

ROYAL COMMISSION ON NATIONAL HEALTH INSURANCE.

MINUTES OF EVIDENCE

TAKEN BEFORE THE

ROYAL COMMISSION ON NATIONAL HEALTH  
INSURANCE.

VOLUME II.

(THIRTEENTH TO TWENTY-THIRD DAYS.)

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## ROYAL COMMISSION ON NATIONAL HEALTH INSURANCE.

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### TERMS OF REFERENCE.

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To enquire into the scheme of National Health Insurance established by the National Health Insurance Acts, 1911-22, and to report what, if any, alterations, extensions or developments should be made in regard to the scope of that scheme and the administrative, financial and medical arrangements set up under it.

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### MEMBERSHIP OF COMMISSION.

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LORD LAWRENCE OF KINGSGATE, *Chairman.*

THE RT. HON. SIR JOHN ANDERSON, G.C.B.  
SIR HUMPHRY ROLLESTON, BART., K.C.B., M.D., P.R.C.P.  
SIR ALFRED WATSON, K.C.B.  
SIR ARTHUR WORLEY, C.B.E.  
SIR ANDREW DUNCAN.  
MR. A. D. BESANT, F.I.A.  
MR. FRED BRAMLEY.\*  
MR. JAMES COOK, J.P.  
MR. JOHN EVANS.  
PROFESSOR ALEXANDER GRAY.  
MR. WILLIAM JONES.  
MRS. HARRISON BELL.  
MISS GERTRUDE TUCKWELL.

MR. E. HACKFORTH (*Secretary*).

MR. J. W. PECK, C.B. (*Assistant Secretary*).

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\* On 11th March, 1925, Mr. Fred Bramley tendered his resignation on account of ill-health, and this was accepted by the Counsellors of State on behalf of His Majesty.

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## LIST OF WITNESSES.

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		and					
		Mr. P. I. WIGODER, L.R.C.P. & S., L.D.S.	Hon. Treasurer of the Association.				
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# ROYAL COMMISSION ON NATIONAL HEALTH INSURANCE.

## MINUTES OF EVIDENCE

TAKEN BEFORE THE

## ROYAL COMMISSION ON NATIONAL HEALTH INSURANCE.

THIRTEENTH DAY.

Thursday, 15th January, 1925.

PRESENT:

LORD LAWRENCE OF KINGSGATE, in the Chair.

THE RT. HON. SIR JOHN ANDERSON, G.C.B.  
SIR HUMPHRY ROLLESTON, BART., K.C.B., M.D.,  
P.R.C.P.  
SIR ALFRED WATSON, K.C.B.  
SIR ARTHUR WORLEY, C.B.E.  
SIR ANDREW DUNCAN.  
MR. A. D. BESANT, F.I.A.

MR. JAMES COOK, J.P.  
MR. JOHN EVANS.  
PROFESSOR ALEXANDER GRAY.  
MR. WILLIAM JONES.  
MRS. HARRISON BELL.  
MISS GERTRUDE TUOKWELL.  
MR. E. HACKFORTH (*Secretary*).  
MR. J. W. PECK, C.B. (*Assistant Secretary*).

Mr. JOSEPH CAVE and Mr. J. P. ILLINGWORTH, called and examined. (*See Appendix VIII.*)

6099. (*Chairman*): Mr. Cave, I understand that you are the High Chief Ruler of the Independent Order of Rechabites, that you have been a member of the Board of Directors of that Society since 1913, and are at present a member of the Ministry's Consultative Council for Approved Society administration?—(*Mr. Cave*): Yes.

6100. You have also been Chairman of the Leicestershire Insurance Committee?—That is so.

6101. And you, Mr. Illingworth, are a Director of the Order and Secretary of the Bradford District?—(*Mr. Illingworth*): Yes.

6102. Sections I, II and III of your Statement. I see from paragraph 2 that while you consider that the rate of contribution for men is adequate to the present rates of benefit, you think that the women's contribution should be raised to the same rate as the men's. Do you think this would be justified, having regard to the lower rates of women's earnings generally throughout all occupations and the lower rate of sickness benefit for women?—(*Mr. Cave*): We have come to that conclusion from our general experience of payments to women members as compared with payments to men, taking them on the general average. Whether it would be consistent with the rate of wages earned by women is another aspect of the subject. We are taking the view purely from what the actual sickness experience costs for women as compared with men.

6103. As to the latter part of the question, you have not considered it on the basis of the lower rates of wages for women?—That is so.

6104. Do you consider that in the present state of industry and unemployment it is desirable to raise the rates of contribution at all, having regard to the heavy combined burden under the Health and Unemployment Insurance Schemes?—We are dealing with the question from the point of view that National Health Insurance should be self-supporting; the contributions paid for the benefits should be sufficient to cover the cost of the benefits provided.

6105. Is your proposal that the addition to the contribution should fall upon the employed person or upon the employer, or that it should be divided?—We suggest it should be divided proportionately in the same way as the present contribution is divided—between the member, the employer and the State.

6106. I see that your proposal for an increase of the contribution in the case of women is on the basis of the present benefits. Later in your statement you suggest extensions of benefit, *e.g.*, the provision of consultant and specialist services. Do you contemplate an increase of contribution for this reason alone?—Our evidence is to the effect that if the provision of such extended benefits, as consultant and specialist services, necessitates an additional payment, which is possible, the cost should be taken from the present contributions so far as they are able to bear it. We are looking at that extended benefit from the point of view of the experience as a whole. You will notice that we are valued for men and women together, and, consequently, as a whole we come out all right, and the contributions taken as a whole will bear a greater proportion for benefit than at the present time.

6107. I observe from paragraph 5 that you are against increasing the present rates of sickness and disablement benefits. Do I understand this to mean that the present standard rates should be maintained subject to the possibility of increase by way of additional benefit out of surplus, or do you mean that the present standard rates should be maximum rates in all cases?—We are of opinion that the present standard rates should be the maximum on the ground that the real purpose of the Act is preventive and curative, and not so much for the purpose of providing monetary benefit at the time of sickness, and that there are agencies in existence, and were in existence before the inception of the National Insurance Act, which were then, and are to-day, quite capable of providing monetary assistance if such is needed.



15 January, 1925.]

Mr. JOSEPH CAVE and Mr. J. P. ILLINGWORTH.

[Continued.]

6108. Perhaps you would amplify a little your argument that a limit should be placed on the cash benefits?—The present normal benefits are 15s. and 12s. We do not suggest that 15s. and 12s. should be the actual limit inasmuch as we have the experience, as a result of the last valuation, of additional cash benefits; but we do feel that the time has now come when there should be a limitation on any further extension of cash benefits. I think the present limit is five units, and we think that is quite sufficient for all normal purposes.

6109. I see from paragraph 6 that you recommend increasing maternity benefit to £3. Am I to understand that this would apply to both the first and second maternity benefit so that in certain cases the mother would receive £6?—Yes.

6110. In this connection have you any information to give us about the charges made by doctors and midwives and whether these have been substantially increased as a result of the Insurance Act?—We have no concrete evidence which we can put before you, but we have general statements which we think are fairly well substantiated that the charges both by doctors and midwives are very materially increased now as compared with the period prior to the Act?—(Mr. Illingworth): And also that when maternity benefit was increased from 30s. to £2 the fees of midwives and doctors were also increased proportionately.

6111. (Sir Humphry Rolleston): Is that considered to be consequent on the National Insurance Act, or was that not contemporaneous with the general increase of medical fees by one-third?—(Mr. Cave): It was due, we think, to the knowledge that these maternity benefits were being paid, and that they were regarded as providing medical and midwives' fees.

6112. Have you assured yourself that there has been no increase to non-insured people?—Possibly there have been proportionate increases.

6113. You have not satisfied yourself as to that?—As far as we have been able to make investigation we have come to the conclusion that the fees were increased for both non-insured and insured persons, but we have also come to the conclusion that the one has largely controlled the other.

6114. (Chairman): I see from paragraph 7 that you object to the double maternity benefit in the case where both benefits are derived from the women's society. Would you give us your reasons for this? I take it that you are not against the double benefit when one is derived from the husband's society and the other from the wife's?—That is so. Our reason, very largely is on account of the difficulty of satisfying ourselves as to the status of the man, and further, that in many cases the man who is not insured is in a very much better financial position—often he may be a man of business—than are the insured persons.

6115. Would his wife be working then, if that were so?—Yes, in many cases we find that the wives of business men are working. (Mr. Illingworth). And a number of these cases occur during the free year of the women's insurance.

6116. In paragraph 12 you recommend the abolition of the deposit contributor class, and say that your Society would take their portion of allocated members on the understanding that all such members are prepared to comply with your conditions of membership. But what would you do if such an allocated person gave the undertaking and subsequently broke it. Would you nevertheless keep him a member, or do you desire to maintain the right of expulsion in some form, and, if so, in what form?—(Mr. Cave): We most decidedly desire to retain the right of expulsion. It will be known to you that as a society we are perhaps peculiar. We have a pledge of total abstinence as a condition of membership, and we are prepared to receive into our Society anyone of good health who is willing to sign our

total abstinence pledge. If after they have become members of the Society they violate that pledge we must maintain the right of asking those members to seek transfer to another society.

6117. Have you many such cases?—It is somewhat difficult to state the exact reason for a transfer. As far as we are able to judge (and we require all our districts to make a very careful record as to the cause of leaving) we find that during the five years ended 1924 there have been 423 cases of violations. There may be others who have violated their pledge and have sought to transfer to another society without revealing the facts to us.

6118. Have you any figures to show the number of persons who have transferred to your Society from the Deposit Contributors Fund since 1912, and the number of applicants from that Fund whom you have refused?—I do not think we have those figures. We have the transfers in and out as a whole, but not directly from the Deposit Contributors Fund.

6119. (Sir Alfred Watson): You suggested in answer to the Chairman that the rate of sickness among women is higher than among men, and that although the benefits for women are lower, they should pay an increased contribution. Are you aware of the fact that the provision made in the actuarial basis of the Act for sickness among women is substantially greater than the provision made for sickness among men?—We are aware of that fact, but we have come to our conclusion on the actual cost.—(Mr. Illingworth): We find, taking the four years ended 1921, the total cost of sickness, disablement and maternity benefits for men was 13s. 9d. per member, and for women 11s. 11d., so that women only cost 1s. 10d. per member less than men for the three benefits.

6120. What knowledge of these matters leads you to the conclusion that this experience is not in accordance with the actuarial basis of the Act?—We could not answer that. We are simply dealing with what it costs us in actual cash, and comparing that with the difference in income from the women members.—(Mr. Cave): You are probably dealing, Sir Alfred, with the question of the Women's Equalisation Fund.

6121. I did not mention that.—I know you did not mention it.

6122. Are you aware of this paragraph in the Report on the last Valuation of Approved Societies (Cd. 1662 of 1922): "It is necessary to realise that the standards for men and women are not the same, the sickness provided for being materially greater in the case of women than in the case of men. On reference to paragraph 11, it will be seen that the basis for men is 112½ per cent. of the Manchester Unity sickness rates, but that for women the basis is on the average 135 per cent. of the same rates." If you are aware of that paragraph, I want to know what influence that statement has on your minds when you compare the bare figures of 13s. 9d. and 11s. 11d. with each other?—That might modify our conclusions.

6123. Are you aware that in the table at the foot of page 25 of the Valuation Report it was shown that the sickness claims of women up to 31st December, 1918, were only 80 per cent. of the provision made for them, and for disablement benefit only 92 per cent.?—We had not that in our minds at the time. We are aware of the fact.

6124. If it is suggested to you that the claims of women are within the amount for which they are already paying, would you still suggest that they should pay more?—No. That brings us up against the actual cost of the benefits provided. It is clearly proved, of course, that the contributions for the normal benefits provided are greater than is necessary inasmuch as the valuation shows a very considerable surplus. We do not suggest that women's contributions should be actually increased from the present rate if the whole cost can be brought under the present contribution.

15 January, 1925.]

Mr. JOSEPH CAVE and Mr. J. P. ILLINGWORTH.

[Continued.]

6125. In your paragraph 2 you suggest that the contribution should be increased and that women should pay the same rate as men. To put it in another way, have you satisfied yourself that sickness among women is so much greater than that among men that they ought to pay the same contribution although they have lower benefits?—If the actuarial experience has not been exceeded, the contribution should not be increased.

6126. In making this proposal that women should pay the same as men what consideration have you given to the fact that in the case of men the contract is practically one for the whole of life up to the age of 70, with heavy claims after 60, while in the case of women the contract terminates in the vast majority of cases at or a short time after marriage, with no old age liability?—I do not know that any particular consideration has been given to that point.

6127. In view of these answers, do not you think it would be as well if you withdrew this particular recommendation? I will not press the matter if you do not care to answer.

6128. (*Mr. Besant*): With regard to money benefits in paragraph 5, you make the rather sweeping statement that voluntary societies make ample provision for any person. Do not you think that needs some qualification?—We are dealing, of course, with the general working class population, and in that sense we think it is a correct statement.

6129. Are there not many people who have not got any other provision against sickness and disablement than that which is provided under National Health Insurance?—But the voluntary societies are prepared to make that provision. That is our point. The voluntary societies make ample provision for any person who requires a larger amount of benefit than is provided under the National Insurance Act.

6130. That means, I take it, he has to pay such a contribution at his particular age?—as is commensurate with the benefit required.

6131. How does that apply to people who were getting on in years when National Insurance began?—Naturally the older the individual the heavier the contribution for sickness benefit.

6132. Putting it in another way, it would be a hardship on many to provide the money which would give them the ample provision which you say can be got?—Yes, inasmuch as it has been neglected till late in life.

6133. They did not begin till more or less late in life. They ought to be left out in the cold according to your view?—Speaking generally, you cannot cover persons over 50 years of age.

6134. In other words "any person" means any person not over 50 years of age?—For sickness benefit.

6135. You said in answer to the Chairman that you admitted anyone in good health?—That is so.

6136. What happens to the people in bad health, how are they to get any additional benefits and so get the ample provision which they need?—Under the times and conditions in which we are living, they should be taken into very special consideration.

