benefits conferred by the said fund free from the claims of Official Assignee or creditors whatsoever, and pending such event any moneys which otherwise would have been payable to him may, at the discretion of the said trustees, be paid over to or applied for the benefit of any other person or persons whom the said trustees may in their discretion consider entitled to them.

34. Any subscriber who absents himself from his employment for a period of one week without leave from the company or its representative shall be deemed to have resigned from the service of the company, and shall be dealt with accordingly, but in the event of his re-engagement the trustees shall have power to reinstate him in his position as subscriber to the fund upon such terms as they may see fit.

Miscellaneous Provisions.

35. Nothing in these presents contained shall be deemed in any way to affect, prejudice, or alter the powers of the company with regard to the dismissal, remuneration, or any dealings whatsoever with their employes for the time being subscribers to the fund.

36. The trustees, or a majority of them, may at any time add to or alter the present provisions of this deed, and may add fresh provisions thereto, provided that such alterations or additions shall first receive the sanction of the board of directors of the company, and the approval of a majority of the local committees.

37. The signatures of three trustees, one of whom shall be the general manager, or acting general manager, shall be necessary for the payment of any moneys out of the fund.

38. Nothing in these presents contained shall be construed as importing any personal or other liability with regard to the said fund on the part of the said trustees, but the said fund shall be solely and entirely liable for any act, matter, or thing arising hereunder, nor shall anything herein be construed as rendering the company in anywise liable or responsible for anything whatever which may be done or omitted in these presents.

39. If there shall arise any dispute or doubt as to the interpretation of any of the provisions of this deed, or the rights of any parties thereto, between a subscriber and any one of the local committees, or between a subscriber and the trustees, the decision of such dispute or doubt shall be wholly and finally with the trustees, who may nevertheless, in their discretion, allow an appeal from their decision to the chairman of the board of directors of the company, whose decision shall be final and conclusive. Any subscriber refusing to abide by such decision, or taking legal proceedings in respect of any matter or thing connected with his interest in the fund, shall *ipso facto* absolutely forfeit such interest.

40. Any receipt given by any person to whom the trustees or the officer authorised by them shall pay any sum due on account of any of the benefits accruing hereunder shall be an absolute discharge to the said fund.

41. A copy of this deed shall be kept at every office other than the principal office and at every refinery and mill of the said company, and shall, where practicable, be duly executed by the subscribers to the fund for the time being connected with such office, refinery, or mill respectively; and the execution of such copies respectively shall to all intents and purposes be as binding and as effectual upon the executors as if they had executed the original; and, in case of any alterations or additions being made in this deed as hereinbefore provided, a copy of the same shall be forwarded to the principal officer in charge at every such office, refinery, or mill, or to the local committee, and shall be attached to or annexed to the copy of this deed kept at such office, refinery, or mill, and thereupon such alterations or additions shall be read and construed as if originally inserted in this deed and each copy thereof. Each copy of this deed, and all alterations and additions thereto, shall be certified by the secretary of the company in Sydney as correct, and such certificate shall be conclusive evidence of such correctness.

In witness whereof the common seal of the said company was hereunto affixed, and the other parties hereto have hereunto set their hands and seals, the day and year first before written.

The common seal of the Colonial Sugar-refining Company (Limited) was affixed hereunto by the directors present at and forming a board of directors of the said company held the 9th day of September, 1890, in the presence of—

		EDW. W. KNOX, General Manager.	
EDW. KNOX,	} Directors.	EDW. W. KNOX,	} Trustees.
F. C. GRIFFITHS,		W. H. ROTHE,	
WALTER LAMB,		T. U. WALTON,	
WALTER C. WATT,		GEORGE HENRY ROBINSON,	
THOS. BUCKLAND,		WILLIAM DICKEY,	

ORIGINAL OF AMENDED RULES.

