

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