6137. Would you admit to your Society on the voluntary side a man if he is in bad health?—No.

6138. What is he to do? You say he is not to have more out of National Health Insurance because plenty of other machinery exists for his benefit. I am putting to you two classes of people, those over 50 years of age, and those in bad health, who cannot get the advantages which you here indicate are obtainable by all?—The incapacitated person is very largely out of Approved Societies at the present time.

6139. In many cases he is in?—In many cases he is in, but he came in as a healthy person, and in so far as that is concerned he is on exactly the same level as if he joined a voluntary society. The provision for the unhealthy person at the moment is the Deposit Contributors Fund.

6140. But unless he has joined one of these voluntary societies he is to get along with his 15s., and

you do not want him to have any more?—I am not suggesting that we do not want such persons to have more benefit. There may be ways and means of dealing with such persons other than by the voluntary Friendly Societies, or through Approved Societies.

6141. You are satisfied with your statement as it stands here?—I think the point you are trying to raise is the provision for certain classes of individuals who are in a bad state of health.

6142. Or those getting on in years?—Or those getting on in years. As to those who are in a bad state of health, I am strongly of opinion—and I think my society would bear me out in this opinion—that there should be some special arrangement made independent of and separate from the National Insurance Act. It certainly should not be expected that voluntary societies which, as Sir Alfred Watson knows, have to be founded and administered upon sound financial lines, should carry the weight of these invalids.

6143. I do not suggest that they should. I only say that people like those ought to get support from somewhere?—I quite agree.

6144. You do not want them to be supported on the voluntary side and you do not want them to have anything additional under the National Insurance Act. I was wondering whether you would qualify this a little in order to give something out of National Health Insurance moneys to meet these hard cases?—That would bring us up to the point of receiving any person under the Act who is suffering from ill-health. Are Approved Societies to be compelled to receive them? If so, the probability is that our answer would have to be qualified, inasmuch as probably only under that system could such persons get a sufficient amount of money to help them in time of sickness; but our view is that such persons should not be forced into Approved Societies but that they should be specially dealt with by the Ministry and very liberal provision made for them.

6145. That is not what is in paragraph 5, but I will leave it at that?—That paragraph simply states what the voluntary societies will provide.

6146. (*Miss Tuckwell*): I gather you justify your statement about the amount of contribution paid by members purely on the experience of your own Society?—That is so.

6147. There is one table on page 13 of the Actuarial Report to which I should like to direct your attention. You find the average surplus of women's societies (274,000 members) was 19s. per head. That compares rather interestingly with your position?—Yes. (*Mr. Illingworth*): We have no means of ascertaining the surplus of our women because our women are valued with the men as one Society. We cannot compare the figure you quote with our own experience.

6148. No doubt, but if your experience of the women is bad the mixed experience would pull them up, so you would get a better average?—(*Mr. Cave*): Does not that refer to women's societies that are valued as separate societies or separate sections of Approved Societies—nurses, domestic servants, teachers, and so on—whereas ours are very largely composed of factory workers in large industrial centres?

6149. I do not think that explains it because I quoted the surplus of all women's societies; but if you come back to the mixed, I observe the societies which had no disposable surplus had a membership of only 230,000 out of the whole; so there again the general figures do not support your contention. I understand you admitted to Sir Alfred Watson that the general figures did not support your contention for your Society alone, but that you did not see your way to withdraw the statement. Is that because you feel that the experience of your Society is so disagreeable that you are prepared to go against the whole actuarial figures?—No; I do not think that would be wise. The actuarial experience of the whole certainly must be taken in preference to the experience of one Approved Society.

15 January, 1925.]

Mr. JOSEPH CAVE and Mr. J. P. ILLINGWORTH.

[Continued.]

6150. I understood you to say you would be prepared to pay maternity benefit when the birth was in the second year?—Yes.

6151. With regard to the £3, you say the money is really taken up by the fee of the doctor. If that money was not so taken up should you think £3 sufficient to maintain a woman during child-birth?—We do not think £3 or £4 is sufficient under present-day conditions to provide all that a woman needs at such a time.

6152. Have you ever thought of any scheme for maintaining the woman? Have you any suggestions to make about the maintenance of the woman so that she should be kept in health over that difficult period.—(Mr. Illingworth): We have never considered that point.

6153. If you could see any way in which she could have not only medical attention, but also maintenance, it would be, would it not, a very good thing in the interests of national health?—(Mr. Cave): No doubt it would be. (Mr. Illingworth): Would the present contribution allow for the extended grant of maintenance for the woman?

6154. What I am suggesting is something fresh.—(Mr. Cave): That is what I was coming to. If you deal with the women under an entirely new scheme and reconsider it from the point of view of new finance, then certainly there might be very advantageous terms put forward with regard to women at such a time. Personally, I believe it is the most important period in a woman's life, and should be well provided for, but the Act as we know it to-day does not provide such allowances. If we could extend maternity benefit in another form outside the scope of the present Act we should be all with you in providing something very much more than is provided at the present time.

6155. You modify your personal conclusion in view of the general experience as to the women's sickness experience?—Yes, we must do so.

6156. You would agree with me, would you not, that on the average wages and earnings of women, the amount already deducted for sickness contribution is as much as can reasonably be taken?—The present contribution on the present average earnings of women is ample; quite as much as their present wages will bear.

6157. In fact in some cases is it not more than they can bear?—Possibly so.

6158. If there was no other way of dealing with such a case, would it not be very much better to ask for an additional State contribution rather than have an additional lien on the women's wages?—Possibly that would be a very much better way out of the difficulty, but one is afraid to ask for any addition from the State.

6159. (Mr. Evans): With regard again to paragraph 5, what is your real objection to increased benefits? You have told us that you think every man can become a member of a voluntary society?—Yes.

6160. But you have some real objection other than that?—The National Insurance Act at its inception was primarily for the purpose of curing and preventing disease, and the prevention of disease was specially emphasised by the framers of the Act. It was recognised at that time that there were in existence national voluntary Friendly Societies making provision for monetary sickness benefits; and it was understood that the National Insurance Act, framed for the purpose of preventing disease, working in conjunction with those societies, would make ample provision for the classes of people with whom the Act was intended to deal. In other words, the voluntary Friendly Societies have set themselves out to make this provision: they have always been assured that nothing should be done by Act of Parliament which would injure them: and the possibility is that if statutory cash benefits are sufficient to provide for all insured persons, there is nothing left for the voluntary Friendly Society to do.

6161. That is really your objection?—Yes.

6162. You think that if the benefits are increased the voluntary societies will suffer?—The need for the voluntary societies is very largely diminished and in time possibly will cease.

6163. (Professor Gray): Could you give us a little more information about the suggestion in paragraph 4 as to the extent to which employers lose cards?—(Mr. Illingworth): As far as our Order is concerned this refers more particularly to South Wales, where quite a number of emergency cards are handed to individuals with just one name, e.g., "David Evans," and nothing to indicate who the particular David Evans may be. We find that a number of our members do not get cards which for that reason cannot be traced; they are handed in at the colliery, but they never come back again.

6164. Do you suggest there is an amount of carelessness noticeable among employers in looking after cards?—In that particular area.

6165. It is not a general experience?—Not a general experience.

6166. (Mr. Cook): In paragraph 8 you express the opinion that the present scale of penalty arrears should be maintained. I take it you think the present arrangement is satisfactory?—(Mr. Cave): Yes.

6167. Is this the position—that the insured person may be penalised under the present arrears provision to an amount far in excess of the actual financial loss to the society?—As an individual, yes, if such person required sickness benefit during the penalty period.

6168. As a matter of fact, the insured person might lie out of benefit for a whole year?—Not under the present arrangement with the credits that are given.

6169. Would it not be satisfactory if the arrears penalty provided for making good the financial loss which the Society sustained?—(Mr. Illingworth): Is not that really an actuarial question?

6170. I am putting it to you for your opinion. It may be an actuarial question. It seems to me if the loss to the society is made good, the individual member should not be penalised beyond that point?—In that case there would be no reason for paying arrears; you would simply wait and see whether you claim benefit, and if so, just pay up the arrears and receive the full benefit. What would be the effect on the society then?

6171. (Mrs. Harrison Bell): With regard to paragraph 5, is it not true—and taking the experience of the Rechabite Society, I think it must be true—that there are always classes of persons in the community, even young persons, in such ill-health that they would not be eligible for admission to the Rechabites even if they conformed with the other regulations?—(Mr. Cave): That is true with regard to the Rechabite Society, as with other societies, I think.

6172. It is a fact, is it not, that there are certain classes in the community who never would be eligible for admission into the voluntary societies on account of their health?—That is so. (Mr. Illingworth): But not in any large numbers if they joined at the younger ages.

6173. Is there not another reason why such persons do not join an additional society, viz., that as they cannot earn regular and good wages, to keep up National Health Insurance contributions in addition to those to a voluntary society and a trade union is more than many of them are able to do?—The percentage of young people unable to join any voluntary society I think is extremely small.

6174. You have no figures?—It is very seldom we reject an application from a young person on account of health.

6175. On paragraph 6, is it your experience that when maternity benefit was raised the result was as you suggest in the last two lines of the paragraph?—Our information generally is to that effect, but it is a matter you cannot prove very easily.

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6176. It is a fact, though, that these particular charges which you mention have gone up?—They went up immediately the National Insurance Act came into operation and maternity benefit became payable, and when maternity benefit was increased the charges went up still further.

6177. There were other factors to take into consideration, e.g., the cost of living rose for these persons?—That did not apply in 1913.

6178. (Chairman): I see from paragraph 15 that your districts, which are the financial units, vary in membership from 332 to 41,970. Have you any views on what should be the minimum membership of a branch with its own separate fund?—No, there is no minimum. Our districts are an amalgamation of branches which we call tents, and there is no minimum for the district unit.

6179. I want to know your view as to what the minimum should be?—(Mr. Cave): We think that a unit or branch or district certainly should not be lower than about 500 members.

6180. Will you describe to us in a little more detail how the work is divided between the tents, the districts, and the head office, and how your administration allowance is divided between these three levels?—The district is the unit, they control the whole of the membership; the tents act under the districts for the purpose of association of the members. The members come to the tents, the cards are supplied and the benefits are paid through the tents on the authority of the district.

6181. Where does the head office come in?—The district authorises every benefit payment. The whole of the returns are sent to the head office in Manchester, and the head office deals with the whole of the financial work as between the Ministry and the Society, and remits month by month to the districts such amounts as they require to carry on their work.

6182. Can you give us any figure showing the expenditure of your branches on administration in recent years?—Yes. The head office expenditure for 1922 totalled £5,048, and for 1923, £6064. The cost per member for 1922 was 2·89d., and for 1923, 3·51d. That is the head office account. (Mr. Illingworth): The administration allowance of 4s. 10d. and later 4s. 5d., is first of all allocated to the district, and from that the district pays the head office levy of 3½d. or 4½d. per member as the Conference may decide, and any balance after payment of district administration costs is retained by the district for the district administration.—(Mr. Cave): The total cost for districts in the year 1922 was £91,953.—(Mr. Illingworth): That is not quite the net cost, because some districts had a surplus and did not expend the whole of the 4s. 10d. allowed.—(Mr. Cave): £91,953 is the actual cost for the year 1922, and together with head office expenditure it works out—it is a remarkable thing—to almost 4s. 10d. There were additional receipts in respect of administration of additional benefits, and so on, but the actual cost for the year worked out at just about 4s. 10d.

6183. I see from paragraph 24 that the total surplus at the last valuation was £307,736, and the total deficiency only £505. Will you tell us how many of your districts were in deficiency?—Two; one in England and one in Wales. The membership in the English district, Barnsley, was 2,605; in the Welsh district, 782.

6184. To what reasons do you attribute deficiency in these cases?—(Mr. Illingworth): In the case of Barnsley the local explanation—I give it for what it is worth—is the extraordinary maternity benefit rate. It is a mining district, and the maternity benefit rate in that district was more than 50 per cent. above our ordinary experience. I do not say that is the full reason.

6185. (Mr. Evans): Might we know the reason in the Welsh district?—I could not tell you. It is rather a small district, and the occupation of the majority of the members is quarrying, which is supposed to be a hazardous occupation.

6186. (Chairman): Can you also tell us how many districts had a surplus which was not sufficiently large to allow any additional benefits to be provided?—(Mr. Cave): There were nine such districts in England, two in Scotland, and nine in Wales.

6187. Do you attribute these very favourable results to your selection of membership on a pledge of total abstinence?—I do.

6188. (Sir Arthur Worley): To come more to the business side of the question, does the success not result rather from the amalgamation into districts?—I think that our having the district as the unit tended to equalise the valuation results, so that while the surpluses in some cases were not so large as they would have been with the tent as the unit, on the other hand there was a surplus in every district except two. That, I think, was a favourable result due to our form of organisation.

6189. (Mrs. Harrison Bell): On paragraph 22 I should like you to tell us something about the new methods of working and administration which have resulted in economy and efficiency?—In 1912, at the outset of the National Insurance Act, everyone had to gain experience, and in many cases the power of controlling sickness benefit was left with the tents over longer periods than at a later date. For instance, the tents would be allowed to authorise their sickness claims for a period of three months or perhaps six months before they were sent in to the district office for supervision and check. It was found that that system was not conducive to the best results and, therefore, suggestions were made that every payment of sickness benefit should be authorised and supervised from the district office. That has resulted in very much better administration throughout our districts.

6190. To put it shortly, you have economised considerably in the amounts which you have paid to your members in that particular benefit?—(Mr. Illingworth): No, not so much a matter of economy as of efficient administration, enabling us to get a more accurate statement of our own position monthly rather than waiting quarterly or half-yearly. It is certain that the member gets in all cases what is due to him. Occasionally, it was the other way, the member did not get what he or she was entitled to. Under the present system there is no over-payment or under-payment.

6191. What is the practice of your Society with regard to the man who is sick and who is engaged in what might be described as heavy employment. Take, for instance, a shipyard helper; he is sick, he has received benefit, his doctor says he is capable of light work, light work is not available at the time. Do you cut him off from benefit immediately or do you give him a reasonable time to fit himself for his heavier work?—Such a case is always dealt with on its merits. It is obvious that in the case of a heavy worker, it would be impossible for him to get light work even though he was capable of it immediately, and he is not cut off benefit immediately under such circumstances. The case is kept under review and, of course, such a person who is capable of light work is not allowed to continue to receive sickness benefit under the Act continuously. He is advised to try and obtain light work, and for the time being he is allowed to continue with a view to getting it and is treated reasonably in that way.