5. The said sum of £2,000, together with the amount to be transferred to the credit of the fund in accordance with the provisions of the last foregoing clause, and all donations, contributions, and payments, interest, income, accretions, accumulations, and profits whatsoever arising from or made in connection with the said fund, shall be invested by the trustees on deposit with the company, and shall bear interest at the rate of 6 per cent. per annum, calculated on the monthly balance at the credit of the fund, but the trustees shall have the option of investing one-fourth of the amount for the time being at the credit of the fund in the purchase of fully-paid-up shares in the company, at such price as will give a return of at least 7 per cent. per annum at the then current rate of dividend. The trustees shall have full liberty from time to time to transpose any such investments, and for that purpose they shall have power to sign, seal, execute, and deliver all transfers, receipts, discharges, releases, or other documents whatsoever, for the better and more effectually enabling them to deal with such investments, but no liability shall in anywise attach to the said trustees in respect of any losses in connection with any investments hereunder or otherwise howsoever.

14. The trustees may require any employé in receipt of weekly wages at present in the service of the company who wishes to subscribe to the fund, and has not been ten years in the service of the company, to produce a medical certificate as to his health, and shall not admit any such employé who is of intemperate habits or in unsound bodily health, and may, without assigning any reason, reject any intending subscriber otherwise eligible under these presents.

15. No employé in receipt of weekly wages shall be permitted to subscribe to the fund until he shall have been for a period of two years in the constant employment of the company, excepting, nevertheless, apprentices, who shall be permitted to subscribe after six months' service.

17. Any employé at present in the service of the company who is over thirty-three years of age, and who wishes to subscribe to the fund, shall, unless he become a subscriber within three months from the date hereof, pay such increased contributions as the trustees may decide, but no employé who commences to subscribe after attaining the age of forty-five shall be entitled to a pension.

19. The company shall place to the credit of the fund monthly a sum equal to the subscribers' contributions for such month to the fund, but so that such subscriptions shall not exceed the sum of £3,000 in any one year.

21. Every person who commenced to subscribe to the fund before attaining the age of forty-five years shall, on attaining the age of sixty years, or at an earlier period should he come within the provisions of Rule 23, or on becoming disabled or incapacitated from further service after subscribing for ten years, be entitled to retire on a pension, the amount whereof shall be actuarially determined once at least in every five years, and shall be based on the amount and period of contribution of such member: Provided that the trustees shall be at liberty, in their discretion, to withhold such pension, or any part thereof, from any subscriber who is disabled or incapacitated through his own habitual misconduct or neglect: And provided, also, that, however far a subscriber may date back his membership in accordance with Rule 4, no pension shall be paid until five years from the date hereof.

23. In deciding the amount of the pension to be paid to any subscriber, length of service in the tropics shall be taken as equal to one-third more than the same period of service elsewhere, or, in lieu thereof, a subscriber shall, for every year of such service, be entitled to retire four months earlier than the age of sixty years on a pension calculated on his actual period of contribution.

24. Every question as to disablement or incapacity for further service shall be decided by the trustees on receipt of a report by a medical officer approved by them, but in the event of the health of any subscriber who has retired so disabled or incapacitated becoming restored, so as to enable him to perform his duties, or any other duties for which he may be qualified, at his former salary or wages, his pension may be discontinued, and he may be called upon by the trustees, with the concurrence of the board of directors, to resume such duties, and again become a subscriber to the fund, and if he declines to do so he shall forfeit his right to such pension and all other his rights and benefits under these presents.

26. On the death of any subscriber who is not at the time in receipt of a pension the trustees shall pay to his legal representatives a sum equal to the average yearly salary and allowances or wages upon which the subscription has been paid by deceased during membership.

29. In the event of the sickness of any subscriber, his subscription may, at the discretion of the trustees, remain in abeyance for and during such period as the said trustees may limit or appoint, but such period shall be deducted from his term of membership, unless he pay subsequently the subscription for such period, together with interest thereon at the rate of 6 per cent. per annum.

31. Any subscriber voluntarily leaving the service of the company, but not in order to escape dismissal for fraud or dishonesty, after being a subscriber to the fund for a period of less than five years, shall have the right to receive one-half of the amount he shall have contributed to the fund, without interest, and no more, but shall have the right to receive back the whole of his own contributions, if any, that have been transferred from the old fund. Any subscriber voluntarily leaving the service of the said company, but not in order to escape dismissal for fraud or dishonesty, after being a subscriber to the fund for a period of or exceeding five years, and any subscriber dismissed by the company, or required to resign his position, for any cause other than fraud or dishonesty, shall have the right to receive the whole of the amount of his contributions to the fund without interest.

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