6192. (Chairman): Your principle is to deal with every individual case upon what you consider its merits?—Yes. (Mr. Illingworth): And our general interpretation of "incapable of following employment" is the man's ordinary employment, not some other employment which he might get under certain other circumstances.

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6193. (*Professor Gray*): When you refuse benefit to a member, do you always make a point of telling him why it is refused?—Always.

6194. He is never left in doubt as to the particular ground upon which benefit is refused?—No. If the benefit is not paid he is always informed of the reason.

6195. And do you tell him of his right to appeal?—Of his right under the rules to appeal if he is not satisfied. There is not a case, as far as my knowledge goes, of a benefit being suspended other than in the ordinary method unless the member is informed of the reason why it is suspended, and if he is not satisfied with the decision, he may take certain steps.

6196. (*Mr. Evans*): In paragraph 15 you give the number of districts in England 75, and in Wales 17, and you told us just now that the 1918 valuation showed one district in each of those two countries with a deficiency and 9 districts in each showing no disposable surplus?—(*Mr. Cave*): Yes.

6197. Taking those figures, can you tell us the reason why the preponderance should be in Wales?—Because of the hazardous nature of the work in Wales compared with the whole of England. The hazardous occupation is more concentrated in Wales than it is in England.

6198. Can you tell us where these districts were?—As to England, the districts with no disposable surplus were Northumberland, Durham, Chesterfield, Barnsley—the mining and hazardous occupation areas.

6199. And the same thing in Wales?—Yes, especially in South Wales, East and West Glamorgan-shire, Carmarthenshire and South Pembroke.

6200. Those are mining or quarrying?—Yes.

6201. Carmarthenshire has the mining areas?—Yes.

6202. Were additional benefits paid to members in all districts or merely to members in those districts that showed a disposable surplus?—Only in those districts which showed a disposable surplus. Each district is valued as a unit.

6203. The members in those districts which did not show a disposable surplus were not paid additional benefit?—No.

6204. That would mean that the members in your Order were not all treated alike?—That is so.

6205. (*Miss Tuckwell*): In some cases a district covers a group of counties. In such a case would your limit of 500 apply?—Yes, as a desirable minimum.

6206. There are some places where you would have only two or three members, I suppose?—In many places there may be just a few members, in one village.

6207. And in that same village there would be members of other societies probably?—Yes.

6208. What is your view as to the desirability of collecting those few stray members of many societies into a single local society?—(*Mr. Illingworth*): We get in touch with those members by means of our Tents.

6209. That is not what I meant. What I was suggesting was, as you had two or three members belonging to different societies in one village, and you have to work up to 500 by means of grouping several counties, have you considered the desirability of putting those different members of the different societies into one local society?—May I put it in this way? The 500 represents our unit as a district, but our district is made up by our Tents spread in different parts of the county. We may have a Tent in one part with perhaps 20 members, another with 50 members, another with 100 members, and so on, and the district will be composed of perhaps 30 or 40 Tents, and in these scattered areas there will be our Tents, known in other organisations as Lodges or Courts.

6210. My point was, where you have in these scattered places two or three members of different

societies, have you thought of taking a broad view of the question and having a local society to take in all these scattered members which might be worked in connection with the local authority?—If we have 10 members in one area we can establish a Tent. Ten is our minimum number for a Tent. Where we have two or three members in a village not sufficient to form a Tent we find no difficulty in working it. We should not favour forming a little local society.

6211. I did not say "little." You would not be in favour of a local society?—No. We find no difficulty in working, even if there are only two or three in a village, no difficulty in looking after them as members of our Order. We might have a Tent in the next village, which frequently happens.

6212. On paragraph 24, do you consider the present system, under which some insured persons are entitled to far greater benefits than others in return for the same contribution under compulsory insurance, is just?—If a society is not able to pay additional benefits it is usually because its members have already received a larger sum than that which the average insured person has received; so that if the members do not get additional benefit they have already received ordinary benefit to a greater extent.

6213. The position of the individual is this, that in the one case he gets sickness benefit if he wants it, and additional benefit as well, while in another case he can only get sickness benefit?—(*Mr. Cave*): Is not that what was intended?

6214. I was not asking what was intended, but whether you thought the thing was just?—In answering the question as to whether a matter is just one has to take into consideration the whole of the circumstances. If the conditions were equal, we would have to answer the question in the negative, but inasmuch as the conditions are not equal, I think we have to answer the question in the affirmative.

6215. Supposing you and I belong to two different branches of your Society, and I, if I am sick, can get additional sickness benefit and you cannot?—You are taking now two members in one society?

6216. I am taking the case of your Society. I can get sickness benefit and additional benefit, and you cannot. As a general principle would you say that was just?—As between members of the same society?

6217. Yes, as between members of the same society first, and then the larger question, too?—I think as between members of the same society there is a good deal to be said for all members getting the same benefit, but my previous answer applies to societies of a different character.

6218. You do feel that it would be desirable as between different branches of the same society that members should get the same benefit?—I think there is a great deal to be said for that.

6219. Why, if you maintain that with regard to the different branches of one society, should not you maintain it as between one society and another society, all members paying the same contribution?—Because different societies are working under different conditions, and it was always realised that these varying conditions would produce varying results. Benefits cannot be counted altogether in the form of £ s. d.; it all depends what other conditions are applicable to the society.

6220. Do not you feel that all insured persons, whether they be members of one society or another, if they pay the same contribution, should have the same advantages?—I think I must answer that question in the negative. My reason is that societies are established on various principles and those principles direct their administration, and it is on that administration that their final results depend. If a society is administered in such a way as to produce benefits in excess of those given by another society that is administered not so well, then I say the members of that society are entitled to their extra benefits, and that it is just to give them those extra benefits over and above what is given to members of the other society.

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6221. But not inside the society?—I am speaking of societies in general. That argument does not apply so much to branches within a society.

6222. Although the principle on which we are working is one which is to provide health nationally?—Yes.

6223. (Mr. Besant): With regard to cost of management, can you tell us what is the expenditure of your Society on administration for the last year for which you have the figures available?—For the last completed audited year 1922, £91,953 for the districts.

6224. I want the total.—£100,012. That includes the head office as well.

6225. (Sir Arthur Worley): The head office's expenses were £5,000 odd, and £91,000 odd for the districts, making £96,000 odd. Where does the other come from?—The figure of £100,012 is the total expenditure according to the audited accounts of the districts. That includes £8,059 as head office levy, but the actual expenditure of the head office was less than £8,059, so though it was a payment from the districts to the head office, the head office spent only £5,048.

6226. (Mr. Besant): What is the total expenditure of the Society? That, I think, must include every item of expenditure?—£100,012.

6227. That is built up of £91,000 for the districts and £8,000 levy?—£91,953 expenditure in the districts and head office levy £8,059.

6228. Can you tell us what is the cost per head of membership?—That works out at 4s. 10d. for the year 1922.

6229. Is that going up or down as compared with earlier years?—(Mr. Illingworth): As compared with earlier years, I think, it is up slightly, but I have not the figures for 1921 with me.

6230. You have not the figures for the previous years. Could you send those in afterwards?—(Mr. Cave): We could supply you with the figures for the previous years.

(The statement promised in answer to Q. 6230 is inserted here for convenience of reference.)

INDEPENDENT ORDER OF RECHABITES.  
Administration Expenses for the Year 1920.

Whole Order.	Total Cost.	Cost per Member.	Of Total.
Salaries and Wages, including Overhead Allowances to Tents.	£ 73,184	d. 40·745	·800
Printing and Postages ...	6,646	3·700	·072
Rents, Rates, &c. ...	3,536	1·968	·038
Incidental Expenses ...	1,064	·592	·014
Travelling Expenses ...	1,561	·870	·017
Medical Referees ...	86	·048	·001
Head Office Levy ...	5,279	2·939	·057
Uncertified Benefit Expenditure.	100	·056	·001
	91,456	50·918	1·000

Administration Expenses for the Year 1921.

	£	d.	
Salaries and Wages, including Overhead Allowances to Tents.	78,695	45·186	·789
Printing and Postages ...	6,451	3·704	·064
Rents, Rates, &c. ...	4,070	2·336	·041
Incidental Expenses ...	1,186	·681	·012
Travelling Expenses ...	1,935	1·111	·020
Medical Referees ...	85	·049	·001
Head Office Levy ...	7,139	4·099	·071
Uncertified Benefit Expenditure.	202	·116	·002
	99,763	57·282	1·000

6231. I will tell you what I am leading up to. Four shillings and tenpence is the maximum allowed for expenditure, is it not?—Yes, that was the amount in 1922.

6232. You said that your particular methods are the most satisfactory methods resulting in economical and efficient administration. Is not that cost of 4s. 10d. somewhat high if it is the maximum permitted?—I do not think the cost was so high in previous years, inasmuch as we have the surpluses. At the end of 1922 there was a total surplus in the administration accounts of the whole of the districts of £26,503. That was the total surplus built up gradually from 1918 as follows:—The surplus in 1918 was £19,761 as against £1,059 deficiency in a few districts: in 1919 the surplus was £19,172 as against £1,731 deficiency in a few districts.

6233. If I might ask you to sum up those figures, was the cost per head in those years less than it is to-day?—Yes, most decidedly.

6234. You say that your particular method gives most economical and efficient results. I do not understand why, if you spend the maximum which is permitted, you are so satisfied with the economical working of the particular system?—Because when we speak of economy we have other matters in mind.

6235. You state that your methods lead to successful, economical and efficient administration, and I ask you again how, if you are spending up to the full limit, you are so satisfied that it is an economical method of administration? It seems to me to convey exactly the opposite?—I think, having regard to the nature of administration of National Health Insurance as a whole, our statement would be fully verified. The question of economy must be considered in view of the whole administration and not only from one section of it.

6236. I am not quite so convinced as to the economical side of it, at least on the figures. Still, I leave that. Can you tell me the main heads under which your expenditure of £100,000 was incurred?—Yes. Dealing with 1922, the last completed year, we have salaries and wages, including overhead allowances to the tents, £79,077; printing and postage, £5,585; rents, rate, etc., £3,893; incidental expenses £1,485; travelling expenses, £1,562; medical referees £158; head office levy, £8,059; and an item for uncertified benefit expenditure of £188.

6237. How do you pay your agents and your officials?—The allowance to our tents, who act as agents for the district, is fixed by the annual meeting of the District Council, which is comprised of representatives appointed by every tent.

6238. Do you mean a lump sum?—A lump sum to cover all expenses.

6239. Take your tent, which I suppose is your unit. Does your tent secretary or official get paid a lump sum?—No. An allowance is made at the annual District Council meeting to the tent to provide for payments to the tent secretary, sick visiting stewards and postage.

6240. Is the secretary full time or part time?—Part time.

6241. In all cases?—Yes.

6242. Then when you get to the next stage, the district, do you then begin to get full time?—Yes. The general administration of the work, the keeping of the accounts, the books and the records of every description is done in the district.

6243. Then you come to the head office and central management; are they all full-time people?—Yes.

6244. What is your total staff, both indoor and outdoor, whole time and part time?—Head office staff, 14. In the districts there are 184 whole time and 63 part time. In the tents, 3,498.

6245. Those are all part time?—Yes.

6246. What is the total?—198 whole time and 3,561 part time.

6247. Are these people entirely devoting their time to the State side of the work, or are they also devoting themselves to the voluntary side?—All, except the district secretaries, are devoting their time

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entirely to the State side. The district secretaries supervise both sections, State and voluntary, except in two cases.

6248. Do the members of your Committees of Management get any payment for their services?—Sometimes they do and sometimes they do not.

6249. Could you give us any further particulars?—They get their railway fare for attendances at Committee meetings, and occasionally there is a small fee of a shilling or two shillings.

6250. The total payments to the Committee of Management are quite a small sum?—A very small amount. As far as the Committee of Management is concerned and quite a large number of the other workers in the tents, they are entirely voluntary workers, both for the voluntary work and for the State part.

6251. Can you think of any ways in which your Society could lessen its expenditure?—I am not aware of any method in which they could lessen the expenditure. That problem has always been kept very closely under review by the management, from the Board of Directors downward.

6252. But the rate per member is now as high as is permitted, is it not, viz., 4s. 10d.?—Of course we were speaking about 1922. There have been economies since 1922, which will bring down that expenditure as time goes on. For instance, I quite expect 1924 will be very much less than 1922. Obviously we are on a reduced expenditure and many of our agents have been forced to accept reduced fees because of that; consequently the sum total will be less.

6253. Do you think, on the whole, you have got your expenditure down as low as the system permits?—We think so.

6254. And you are satisfied that this particular system, the subdivision into tents and districts, and so on, is the best that can be devised?—We think so, and we also think it is the most economical, taking everything into consideration. Of course, we have to recognise that many of these workers are not paid what may be termed salaries by any means; they receive only fees or allowances. In many cases their expenditure eats away very largely the fee that they are allowed for visiting their members, because they do come in very close touch with the members. There is no allowance made for any expenditure which they incur in that, and the fees are very largely spent in that way.

6255. (Sir Alfred Watson): You said just now in answer to a question from Miss Tuckwell that you thought it would be better to have a system under which all the members of a society got the same benefit even though they belonged to different branches of the society?—I said that was an opinion which probably could be supported. I cannot say that is the opinion of the whole of my Society.

6256. I was going to ask you that. Is that the opinion of the Rechabites?—I believe it is a growing opinion.

6257. You said such a system might emerge if an option were given to the Society to deal with the problem in that way?—I ought to qualify that. I meant to qualify it at the time. It is my personal opinion, and I think it is the growing opinion in the Society, but of course the High Movable Conference is the governing body, and we should have to convince the majority of that Conference.

6258. The system would involve all claims being authorised by the head office?—Would that be necessary? I am not sure about that. (Mr. Illingworth): That would make it one centralised society.

6259. At the present time your sickness benefits are paid out by the Tent Secretaries?—(Mr. Cave): After consideration and authorisation by the district.

6260. They are paid by the Tent Secretaries?—Yes.

6261. But because the district is liable the District Secretary authorises the payment?—Yes.

6262. The money is paid out of the district funds?—Yes.

6263. If you had an Order fund and every branch paid the same benefit, would not the Secretary of the Order in some way have to authorise the benefit payments?—I do not think it necessarily follows.

6264. You can contemplate a state of things under which the head office would find the money, but the branches all over Great Britain would themselves incur the expenditure?—It is a system of administration which would want very careful thinking out before any definite decision was come to; but, still, I think it is quite possible that such a scheme could be devised whereby members within the Order could all receive the same benefit, not necessarily by administration from the head office, but by other schemes which could be devised within the Order.

6265. You realise that there are cases already where all the members of the society get the same benefits, although the society is organised in branches?—That may be.

6266. If that is so at the present time, it could be so in the case of the Rechabites if the Rechabites chose?—That is so. We realise that.

6267. (Sir Arthur Worley): On the question of expenditure, does each of your units on the voluntary side act as a separate unit?—Very largely on the same principle. (Mr. Illingworth): That is a growing feeling. Originally each tent was a unit and was valued separately, but now the consolidation principle is extending, and very largely the private side is following the State side.

6268. On the private side do they get different benefits, as they do on the State side?—(Mr. Cave). In the districts the same.

6269. Coming to the question of administration expenses, could you give us similar figures on the voluntary side to those you have given us on the State side? How many members have you got on your voluntary side?—We could give you the membership. We could not give you the details of expenditure.

6270. I want to get a comparison between your voluntary side and your State side on the question of expense. You have 400,000 members on your State side. How many have you on the voluntary side?—315,706.

6271. Do not all the State people belong to the voluntary side?—No. I can give you the membership in detail if you like.

6272. What I am concerned with is the question of expenses. How much per head is the cost of administration on your voluntary side compared with 4s. 10d. on your State side?—I should say it is very similar to that in the State section.

6273. Cannot you give us the figures?—No, we have not the figures for the voluntary side. I am giving you that opinion from the contribution which is charged to cover management, head office, districts and tents. (Mr. Illingworth): Usually it is 4s. 4d. per member per annum.

6274. Less than the State side?—Yes.

6275. Could you send us in the figures?—I question whether we have them tabulated anywhere. Each tent is its own unit.

6276. The Rechabites, I imagine, must have some account of expenditure and income to enable you to say what on your voluntary side was your expenditure per member. A good many of these items must be self-apportioned; for instance, rent, and so on?—Yes.

6277. I do not think it is unreasonable that this Royal Commission should know how they are apportioned, and what you charge for rent, for instance, on the voluntary side, and what you charge for rent on the State side?—The usual arrangement is that each section pays half. (Mr. Cave): It is apportioned according to membership.

6278. I suggest we might have the figures on the voluntary side similar to those you have given Mr. Besant on the State side?—On the question of apportionment our experience is that the State auditors are very careful to watch those points.

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6279. I am not suggesting they are not. I am asking whether we can have figures. If you say you cannot supply them, or do not wish to supply them, I must leave it at that for the time being. (*Mr. Illingworth*): It could be done, but it would involve a considerable amount of labour. We do not require them, because each tent makes an annual return to the registrar. It would mean an examination of all those annual returns and making a schedule of them, a tremendous job.

6280. I should have thought that you would have wanted it for your own purposes: that it was all gathered together in some form. For instance, I should have thought you would have wanted the expenditure in rent on the voluntary side?—Each particular branch knows whether it has a surplus or not, and each district knows what its expenditure is, but they are not required for any other purpose officially in the Order.

6281. Perhaps you will consider that?—Yes.

6282. You have an item of £1,560 for travelling expenses. Seeing that each unit is within a district, I suppose the travelling is only a question of the tent going to the district meeting?—(*Mr. Cave*): District executive meetings. The executive of every district must meet periodically, and they are brought to a central place of meeting.

6283. Are these meetings held on the voluntary side at the same time as on the State side?—Frequently. (*Mr. Illingworth*): And in those cases half the travelling expense is charged to each section.

6284. What is the proportion of time spent on State business in such a meeting?—(*Mr. Cave*): Very often there is more time spent on the discussion of State matters than on the voluntary side.

6285. Is that the same at the High Movable Conference?—At the High Movable Conference the time is very considerably taken up with State matters.

6286. Is it one-half, do you think?—Of course, this has nothing to do with the High Movable Conference. The High Movable Conference expenditure is paid out of the £5,000 odd we have spoken about.

6287. Some of it is paid by the State side?—Yes.

6288. Is that the chief item of the £5,000?—We can give you that figure in a moment.

6289. It was given in evidence here by one society that one-fifth of the time only was taken by State business?—(*Mr. Illingworth*): In our case it would be nearer half. (*Mr. Cave*): I have before me the printed balance-sheet of the Head Office for 1919-20. In 1919 the High Movable Conference met at Cardiff. The total expenditure of that Conference was £1,803 10s., and the State section contributed half. (*Mr. Illingworth*): In 1921 the Conference was at Darlington, and the State section cost £1,635 10s. 11d., and the voluntary section £1,768 5s. 4d.

6290. How many days was that?—(*Mr. Cave*): Three and a half days.

6291. £500 a day each section, £1,000 a day together?—Yes, and travelling expenses as well. It includes every expense.

6292. I hope so. How many representatives were there?—Roughly, 320 to 350.

6293. An average of £10 apiece, taking the two sides together? Each delegate for three and a half days got £10?—No. The cost covering all expenses was on the average £10. But what each delegate received for hotel and travelling was, of course, less.

6294. That includes the near delegates and the far-distant delegates?—Yes. We can tell you exactly what they had.

6295. That was the cost of the meeting per delegate?—Yes.

6296. There was the hall, something had to be paid for that?—The rent of the hall and other incidental expenses connected with it.

6297. What are the other incidentals?—Hall, reporter, secretary, printing.

6298. Was there anything extraneous beyond the travelling and hotel expenses and the use of the hall?—Printing.

6299. Any socials?—No, not a penny. (*Mr. Illingworth*): All the socials are paid for entirely by the district that entertains the Conference from a private fund which it raises in its own way.

6300. I want to get that quite clearly?—(*Mr. Cave*): I want to assure you, Sir, there is not a penny in this expenditure of a social character.

6301. That is what I want to give you an opportunity of putting on the record?—From our voluntary side we make a grant to the hospital, but we do not from the State side.

6302. Cannot you give me anything a little more definite as to time. I am asking the question because one society gave us figures which compare favourably with yours with regard to their movable Conference, but at the same time they said that only one-fifth of their time was occupied with the State business as against four-fifths with the other?—There would be very much more than that. There would be the best part of a day taken up with State business pure and simple, and much of the other business which is considered at the High Movable Conference is common to both sides. The general formalities of any Conference must of necessity arise. If a State Conference was being held alone there would be the general formalities, the election of officers, and so on. The Board of Directors' report would be very largely common to both sides.

6303. That would not take long, would it?—It all depends what there was in it. Then travelling is halved between the State and the voluntary sides, which makes it more economical from that point of view for both sides.

6304. I must accept what you say about that. Now I want to come back to a question that Miss Tuckwell put. The suggestion has been made that if, for instance, dental treatment were made a statutory benefit it would be quite equitable if some sort of mutual assistance fund were made, if so much money was taken from the contributions and put into that fund, and distributed to each society, so that the stronger was helping the weaker. Would that appeal to you at all?—We are not prepared to commit ourselves to any system of pooling of contributions. It is a matter that wants very careful thought and consideration. Until such time as a complete service, extended medical service with consultant and specialist treatment, is provided, we are of opinion that these benefits should be controlled absolutely by Approved Societies.

6305. I was struck by the fact that one of your branches, Barnsley, had a deficit, and one of the reasons given was the heavy amount paid in maternity benefit. Would it not be a reasonable thing if some arrangement were made whereby maternity benefit could be paid out of common funds. Supposing that from the contribution that is paid today a deduction was made of a specific sum, and paid into a central fund, and out of that fund all payments for maternity benefit were made, in that way one society assisting another society, would that appeal to you as not unreasonable?—Not until such a time as there was a complete medical and allied service.

6306. We have to go by steps in trying to do these things. Why should we delay a weak system, if one may put it in that way, merely because the whole thing cannot be done? You yourself concede that it is not inequitable that within the borders of your own Society the strong unit should assist the weak?—That is so.

6307. I suggest to you it is not unreasonable to carry that principle a little further as regards a benefit which is beyond anything that your Society can control?—I admit that.

6308. (*Chairman*): In paragraph 26 you recommend the extension of medical benefit to cover the consultant and specialist services available to all insured persons. Perhaps you would indicate to us how you suggest this important extension should be administered?—This paragraph 26 is an expression



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of our view that the present medical service might be extended to include consultant and specialist services. We are aware of the fact that the cost of such services is not at the present time included in the present contribution. We think if these extended services are provided there is no reason why a charge on the present contribution should not be made for that purpose so far as the contribution will permit. It is purely an actuarial matter as to how far that is possible, but we are guided by the extent of the surpluses which are being revealed, and we think if these surpluses can be disposed of in the way we have suggested that is one means of securing these benefits for the whole of the insured population and not making them preferential benefits for one society or another.

6309. Have you estimated the cost?—No. I say it is purely an actuarial matter, and we can only commit ourselves so far as the contribution can bear it.

6310. In paragraph 30 you indicate that you favour the extension of medical benefit to dependants. Here again, you do not go into any details, but may I assume that you regard this as not so urgent as the provision of specialist and consultant services?—That is so. We do regard the provision of specialist and consultant services as the more immediate benefits which we desire under the National Insurance Act. We have come up against this position—and, of course, in connection with the work of Insurance Committees you are met with it—that certain services are required by insured persons, and they cannot have these services except upon payment of fees.

6311. In paragraph 33 you make the recommendation that dental, convalescent treatment and optical treatment should be continued as additional benefits. Have you considered at all the possibility of making dental benefit a normal benefit under the Act, or do you see substantial difficulties in such a course?—With the present rate of contribution we are afraid to suggest that it should be a normal benefit under the Act. We do not think the contribution would bear it. If it would, speaking personally, I would favour such a course.

6312. But you see a difficulty at the present time with the present contribution?—With the present contribution. That, again, is purely an actuarial question. We are not in a position to answer such questions as those. They require very careful consideration from a financial point of view.

6313. In paragraph 34 you say that the administration of these additional benefits can only be carried out by the societies and cannot be handed over to Insurance Committees. Would you amplify your arguments on this point, please?—(Mr. Illingworth): Additional benefit, dental and convalescent, would be applicable to individual societies and, therefore, that society which finds the money is the proper party to administer the benefit. The matter should not be handed over to the Insurance Committees which deal with all societies alike.

6314. I gather from paragraphs 37 and 38 that on the whole you are quite satisfied with the work of medical certification, and I assume with the regional medical officers scheme. Is that so?—(Mr. Cave): Yes, speaking generally, those paragraphs express our views with regard to medical certification. We have difficulties cropping up from time to time, but every well-administered organisation is bound to have certain difficulties. They are few and far between and not of a very serious nature. In cases where complaints have been brought to our notice they have been, generally speaking, cleared up with a little reasonable explanation. With regard to the regional medical officers we have taken some advantage, and a growing advantage, of that scheme. I was requested to make the point that whenever cases are referred to the regional medical officer there is little time allowed to elapse between the date of the last certificate and the reference.

6315. It is done promptly?—It is done very promptly. Where there are apparently long periods between the date of the last certificate and the date of reference to the regional medical officer they are practically all cases of monthly certificates which have been running for a period and the reference has been made towards the end of the period.

6316. (Sir John Anderson): In paragraph 29 you refer to the position of medical institutes. Would you mind explaining, for the benefit of the Members of the Commission who do not know, what sort of institute it is you have in mind?—We have in mind the medical institutes which were part of the general work of the Friendly Society movement prior to the inception of the National Insurance Act, and which did splendid work in providing medical attendance for their members before the Act came into operation. These institutions were approved, generally speaking, for the provision of medical attention at the time the Act came into operation, but a ban was placed upon any new medical institute being brought into being, which has had the effect of nullifying the useful work and the progress of these institutes. No new institute can come into operation, and institutes that were in operation then have not been looked upon as being generally recognised. What we feel is that they should be recognised, but, of course, on such conditions as are desirable for carrying out the proper administration of medical benefit.

6317. Will you tell me what advantage, in your opinion, is secured to the insured person by providing treatment for him through one of those institutes rather than in the ordinary way contemplated by the regulations. What are the advantages?—I do not say that there are any advantages over and above the other choice which insured persons have.

6318. Why then do you want to make it possible for new institutes to be established for this purpose? Have they any sphere of usefulness outside medical benefit?—There is the general and social intercourse of the members between the various societies and the doctors associated with these institutes.

6319. Between the various societies?—The societies who form the institutes, and the doctors who are associated with the institute become part and parcel of the organisation along with the membership, because there is, generally speaking, a close touch between the members of these institutes and the doctors who are administering their benefits.

6320. Is the system of medical institutes at all widespread?—(Mr. Illingworth): No, I should say it is very limited.

6321. Is there any real demand for them?—(Mr. Cave): I think there has been a demand. Of course, the demand is being somewhat killed owing to the attitude that is being taken towards these institutes.

6322. What attitude? The existing institutes were recognised in the Act of 1911, were they not?—That is so. (Mr. Illingworth): Is there not some difference between the treatment by the doctor connected with an institute and the ordinary medical practitioner, some difference with regard to change of doctor?

6323. In the one case the doctor is treating the insured person who has chosen him in his ordinary capacity as medical practitioner; in the other case you have a thing called an institute, to which the insured person has to look rather than to the individual doctor. Surely there is a vital difference in that respect. What I want to get from you is, what advantage to the insured person would be secured by wider recourse to medical institutes?—(Mr. Cave): I do not think we are suggesting that any greater advantage would be secured to the insured person. It is simply a choice that they exercise. The point is, medical institutes should be dealt with on the same terms and conditions—

6324. No, they are quite different. A medical institute is not a doctor. You cannot apply the same regulations to a medical institute as you can

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apply to a doctor. The medical institutes which existed at the inception of the Act could be approved for the purpose of providing medical attendance and treatment under the Act?—Yes.

6325. Were there any such institutes connected with your society?—There were institutes with which our society was connected.

6326. Did your members avail themselves largely of the facilities provided by those institutes when the Act came into force?—Yes, where those institutes were in existence I think they did.

6327. Have they kept up their membership?—Yes.

6328. In preference to using the ordinary system of panel doctors?—Yes, in those localities where these institutes are in existence.

6329. Does the insured person electing to obtain treatment through an institute obtain any rights as against any particular doctor? Is he entitled to look to any particular doctor for treatment?—Institutes are in different categories in that respect, I think. There are institutes which comprise the whole of the doctors in the area; there are other institutes which engage a specific doctor, and then, of course, anyone who chooses the institute chooses that particular doctor. But in other institutions the panel of the area is the medical range for selection.

6330. Was not the medical institute in effect a system devised by Friendly Societies before there was any general medical service for insured persons, to enable them to provide medical treatment for their members in a way which was convenient to the societies?—To the societies possibly and the doctor. I think it was a mutual arrangement.

6331. I suppose the society had a certain amount of control in that way over the doctor's work through the institute?—It was a friendly contract between themselves and the doctor.

6332. The doctor was in a sense the servant of the society?—By contract, yes.

6333. Is not that rather inconsistent with the trend of modern opinion as to the way in which medical treatment should be provided; for example, were these doctors in many cases the salaried officials of the institute?—In many cases they were.

6334. Does not it seem better, if the insured persons are to get medical treatment at the cost of public funds, that they should get it in the way you and I expect to get it by going to the doctor of their choice and making arrangements?—It does not alter their choice of doctor.

6335. Surely it does?—If they choose that system they have free choice of doctor just the same. They may or may not choose the institute. Members of friendly societies are not bound to these institutes. There is absolute free choice.

6336. I understand your suggestion is that facilities should now be provided for the extension of this system of medical treatment through institutes?—Yes.

6337. I put it to you quite bluntly that that suggestion can only be maintained if you can show that treatment through medical institutes secures for the insured person some advantage which he cannot get by the other method?—If the same advantage is got—

6338. No, no. There is a normal system which is treatment through what is called panel doctors. If you want to provide something different, some exception from the normal system, that exception surely must be justified on its merits. I want to know what the advantage is. I cannot see any. I want to see some advantage from the point of view of the insured person. It is obvious, is it not, that when the National Insurance Act was passed the provision which it contained with regard to existing institutes was inserted in order to prevent injury to institutions already in existence; but there was a very clear indication that no more of these institutes were to be recognised for the purpose of providing benefit under the Act. Now you suggest that barrier should be removed. I want to know what are the grounds from the point of view of the insured person

for advocating that course. Are there any?—The only grounds are that it was a system recognised at the inception of the Act, and if it was good enough to be recognised then it is good enough to be continued.

6339. I put it to you that that is no argument at all. It was recognised at the inception obviously, because those responsible for the Act did not desire to do injury unnecessarily to existing institutions?—We do not take it that it was clearly demonstrated at the outset that there should be no more of those institutions coming into existence.

6340. Is not that the effect of the Act?—That is the effect, but it is that effect which we suggest should be removed.

6341. Why?—Because in many cases these institutions are considered preferable to the other choice of doctor by the members using them.

6342. You have not mentioned a single advantage that the insured person can get through an institution which he cannot get from the doctor direct. There has not even been a suggestion of any advantage. You say some insured persons regard these institutions as preferable. Why? Surely you can make out some case. I know nothing about them myself. I am anxious to be enlightened. Is there any answer?—I do not know that it is a matter that we very greatly press. In many cases members are desirous of using these institutes. They have gained great advantages in the past through their association with these institutes, and our only point is that these institutes should be dealt with on the same terms and conditions as panel doctors, and that they should be part and parcel of the system.

6343. Are they not part and parcel of the system so far as they already exist?—Yes, as far as they already exist. The present embargo against the setting up of new institutes—

6344. Surely the effect of the 1911 Act was that medical attendance should be provided as far as possible by the doctors on an independent footing with an exception only in favour of systems or institutions which in some way conflicted with that principle of independence that were in existence at the beginning. That is as clear as it can be, I suggest to you, under the provision of the Act. Are you going to suggest that the doctor should to some extent be brought again under some sort of control which was not contemplated in the Act?—We do not suggest that at all.

6345. Does not the existence of an institute of the kind you are referring to imply some kind of lay control over the work of the doctor?—I do not think so, in the institutes that are in existence at the present time.

6346. Does not it imply that? There is nothing whatever to prevent doctors from coming together in partnerships or in clinics or in any sort of way they like for the purpose of securing professional co-operation in carrying out their work. The essence of an institute is that there is lay control. There is an organisation which is in the hands of laymen which undertakes to provide the services of doctors for people who become members of that organisation. Is not that so?—It may be in certain cases, but that does not apply to all medical institutes.

6347. Is not that the essence of it? If it is otherwise, if it is an organisation of doctors, the doctors come along as doctors and they get on to the panel. It is only where it is not such an organisation that the special provision with regard to institutes has to be resorted to. Do the Rechabites think it is desirable—I dare say some people do—that there should be a closer relationship between the Approved Societies and the doctors who provide treatment for the members of those societies than the Act of 1911 contemplates?—We desire the very closest association with the doctors and we are only anxious that that close association shall be brought about.

6348. Would you like to see the doctors under the same sort of control that they were under before the Act?—I am not suggesting that at all.

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6349. That is what the institute secures?—I do not think so.

6350. Did not Friendly Societies before the Act very largely resort to medical institutes to provide their members with medical attendance and treatment?—In many cases they did.

6351. But not very largely?—The doctors were as free then as they are to-day in their association with the institutes. The doctors were not by any means under the arbitrary control of the institute any more than they are to-day.

6352. Surely you cannot say that. The doctors to-day are absolutely free?—And under the institutes, those that I am thinking of, they are free to-day.

6353. It may be so of the institutes you are thinking of. I do not know what those institutes are, but it certainly is not true, if I put it to you, of institutes in general. The doctors are not free?—We are not asking for institutes which are not working on approved methods to be considered at all; only such institutes as can be dealt with on the same terms and conditions as panel doctors. There are institutes in existence where the whole of the panel doctors are open to the free choice of the members, and the committee of the institute has no control whatever.

6354. Where do you come from?—Leicester.

6355. Is the system you are describing peculiar to Leicester?—I am not aware it is.

6356. I think it is. I believe Leicester is the only place in the whole country where such a system exists; that every other institute in the country employs doctors on a salary basis?—I may be in a very fortunate position from the point of view of experience in that respect.

6357. I believe it is absolutely unique, and I suggest it is not quite fair to put forward a general proposal of that kind with nothing more to support it than the experience of what may be a particularly favoured area?—I am not in a position to say that. You say it is peculiar to Leicester. I do not say that.

6358. Let me put it as a question. Do you know of a similar institute anywhere outside Leicester?—I do not know that I can name any. Personally, I am not acquainted with these institutes. I have no axe to grind for institutes at all. It is a general question.

6359. It is a general question, and you are dealing with it from the point of view of experience of a case which I suggest to you is quite exceptional. I do not think I need carry the question further.

6360. (Mr. Jones): I take it, Mr. Cave, that you would be in favour of the institution of all the services that you detail—consultant and specialist services, extension of the surgical appliances, extension to dependants, dental treatment, convalescent homes and so on—provided funds were available?—Yes. I would go further. I believe the time is coming, and I would welcome that time, when the whole of the services could be brought into one complete service embracing the varied services that are in existence to-day, on the lines of the report of the Consultative Council on Medical and Allied Services.

6361. That broad answer avoids the necessity for going into any of them in detail. In the meanwhile, assuming some limitation of that, have you any particular selection you would make? Assuming we cannot get all of them at once, what would be the order of your preference?—First in the order of preference would be the preventive benefits. I would include dental service as being one of the first and most needed benefits on the ground that dental treatment is very largely a preventive treatment.

6362. You would give that the first place?—I would give that first place, following our consultant and specialist service which we have placed definitely first.

6363. I have noted that the consultant and specialist service seemed to be your primary service?—That is so. Speaking broadly, from the point of view of medical benefit, I feel that the consultant and

specialist treatment should be brought into the range of service provided for all insured persons.

6364. I do not know the circumstances of your particular area, but is it not the case that the industrial population as a whole have fairly good facilities for obtaining these services at the present time through the general infirmaries?—In my particular area, yes. I should think there is no part of the country more fitted for such services than the area from which I come.

6365. So that to that extent, at any rate, the industrial group are fairly well provided for, at the moment?—Yes, and they are paying for it. I mean to say, the services are provided and they are regularly paying for them.

6366. Indirectly, or it may be directly, by their contributions?—Directly by their contributions.

6367. Having regard to the fact that the provision exists, would you put that in front as a statutory benefit in preference to dental benefit, assuming always a shortage of funds and that we could not give them all?—If such services were available to anything like the extent to which they are available in my particular area, it would not be such a necessary provision.

6368. Do not you think they are fairly common now over the country? You must exclude the rural areas, because it would be difficult to provide them there in any case. The rural person would require to go to a town. Having regard to the existing facts and to the present facilities for consultant and specialist treatment and the popularity, let me say, of dental benefit, you would not be inclined to change your order a little and put dental benefit in front?—(Mr. Illingworth): I should place our proposed extension of medical benefit in front of the provision of dental treatment.

6369. In regard to your medical institutes, I do not know anything about them. I think there was one once in Scotland, but I think it was discontinued. In what sort of premises is the institute conducted in Leicester?—(Mr. Cave): There are two in Leicester. One of the institutes there is conducted in very fine premises. The other is not so elaborate. They are very decent premises, but not in the same style as the other.

6370. Might one say that, at any rate, they are superior to the average run of general medical practitioners' consulting rooms?—Yes, there is no question about that.

6371. Is there more than one doctor who could be consulted on these premises?—They have a range of doctors, so far as I know, at these institutes. I want to say with regard to them that we are speaking in quite a general way, so far as the Society is concerned; we have no particular connection with these institutes.

6372. But with regard to the organisation of them, is there a number of doctors there?—At these particular institutes that I have in mind they have the choice of any doctor in the city.

6373. If there was a desire to have a second opinion, apart from whether it is a superior opinion or not, which is sometimes valuable, would that be available?—I should say it would, by arrangement with the doctors.

6374. And that, probably, is the case in actual practice?—Yes, I think so.

6375. I have a document to which the medical profession were parties. It does not bear a date, but it is an official document. They are referring to general practitioners' clinics. They refer to the desirability of facilities for practitioners obtaining second opinions from one another and affording facilities to general practitioners to devote time, if they wish, to special branches, and subsidiary centres for treatment which could be given periodically. Do these provisions largely prevail? Am I right in understanding that it is pretty much that organisation that prevails in the institutes?—I would not go

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so far as to say it prevails to anything like that extent. These things would take place by consent of the medical men connected with the institute.

6376. If they were so disposed, they could be organised on those lines?—Yes.

6377. On what is familiarly known as team work?—Yes.

6378. So that if the organisation was modified a bit to meet the views of the doctors with regard to management by lay persons, such an arrangement might be worthy of consideration?—Yes. The whole tendency of that form of treatment is in the direction which I feel should eventually be followed in the provision of medical service; that is, the first conditions of medical service should be the provision of domiciliary services, including curative and preventive work and providing for medical, surgical and maternity cases. Those I would arrange for in what are termed primary health centres, and in connection with those I would have arrangements for out-patient clinics and dental clinics. There would also be provided secondary health centres.

6379. I take it from your description that you are in favour of a complete medical service covering all these details?—Yes, and very largely that statement to which you have referred agrees with the views that I have stated.

6380. So that the working of the institute on its practical side, at any rate, very largely meets the views expressed here to which I think the medical profession were parties?—Yes. But do not misunderstand me. I would not suggest that a medical institute could take the place of a system of medical services such as is outlined there.

6381. It would need to be developed to undertake specialist work, but that would be a matter of development. But supposing it was looked at in a reasonable light, what do you say?—Possibly it would be as you say.

6382. (*Miss Tuckwell*): You say that it would be very difficult, considering what the earnings of women are, for them to make a larger contribution than they are already paying?—Yes.

6383. You wanted to include specialist services and appliances and so on?—Yes.

6384. What you really want, putting aside the caution with which you put your case, is that there should be a comprehensive scheme?—Yes, that is what we want.

6385. (*Sir Alfred Watson*): You indicate in your statement that there sometimes have been difficulties in getting medical certificates for what I will call exceptional cases?—Yes.

6386. For persons in receipt of compensation under the Workmen's Compensation Act and therefore not in receipt of health insurance benefits, but entitled to be free of contributions owing to incapacity?—Yes.

6387. You go on to say that all certificates required for benefit under the Act should be issued free?—Yes.

6388. I can quite imagine that there have been misunderstandings in the past and nobody can possibly quarrel with that statement of doctrine that you lay down there. But you go on to add these words: "and the regulations in this matter do not appear to be always strictly adhered to by some doctors." That amounts, as it seems to me, to a charge that some doctors have been exacting fees for certificates they were bound to supply free. If there is a charge to that effect it is rather a serious matter. Have you any evidence on that point?—In the case of societies who require a medical certificate for the purpose of considering the question of dental benefit, it is suggested that sometimes those certificates are charged for by the doctor.

6389. But are these societies entitled to require those certificates from the doctor free, under the

regulations?—I think the societies, at all events many of them, are under the impression that they are entitled to receive a medical certificate if they so desire for the purpose of administering additional benefits. I think they are under the impression that a provision to that effect was made in the last revision of the Medical Benefit Regulations, and in many cases free certificates were obtained in the case of dental treatment. There came a case of a doctor charging for such a certificate. It was appealed against and I think the doctor's charge was admitted, I believe by the Minister, on the ground that the person concerned was not totally incapacitated from work and that the doctor was only expected to give a certificate in the case of total incapacity. Now it is obvious that dental benefit may be applied for and very properly obtained by a person who is not totally incapacitated for work. If a society required a certificate in a case like that, owing to the wording of the certificate itself it appears that it cannot demand it.

6390. Is not the position that when the doctor is giving a certificate for benefit for total incapacity for work, he may be, or is, required—I am not sure which—to add to the certificate a recommendation for dental benefit if he thinks necessary?—That is exactly what I am suggesting.

6391. That is the regulation, is it not?—That is exactly what I say, namely, that societies consider that that is the regulation, and that there are cases where that regulation is not strictly adhered to.

6392. I understood you to say just now that a doctor made a charge where the case was not one of total incapacity, and the doctor's action was upheld by the Minister?—I think I am right in making that statement.

6393. Surely the regulation is to the effect that where a certificate of total incapacity is given something may be added to that certificate indicating the need for dental treatment. You are asking, apparently, for something more, namely, that the regulations shall impose upon the doctor an obligation to give a certificate for dental treatment in a case where he has not given a certificate for sickness benefit?—In a case where he has not given a total incapacity certificate.

6394. Surely what you are asking for is an enlargement of the obligations of the doctor under the regulations. What you have done, if I may say so with great respect, is to accuse some members of the medical profession of having contravened the regulations by making a charge. You say quite distinctly that the regulations do not appear always to be strictly adhered to?—(*Mr. Illingworth*): Because there are some cases not merely of additional benefits, but under Section 11 of the old Act, where a man wants a certificate for workmen's compensation in order that he may be exempt from arrears. In some cases we found that doctors had demurred to granting such certificates.

6395. Are they required to give them under the regulations?—That is our interpretation of the regulations.

6396. Has not the Society its remedy if a particular doctor does something that is not in accordance with the regulations governing his contract?—In those cases we have called the attention of the doctor to the regulations, and we have got the certificate.

6397. I do not want to make much of it, but it seems to me that, whereas your real purpose is to ask for an enlargement of the regulations, you have rather gone out of your way to suggest that, to an extent worth mentioning before this body, there is an infraction of the regulations by doctors. I rather gather, Mr. Cave, that that is not your suggestion?—(*Mr. Cave*): It is a question of the interpretation of the regulations.

(*Chairman*): Thank you very much for your evidence; we are very much obliged to you.

(*The Witnesses withdrew.*)

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[Continued.]

Mr. JONATHAN DUNCAN and Mr. HARRY BAILEY called and examined. (See Appendix IX.)

6398. (Chairman): You are Mr. Jonathan Duncan, General Secretary of the Rational Association Friendly Society?—(Mr. Duncan): Yes.

6399. Will you tell us for how long you have occupied this position and what was your previous experience of health insurance work?—I have been General Secretary for 24 years, and have been associated with health insurance since the Act came into operation.

6400. And you are Mr. Harry Bailey, Assistant Secretary to the Society?—(Mr. Bailey): Yes.

6401. I observe from paragraphs 1 to 7 of your Statement that your Society is a centralised Society and that delegate meetings are held triennially. Could you indicate to us the mode of election of the delegates and the nature of the discussions that take place at these delegate meetings?—(Mr. Duncan): The mode of election is for each branch to summon a meeting of its members and then they nominate certain of their members for election. After that the nominations are sent to the head office. They are all collated and printed and sent off to the branches with voting papers and summons papers for the members to be summoned to the meetings to record their votes on ballot papers. They are then checked and verified by the scrutineers and a return is filled up and signed and sent to the head office.

6402. What is the nature of the discussion?—The nature of the discussion is in regard to any amendments to rules required in the light of experience.

6403. Are you satisfied that the machinery provides for really effective democratic control of the Society's business?—We are certainly a democratic Society, because nearly every officer is elected by the members.

6404. I see from paragraph 9 that your membership is about 118,000. Are the members drawn from all classes of the insured population or have you any preponderant types? What are your conditions for admission to membership?—Our membership, I think we may say, is drawn from all classes of the population.

6405. No one class preponderating?—I think not. The form of application for membership has to be filled up by the applicant answering certain questions and giving a declaration that he is in good health. (Mr. Bailey): The Society practically adopted the form issued by the Department.

6406. Arising from paragraph 13, perhaps you can describe to us in a little detail the procedure for appeal by a member against a decision of the Society?—(Mr. Duncan): We have had very few arbitration cases. When we have an application for arbitration, Rule 41 is carried out by the person appealing to the Board or Sub-Committee, and arbitration is always granted. We have never had a case that had to be referred to the Ministry.

6407. I see from paragraph 17 that the additional benefits are cash for men and treatment for women. Could you indicate to us the reason why this unusual course was followed and whether your members have criticised it to any extent? For example, did the women not want to have cash rather than treatment?—The valuation was separate for men and women, and we were informed by the actuaries that we had not sufficient surplus to increase cash benefits for women. That is why we gave additional non-cash benefits. But we had sufficient to provide additional cash benefits for men.

6408. On the same paragraph, could you indicate to us the relative extent to which the six treatment additional benefits for women have been taken advantage of?—(Mr. Bailey): The present scheme of six benefits for women was adopted by the Board of Management of the Society to commence from the 1st January, 1923. The particulars I will give you now are for the two years from the 1st January, 1923, to the 31st December, 1924. The scheme as adopted by the board provided for £1,400 for dental treatment for the two years; for distress grants for

the two years £400 was provided; cases of infection, £100; members in convalescent homes and hospitals, £700; medical and surgical appliances, £400; and optical treatment and appliances, £500. After a few months the Board found that dental treatment was the chief treatment required by the women members of the Society. They therefore continued to give that treatment although the money available was being drawn upon very heavily; and at the end of each year they decided to transfer funds from five of the other additional benefits to the dental benefit as allowed by the regulations. In the two years they transferred £925 from the five other treatment benefits to the dental benefit, making the amount available for dental benefit for the two years, £1,400 provided by the scheme and £925 transferred, a total of £2,325. It reduced the amount available for distress grants to £300; cases of infection to £75; members in convalescent homes or hospitals to £350; medical and surgical appliances to £200; and optical treatment and appliances to £250. I can give you the amount out of those sums which has been granted by our Board of the £2,325 available for dental treatment, £2,122 11s. 3d. was granted, leaving on the 31st December, 1924, a balance of £202 8s. 9d. In regard to distress they have granted £254 17s. 0d., leaving a balance of £45 3s. 0d. In cases of infection they granted only £1 12s. 0d. in two years, leaving a balance of £73 8s. 0d. To members in convalescent homes or hospitals they granted £164 8s. 10d., leaving a balance of £185 11s. 2d. With regard to medical and surgical appliances £35 17s. 3d. was granted, leaving £164 2s. 9d. as a balance. £157 9s. 5d. was granted for optical treatment and appliances, leaving a balance of £92 10s. 7d. Therefore, the total granted in the two years for the six additional benefits was £2,736 15s. 9d., leaving a balance still available of £763 4s. 3d. at the end of 1924.

6409. Will you tell us something about the administration of the additional benefit which you refer to as "Members in distress"?—(Mr. Duncan): These are cases in which the members are in very poor circumstances, through prolonged sickness, unemployment, and perhaps family doctors bills. Each case is thoroughly investigated and recommended by the branch and the Board makes grants according to the circumstances.

6410. We should also like to hear something as to the benefit, "Payment on suspension from work on account of infection." Will you tell us in what types of cases this benefit has been paid and to what extent there have been applications for the benefit?—In regard to that the Board decided to allow four weeks' benefit at two-thirds of the normal rate. Whether the normal was 7s. 6d. or whether it was 12s., the grant was two-thirds of the benefit for four weeks. We have only had about three cases since the scheme was inaugurated, and they were cases where the mother had to stay away from her work because of nursing her children who were suffering from an infectious disease.

6411. (Sir Arthur Worley): With regard to paragraph 15 of your Statement, where you deal with the question of centralisation of funds, you rather make a point that the branches are not valued separately, and therefore there is no differentiation between any of your branches?—Not a bit.

6412. There is a difference between the women and the men?—Only so far as the whole body of men and the whole body of women are concerned. The women's funds are kept quite separate from the funds of men.

6413. And therefore the women do not get the benefit of the additional benefits so much as the men do?—That is so. At the beginning we thought it was very much better that the men's experience should be kept quite separate from the women's, so as to arrive at the true position.

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[Continued.]

6414. That is not quite a usual thing though, is it?—I do not know. It has been usual with us.

6415. I know. I am not going to argue the ethics of it, but it is the fact that you differentiate against the women in your Society?—No, it is not against the women.

6416. In comparison with another society I mean?—The only thing was that, having had some experience of women members in the Friendly Society, we recognised that their experience was rather heavier than the men's, and we thought it was only right that it should be seen whether the contributions payable were sufficient for the benefits, so that they stand by their own experience.

6417. It is rather more than just seeing that, because you could have seen that. You, however, carry that out in practice in the benefits, do you not?—Yes.

6418. I am only putting to you that you do rather pride yourselves that all your branches are treated in a like measure—quite rightly; I think it is quite a good point. But you do differ from the majority of other Approved Societies in regard to women?—I did not know that.

6419. If it were so, and if you were one of very few, would you think it worth while reconsidering the situation?—I do not think so.

6420. On the question of dental benefit, what is the benefit that you give? Is it the complete treatment or a 50 per cent. treatment?—We give 50 per cent., not exceeding £4.

6421. And on that you expended £2,100 for your limited number of women members?—It was £2,122 in two years.

6422. For 23,000 people?—Yes.

6423. (*Sir Alfred Watson*): I think it is one of the great principles of your Society that whilst it is organised in local branches the funds are centralised?—Yes.

6424. Both on the voluntary side and on the State side?—Yes.

6425. By paragraph 12 of your Statement I see that certain claims are submitted to the registered office. You instance particularly maternity benefit claims?—Yes, and cases of accident.

6426. I suppose there is not much room for doubt as to when a maternity benefit claim is due, and I do not quite understand why the Society singles out that particular benefit to be authorised by the head office. Do not you authorise all claims for sickness benefit from the head office?—No; we supply information to the branch secretary which enables him to pay what we call ordinary claims. But there are certain complications that may arise in regard to whether the person is entitled to maternity benefit, and we always go into that question before we send a form of authorisation, because we want to make quite sure that the claim is in order. We could sometimes leave it to a branch secretary.

6427. I am not very much interested in the maternity benefit claims, but I do suggest that the six, eight or ten points, or whatever the number may be, that arise on the sickness benefit claim, provide a good deal more need for investigation before the right to benefit is admitted than could possibly be the case in the maternity benefit, and I am astonished to hear that while the centre is responsible for the money, the branches are allowed to spend it without exact instructions from the centre?—They have the instructions in regard to whether a man is entitled to benefit or not, and how much he is entitled to. But in case a person, say, is just on the border of being insured for two years and the branch secretary would not know whether the person was entitled to 9s. or 15s., he would refer such a case as that to the head office to know whether the man is entitled to 15s. There are certain points that arise that a branch secretary does not always know, and we try to help him.

6428. Where is the register of members kept?—At the head office.

6429. Does the branch secretary know the position in regard to a member in arrears?—Yes. We supply

him with a list of members showing those who are in penalty arrears and the amount of benefit payable.

6430. Then on the many points of doubt that may conceivably arise on the description of the cause of incapacity given by the doctor, is the branch secretary left with unfettered discretion?—No. If he is in doubt he refers the case to the head office.

6431. Suppose there were cases where doubt may legitimately arise, and would arise, in the minds of those responsible for finding the money, but the secretary of the branch does not have those doubts, what happens then?—We find, generally speaking, that our secretaries are pretty well acquainted with the various provisions of the Act as to when a man is entitled to benefit and when he is not. They do not often make mistakes. But, of course, we have their accounts every month at the head office and check them with the vouchers.

6432. So that the head office knows of every claim at any rate a month at the latest after it has arisen?—Within a few days after the end of the month.

6433. Take a case arising, we will say, from some very common and not very serious complaint—let us say, lumbago. The people who are responsible for finding the money will very generally look into a case of that kind very soon. What measure of discretion is vested in the branch secretary and to what extent does the central body come in in the supervision of that kind of case?—If we found that a man was what we should term unduly long upon the funds with lumbago we should make inquiries.

6434. You say "we." What I am trying to get at is, who is the "we" in the case—the branch secretary or the secretary at the head office?—The head office staff have instructions in regard to those cases to refer them to the office superintendent, and those cases then come to me.

6435. So that the causes of sickness are watched at the head office, but at monthly intervals. Is that it?—In that way, yes; but they are watched all the way through by the branch officials.

6436. I know; but I am wondering what measure of supervision the centre has. I gather that the centre may know nothing about a case until it has run a month. Then it looks at it, and the next intimation it gets about it is still another month later than that. It is at monthly intervals. Are you by the aid of those monthly returns and the vouchers able to keep a sufficiently close watch on doubtful cases of sickness?—I think so, because our branch secretaries not only themselves watch the cases but the Chairman generally pays the sick member's money. He visits the house, and we also have sickness visitors who would report if they thought the man was able to work.

6437. If the sickness visitor reports, suggesting that the man is able to work, he reports to the branch secretary, I take it?—Yes.

6438. What happens to his report?—The branch secretary would report to the head office.

6439. At once?—Yes.

6440. Or at the next monthly report?—No; he reports at once, and in that case he would ask us to refer the man to the regional medical officer.

6441. Suppose a case of sickness has been running on for 12, 16 or 20 weeks. Do you initiate any action at the head office—any form of special inquiry—to see how the case is progressing?—If it appears to be a simple case of illness, and prolonged, we make an inquiry, and in every case where disablement benefit becomes payable after a long illness we have a special report.

6442. Suppose disablement benefit becomes payable and the case runs on for two or three years, or it may be longer. Do you have any system under which the head office brings that type of case under periodical review?—Yes. We have referred cases two or three times to the regional medical officer, not merely for ascertaining whether the person was able to work or was malingering, but sometimes to help the person by getting better advice, if possible. That often occurs.

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6443. Then may we take it that your system is one substantially of head office control, subject to this, that the branch secretary has discretion to admit a member to the benefit and to pay up to a period that may be as little as a day or two and may be as long as a month?—Yes, in the majority of cases, but, of course, our branch secretaries are quite equal to the lodge or court secretaries of other Orders. They have the same kind of work to do and are supplied with full information.

6444. That I quite understand, but the lodge secretary or the secretary of a court of an Order is disbursing the funds belonging to his own little group of members. Your branch secretary is disbursing funds that he is going to draw from Manchester?—Yes.

6445. I want to know whether that important difference is reflected in the method of administration?—I do not think so, because the proof is in the surplus that we had. After telling you that we draw our membership from all classes of the community, especially when we have 13,000 men who are miners and iron-workers, I think that is a fair proof that our supervision is pretty good.

6446. It is supervision from the centre, as I suggested, slightly modified to the extent that the local secretary has discretion to pay for a period that may be only a day or two and may be as much as a month, but cannot be longer?—Yes.

6447. That is the system?—Yes; but you can take it from me that as a rule the branch secretaries are careful men.

6448. (*Miss Tuckwell*): I notice that in paragraph 3 of your Statement you say that delegate meetings are held triennially for the purpose of amending or making new rules. Is not a three-year interval rather a long period for a society run on democratic lines?—We used to have a delegate meeting once in five years. We thought that was quite often enough; but the Ministry induced us to alter our rules and have them triennially. We think that is quite often enough, because we have a special clause in one of our rules to the effect that if anything occurs between the triennial meetings, connected with National Health Insurance the Board of Management have power to adopt anything that the Minister requires and to get it confirmed at the next delegate meeting.

6449. So that the Board of Management which meets three times a year or oftener, if required, deals with things in the interim of the three years; is that so?—No; the Board of Management deals with the business of the Society as it arises, but if anything is required by the Ministry between the triennial delegate meetings, the Board has power to deal with that. I think I had better read you the rule. It is in Rule 10, Section 4 (a): "In the interval between triennial delegate meetings the Board of Management are empowered to make or amend any rules relating to the State Insurance business of the Society to meet the requirements of the Ministry, such amendments or new rules to be confirmed by the ensuing delegate meeting."

6450. I notice in paragraph 16 of your Statement that your surplus works out at £1.27 for every man member and at £.57 for every woman member. Do you know that the average for all societies as shown in the Actuary's Report was £1.42 for men and £.95 for women?—I had not noticed that.

6451. That is so. I do not know whether you would think it is an argument that, as under a national valuation scheme, both the men and the women in your Society would have greater additional benefits, that might be a point to be taken when we come to paragraph 18. They would do better?—Perhaps; but we make the point that we keep the men's and the women's funds separate.

6452. Quite, I know that. But I am pointing out to you that the women, in the national surplus, would get more than you give them, as would the men; so that really your men and women, if you had

come into the pooling system which you turned down, would both do better?—I am not sure.

6453. (*Mr. Evans*): with regard to paragraph 3, I do not quite understand where you have these 44 approximately equal electoral districts. Are there distinct districts, and does each district have a meeting of its own?—No.

6454. What is the line of demarcation? How do you arrive at that?—It means that, to make it convenient for the branches to meet, and also for the delegates to attend the meetings for election, the number of members in each of the 44 districts is equalised as nearly as possible.

6455. It is some sort of territorial arrangement, is it?—Yes, as nearly as possible. Why we say "approximately equal" is because our branches are so scattered, especially in country districts of the South of England, that if you made an arbitrary line you would find you would have too many in one district and too few in another. Therefore we make it approximately equal.

6456. Do you think that idea might be further advanced and that we might, say, have several other territorial societies or regional societies embracing all insured persons in a certain area to be members of one society?—I do not think that would work out so well as it looks.

6457. You have vested interests now in your own Society possibly; but apart from that I was wondering whether you think some such principle might be applied?—I have heard that idea expressed before; but personally I think that the members, having a certain amount of sentiment, like to retain membership in their own particular organisation. Further, I do not like the idea of just marking out—I do not know what your object would be except economy—an area where everybody should belong to one particular society, whether they liked it or not.

6458. The reason I am asking you is that you mention in your memorandum that you make no difference at all between members of certain occupations. A man might be a miner or an agricultural labourer, but the same benefits are paid to all. The miner gets the same benefit as the agricultural labourer if he is a member of your Society?—Yes.

6459. But that is not the case with quite a number of societies, and I was wondering whether that principle might not be applied more generally still?—You mean a national scheme?

6460. Yes?—That is for the Commission to say in their Report. I do not advocate it.

6461. You do not like it?—No.

6462. (*Mr. Jones*): In regard to arbitrations, what is your principle, as briefly as possible?—Under the rule, if a member has a dispute with the Society in regard to any matter arising under the rules, he is entitled to appeal for arbitration. He writes his statement to the Board of Management or the Sub-Committee. Then his case is adjudicated upon in the district where he resides, or as near as possible. We have a number of Arbitration Committees in each Board of Management district; 12 Arbitration Committees, or more. There are five arbitrators for each district and those arbitrators are called together and they hear and decide the case in accordance with the rules.

6463. You say you have not had a case which went to the Ministry. Would it go from that Committee to the Ministry, or would it go to the head office?—We have only one method and only one arbitration. It does not go from the branch to anywhere else or from the head office anywhere else; it is simply a single arbitration.

6464. But if the member did not accept the decision of the Arbitration Court might he then go straight to the Ministry?—Yes; he has a right of appeal to the Ministry.

6465. But there would be no intervening body at the head office?—No. The Arbitration Committees are quite apart and quite independent in a sense from the head office. They are called to the meeting

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to arbitrate, and as a rule I go down and explain the case and help them all I can; but they decide.

6466. There is, therefore, only one body of arbitrators?—Yes, only one in each district.

6467. Is there any long interval in disposing of these cases, or if a complaint arises is it disposed of forthwith?—It may take three weeks or a month before we can get all the facts together, but not longer than that. Of course, we have to correspond—which takes time—and to get the Arbitration Committee together; but as a rule it is not more than three weeks or a month.

6468. (*Professor Gray*): Could you tell us a little more about your experience with regard to additional benefits? Your additional benefits in the nature of kind apply only to your women members?—Yes.

6469. And you have a disposable surplus of £4,000 odd to be distributed amongst, I think, about 22,000 people?—Yes.

6470. You gave benefits in kind because you had not a large enough sum of money to give cash benefits in that case?—That is right.

6471. Can you tell us why you chose to distribute a sum which is not very large amongst so many benefits at the outset?—We really did not know what to do at the moment because there had been no experience to guide us, and we had to feel our way. But we did feel that dental treatment, distress grants, convalescent homes and optical treatment were very essential.

6472. Looking back, I suppose you would say that you scattered your selection rather too much?—Cases of infection, I think, we should drop out; but certainly ordinary surgical appliances and optical treatment should be included.

6473. There was one point that rather troubled me. You gave us certain figures which I think you said were for two years. You started off with £1,400 for dental benefit and that was for two years. The total amount available for all the purposes was £3,500, I think?—Taking the whole of them together, yes.

6474. How does that come to be the right sum for two years when the disposable surplus for women was £4,100 for, I presume, five years?—(*Mr. Bailey*): The amount disposable for each year was £1,750, as advised by the Department. I suppose that the amount of £4,100 was increased by the interest added by the Department. (*Mr. Duncan*): I have not the scheme here, but I will let you have it.

6475. It struck me that the £3,500, even allowing for interest, was somewhat too large an amount for two years?—£1,750 a year, that would be.

6476. On the amount originally put aside you allowed about 8d. a member for dental benefit. I think it works out at about that?—Yes.

6477. I suppose you would say that that was too small?—Yes, it was. We did not know the extent of the requirements.

6478. And as a result of that allocation you raised the sum to something like 1s. 6d. Have you any idea from your experience as to what would be a proper amount to put aside for dental benefit?—On our grants of 50 per cent. and a maximum of £4 we had a balance at the end of 1924 of £202; so that it looks as though 1s. 6d. was nearly correct.

6479. (*Chairman*): Is that two years' experience?—Yes.

6480. (*Professor Gray*): If you paid more than 50 per cent. you would possibly have more claims?—I do not know.

6481. Do you think that the ordinary insured person can face up to half the bill if it goes up to £4 or £5?—We have only had, I should think, at the utmost about a dozen cases where the women have failed to carry out their intention, and one of those was not because she could not afford it, but, as she said, because she could not afford the time. As a rule, they are able to find the balance.

6482. With regard to some of the other benefits, you were asked about your experience of members

in distress. You told us, I think, what you paid them, but you did not tell us the kind of thing that you regarded as being distress?—That was with regard to infection, I think.

6483. You told us, I thought, that it was with regard to distress. You said you paid, I think, four weeks at two-thirds of the amount?—That was with regard to infection.

6484. What do you do about distress?—With regard to distress we have an application from the member to the branch and we then send a form to the branch to give us particulars of the whole case. If the branch recommends, after investigation, that the person is deserving of help, help is granted.

6485. The only question here is: "give full particulars of why the applicant is considered to be in distress." Does that cover personal distress? What kind of case do you get under that? House burned down?—No; it is a case, generally, where there has been a lot of unemployment in the family or sickness in the home and unemployment sometimes of the member herself.

6486. In actual practice it has turned out to be a benefit for unemployment and its consequences?—Yes—hard times.

6487. And doctor's bills for dependants?—Yes, that often happens.

6488. With regard to one other benefit which you mentioned—medical and surgical appliances—originally you put aside £400 for two years and you cut that down to £200 in order to provide more for dental benefit?—Yes.

6489. Even of that £200 you only paid £35 away?—Yes.

6490. Is not that rather unexpected?—Yes. I do not know the explanation. This benefit has been a great help to those who have had it for surgical belts and various things of that kind; but probably there are not so many people suffering from illnesses who require appliances; I do not know. This, however, has been our experience, and all these benefits have been made known in the branches.

6491. I should have thought that a benefit of this kind covered so many things that you would almost certainly get a good many applications which would certainly have accounted for more than that very small sum which, in fact, has been paid. What kind of appliances are covered by it?—Trusses and even an acousticon. We ascertained that we could make a grant for an acousticon as a surgical appliance. There are also things like elastic stockings, and we were even asked for a certain kind of corset. So long as it was for a certain definite purpose a grant would be made for it.

6492. Then I think one of two things must be the cause; either the insured persons do not realise that this benefit is there or else there is not so great a need for these special appliances as is generally thought?—It may be that.

6493. Do you incline to the second view?—I think I do.

6494. That perhaps there is not so much demand for appliances of that kind as is commonly supposed?—I think that must be so.

6495. Do you do anything under the old section 21?—No.

6496. You find that your scheme does all that is required?—Yes, quite. It is as much as we can afford, too. Under section 21 the money comes out of ordinary benefit funds.

6497. It is coming out of the next surplus indirectly?—Yes.

6498. And you provide for the women under your additional benefits scheme as indicated, and the men get nothing?—They get additional cash benefits (sickness, disablement and maternity).

6499. But they get nothing in the way of treatment in kind?—That is so.

6500. You spoke, in reply to Sir Alfred Watson, about the greater supervision which you took at the head office when a case changed from sickness benefit to disablement benefit?—Yes.



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[Continued.]

6501. Do you think there is a sort of automatic difference between the two? What happens, for instance, in a linked-up case where a man may come under disablement benefit in his first week's illness?—In that case there would be no inquiry, because it would be linked up. Generally it has been where the illness has been prolonged where we make the special inquiry. Suppose it was a case where, before coming to disablement benefit, a person had had a quite recent illness of eight or nine weeks. We should probably make an inquiry in that case.

6502. But you do not consider there is a sharp difference between sickness and disablement which requires that test?—No; it is only to see whether it is a case that ought to be investigated. (*Mr. Bailey*): Might I give a word of explanation? You raised a point as to the amount available for additional benefits. That is a point that calls for some further explanation. When the additional non-cash benefits became operative a scheme was adopted by our Board which operated from July, 1921, to 31st December, 1922, and there were very few payments under that scheme. We then made application to the Ministry to be allowed to change the scheme, and a new scheme was adopted as from the 1st January, 1923, to run for 3½ years. Three and a half years at £1,750 per annum will work out to the figure you mentioned.

6503. (*Mr. Jones*): In answer to Professor Gray, you referred to grants for medical appliances. Does that mean the cost or a part payment on account of the cost?—(*Mr. Duncan*): As to surgical appliances, it is the whole cost of the appliance, with the exception of the acousticon which I mentioned. I think that was recommended by the hospital as costing £11 odd. In that case we offered £5, which I think the member was very grateful to accept.

6504. (*Sir Humphry Rolleston*): With regard to dental benefit, do you think it is quite widely known that the members can get that benefit?—Yes; we circularised every branch secretary and we also had printed a very large number of small leaflets to be delivered to the women members, setting forth those benefits.

6505. Does it not occur to you that the cost of dental benefit is likely to increase very greatly for a time?—Do you mean the cost of the dentures?

6506. Not the cost of the individual dentures, but the general charge. When people really get to understand that they can get dental help the cost will increase because they will require it to a very much greater proportion than your accounts indicate?—There is no doubt in my mind that the first few years of dental benefit will be the heaviest.

6507. But it will be a long time before the full effects will be felt on the Society?—It is one of the benefits which we value very much for our members.

6508. Do you think you will be able to meet it?—I think so.

6509. Because it occurs to my mind that this will be an increasing charge?—Probably it may be when everybody gets to know.

6510. But still you are quite satisfied about it?—We are quite satisfied with our scheme. (*Mr. Bailey*): We believe that about £1,500 per annum will meet the cost of that benefit for our women members.

6511. (*Chairman*): From paragraph 18 I see that the Society is not prepared to agree to the pooling of surpluses. Perhaps you would amplify your views on this important question. In particular, can you defend the wide differences in benefit that have emerged in a scheme which is said to be national and which is maintained by uniform and compulsory contributions?—(*Mr. Duncan*): That is rather a difficult question for me to answer, but certainly we think from our experience of working an Approved Society and also a Friendly Society that it is better for the insured person to be in touch with a Friendly Society in regard to his or her membership. I think too—of course I am not sure about this, it is in the

far distance—that the sentiment there, and the feeling for the good and the upholding of the prestige of a society, would result in better management than under what we might call a national scheme—a more interested management.

6512. You recognise, of course, that the Central Fund embodies the pooling principle to a small extent. Would you not be prepared to agree to any enlargement of this Fund?—Yes, we have considered that, and my Board, I feel sure, would agree, if we had the wherewithal, to help some other poorer society. But we wanted to point out that so far as our Society is concerned we do carry, we might say, the average risk, because we have members in all classes of the community. We are not confined to one particular class.

6513. From paragraph 24 I observe that you recommend the abolition of Class K, and the substitution therefor of the ordinary free year's insurance. Is your reason for this proposal mainly to simplify the administrative work of society officials?—It is not mainly that, but that is one of the great points. There is certainly a great amount of work. Quite apart from that, however, we think it would be much fairer to the other women insured persons that there should be a free year's insurance for these particular people. What I have tried to do in the statement is to show that if our suggestion was carried into effect the women who married would not suffer at all, or very little, by the re-arrangement.

6514. From the interesting statistics which you submit in paragraph 24, it would appear that about one-third of the maternity claims of Class K members are in respect of the second year after marriage. Under your proposal these women would get no maternity benefit. Do you consider that that would be a quite fair arrangement?—I think it is fair so far as the general body of insured women are concerned.

6515. I observe from the same paragraph that you are against the suggestion that a bonus should be given to the women members on marriage. As we have had this suggestion from other societies, perhaps you would amplify your objections?—There used to be practically a bonus at marriage for women who ceased employment. Afterwards Class H was inaugurated, but that did not work out particularly well. In fact, we paid out the last Class H member a month or two ago—a woman who had attained the age of 70. She had been on the sick fund all the time. Apart from that, I think if you grant the free year's insurance and a bonus it would be too expensive. It is a very easy method, but I do not think we should always go for the easiest method; we want to be fair.

6516. (*Sir Alfred Watson*): With regard to paragraph 32 of your statement, the Chairman put a question to you as to the general pooling of the risks of Approved Societies, and I gather from you that in your opinion you are in favour of the maintenance of the present system of Approved Societies?—Yes.

6517. Would you say that if National Health Insurance was pooled and administered with a common fund there would be any probability that the claims would be higher than they are at the present time?—I could not say whether there would be any probability of that. It would depend on how it was administered and on the doctors. We are always in the hands of the doctors. I am not, personally, but I mean to say the administration of the Act is. They are the great spending power.

6518. Is it not your experience that the cost of the sickness benefit, and especially of prolonged sickness benefit, which under the Act is called disablement benefit, is very largely a question of the temperament and the morale of the individual member?—I would not like to answer that by saying Yes or No, but probably it happens so in many cases. At the same time the temperament of some men is I know to get back to work as soon as they can.

6519. That is in part an affirmative answer to my question. I suppose you have had actual experience

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[Continued.]

as an administrator, apart from reigning serenely above and surveying your kingdom?—Yes, I had a long experience in branch management before being General Secretary.

6520. Do you find that sometimes the vigorous influence of the branch secretary and the committee of management, and the local sick visitor, has a good deal of effect upon a percentage of those who are in receipt of sickness benefit so far as concerns the time for which they draw benefit?—Yes, I believe that strict and proper supervision is good for all persons.

6521. Do you see any plan by which, if some huge central fund were responsible for National Health Insurance, there could be the same closeness of administration which, according to your last answer, does assist materially in controlling the amount paid out in benefit?—I do not think there would be the same close supervision or interest in the individuals.

6522. Does it follow from that that there would be a considerable risk that if the machine were centralised the claims would go up?—I do not think I would care to say Yes or No to that. It is very difficult.

6523. I should have thought it rather followed from your previous answers?—It depends on the supervision.

6524. Exactly. You indicate that in your opinion with a centralised machine it would be at any rate difficult to get as close supervision as you have at the present time?—Do you mean under Government control?

6525. Yes.—I think that there would not be such close supervision under Government control as there is under the Approved Society system.

6526. Does not that mean a risk that a certain percentage of the claims would be prolonged, with a consequent rise in the total bill?—Yes. It would naturally follow if my assumption is correct.

6527. You have given us some very interesting statistics from which, as has been pointed out, you show that if the right to maternity benefit after the second year were abolished one woman in three who now get maternity benefit would cease to get it?—Yes.

6528. On the next page you give us a contrast of what the cost of benefits would be under your new plan and under the existing plan. You bring out the two amounts at very much the same figure. I see that you suggest that under the free year system you will have 1,126 maternity claims at £2 each, which is the same thing as you have given us on the previous page. But is it correct to say that a free year following the termination of employment is the same period as the first year following the date of marriage? In other words your statistics here, so far as the maternity benefit is concerned with regard to the existing Class K, date from marriage. Is it quite the same thing to use those figures for the free year following cessation of insurance after marriage?—So far as maternity claims are concerned, I think we could say that; but so far as sickness is concerned, we have been obliged to assume a certain amount of sickness. I had one or two women's branches tested and it showed in one branch in particular—a branch with over 300 members—that the married women's benefit for one year averaged about 10s. 4½d. That is very near my 10s. 6d. assumption.

6529. I am not disputing that, but you say that the maternity benefit in the free year would attract 1,126 cases, that is to say, the free year following the cessation of employment occurring after marriage. Surely, that is not the same thing as the claims arising in a period of 12 months from marriage?—There would be only eight weeks' difference in some cases.

6530. But do not a number of women go on quite a number of months after marriage before they cease

work?—Yes, they do, and then they are transferred to Class K.

6531. I know. What I am rather suggesting is that altogether you would have a good many more than 1,126 claims from the date of marriage up to the end of a free year which begins some time after marriage and necessarily ends a year later than that?—Yes, we might get more. We could not go into that as you yourself would as an actuary. We just take it in this arbitrary fashion and take a period and deal with it in that way as a kind of example.

6532. I am only asking you because you have given the figures in such a complete and logical way that we might be tempted to use them for the purpose of arriving at definite conclusions, and if there are any little fallacies, I think it is important that we should bring them out?—Thank you; it is very good of you to say that. If there is anything we can get from our particulars we shall be very glad to supply it to the Commission.

6533. (*Mr. Besant*): With regard to the question of pooling, in your particular Society, as between men and women, I understand you have got one big pool of men and one big pool of women, and you have 100,000 or so men members in the main pool, if I may call it so, who have a disposable surplus of about £68,000?—Yes.

6534. In what I will call the main pool you had about 25,000 women members with a disposable surplus of about £4,000. I take that from paragraphs 9 and 16?—We really had a balance of £14,000, but only £4,197 was disposable. There was a very large balance carried forward.

6535. I am talking of the disposable surplus. That was all that the Government Actuary would allow you to dispose of?—Yes. We hope it will come out better next time.

6536. But taking it as it stands, what you had to dispose of in the way of surplus gave £68,000 to your men members and £4,000 to your women members?—Yes.

6537. That meant about thirteen shillings for your men members and something like 3s. 6d. to a woman member?—Yes, that is about how their accounts came out.

6538. I was rather putting it that that is about how the figures as between your men members and your women members worked out?—Yes.

6539. Did not you have a certain amount of complaint amongst your women members that they got so little, whereas if they had been in one of the societies which, instead of making a pool for the men and another pool for the women, made a lot of little pools for the men and women, they would have got more?—No, we have had no complaint from the women members. The men have asked for dental benefit, but they want it in addition to the cash benefit and of course that we cannot grant.

6540. I will put it in this way: had you put your two pools together and made one big pool of 125,000 members with a disposable surplus of £72,000 and then divided it, you would have been able to give each member something in the neighbourhood of 11s. to 12s., and your women members would have had a much larger disposable surplus?—Yes, we know that that can be worked out; but that was not the scheme decided on.

6541. I am only putting it to you whether your women members do not complain that in another society alongside of your own where men and women are put together into a small nucleus for the purpose of valuation, women members often come out better than they do in your Society?—I think we have heard of a good many cases where they are not getting any additional cash benefits; so that our women members are very glad to get the additional non cash benefits.

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We do not hear of the cases that you speak of so much.

6542. Let me put it in another way: had you put your women in with your men into this pool they would have had 11s. or 12s. each; whereas they have got about one-third of that amount?—Yes, but the men would have received less than now.

6543. If they knew that in another society men and women were both admitted into the same valuation block and the women would be better off, your people, I think, would have a tendency to complain. The men would be a little worse off, I admit, but I say that in so many other societies the line of demarcation is not a sex demarcation as between men and women, but it is a little block which forms a little society of its own for valuation purposes where the men and women come in together?—Yes; certainly we think that ours is a very much better system, because it is not a question of sex, but it is a question of £ s. d. all through. That is, as to the experience and what should be paid for the benefits.

6544. I am putting to you that £ s. d. in so many other societies means that the men and women say: "Let us pool what is paid in; let us pool what is taken out in the way of benefits; and let us pool what is left as surplus"?—Yes, that may be so.

6545. And in the case of a society like yours, where you have such a large number of women members, the women would do better?—Yes; but I know the secretary of a large society who said he wished they had divided theirs as we have done.

6546. But on the whole your women do not complain?—They do not complain at all.

6547. They are satisfied that they get something?—Naturally.

6548. And they are not jealous of the men who get more?—I have not heard so.

6549. (*Miss Tuckwell*): It is very interesting because you say in paragraph 19: "Moreover, being governed by one code of rules and each member being entitled to share equally in any disposable surplus, any distinction between one branch or locality and another is obviated." We know women do not complain. You are not going to expect the women to complain; they are extraordinarily long suffering. But I do draw your attention to the fact that where men and women are in common insurance you get £95 for women, so that your women have reason to complain?—I do not know that they have. Suppose we had a separate mining district amongst the men and asked the women to share in that. The women would not have had anything in that case.

6550. There is no question of that. You say if each member is entitled to share in any disposable surplus, if you had not differentiated between men and women, your women would have scored?—We say each member of a branch. You see, the branch is not valued separately. That is our point there.

6551. Yours is a centralised society, is it not?—Yes.

6552. A centralised society which is governed by branches?—It is comprised of branches.

6553. It is possible to have a great centralised society with local branches working under it?—I am afraid I do not quite understand that.

6554. I was only arguing from the smaller society to a large centralised society with branches under it, which is what I understood Sir Alfred Watson was speaking of just now—a great centralised society. I say you could have a great centralised society with local branches working under it on a national scale. I am not going to say you are going to have that, but you can envisage such a thing, just as in this case you have a smaller society with branches working under it?—Yes. Some people say we ought to be the National Society.

6555. With regard to Class K, have you taken into consideration the women who might be confined

when the free year was up—whose first confinement might happen after the year and who at present would get benefit?—At the present time, of course, they would get the maternity benefit in the second year. Your point is what would we do for them if they only had their free year?

6556. Yes?—Our suggestion would cut out the second year.

6557. And you are only saving £267 on it?—We would pay the first maternity and whatever sickness benefit occurred during the free year.

6558. But as between the two years it really comes to a saving of £267?—Yes; it is very slight. That is what I wanted to show, namely, that there would not be much loss by a change of scheme.

6559. (*Mr. Evans*): Will you tell us roughly what is the cost of administration per insured member in your Society?—(*Mr. Bailey*): The total membership was 121,551 at the end of 1923 and the cost on that membership was slightly more than 4s. 7d. per member for the year 1923. I should like to say here that the Society could not appropriate administration allowance on 121,551, but only on 115,637, and half of the usual allowance on 1,432. Class K second year members were 907 and 3,575 were over 70 years of age. The latter were still on the books of the Society and entitled to medical benefit.

6560. It appears that the cost per member of your Society at least is less than in some societies of which we have had particulars. Do you attribute that to the centralised nature of your machinery?—(*Mr. Duncan*): I think that has something to do with it. We of course have always kept within the limit allowed by the Ministry, and to do that we have had to be exceedingly careful. We supply all the stationery for the branch management—every bit of it; they do not buy anything themselves. There is no wastage going on anywhere as far as we can tell. We believe that the system is as economical, with efficiency, as you can possibly have it.

6561. Sir Alfred Watson suggested just now that a more highly centralised society would cost more?—In benefits?

6562. No; I think in administration?—I understood that it was in benefits. I think that was the point Sir Alfred meant. If I may I should like to put in a general statement on administrative costs which I think covers the whole ground.

(Statement handed in.)

#### RATIONAL ASSOCIATION FRIENDLY SOCIETY.

##### Statement as to Management and Administrative Expenditure of the Society.

1. The expenditure of the Society on administration for the year was £27,864 17s. 5d., or 4s. 7d. per member per annum. £13,891 3s. 2d., or 2s. 3d. of the total amount was expended in the branches, and £13,973 14s. 3d., or 2s. 3d. at the Chief Office.

2. The cost per head of membership (*i.e.*, 117,060) on which administration allowance was appropriated = 4s. 9d. The cost per head of total membership (*i.e.*, 121,551) which includes members over 70 years of age and Class K second year members = 4s. 7d. The cost is slightly decreasing, but we do not think it can be substantially decreased.

3. The heads under which the administrative expenditure was incurred are as follows for the year 1923:—

Amount expended in		Amount Paid.		Total.	
Branches:—		£	s. d.	£	s. d.
Branch Secretaries' salaries (874) ...		8,818	5 7		
Branch Chairmen's salaries (874) ...		2,409	7 9		
Sickness Visitors' salaries (about 1,600)		1,242	18 9		
Rent of meeting rooms			226 14 2		
Postage (as per scale)		1,193	16 11		
				13,891	3 2

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Amount expended at Chief Office:—			
Officials' and clerks' salaries (31 men, 24 women) ...	9,694	2	11
Board of Management meetings (16 members) ...	59	6	6
Sub-Committee and Trustees' meetings (5 members) ...	37	5	9
Deputations (sundry persons) ...	97	11	11
Delegate meeting ...	460	2	3
Travelling expenses ...	225	2	3
Printing and stationery	965	14	3
Rent, rates, gas and electric light ...	1,015	9	4
Postage and petty cash ...	734	15	7
Steel filing cabinets and typewriters ...	244	13	9
Alterations and repairs	107	8	3
Cleaning and decorating offices ...	155	11	6
Banker's commission...	98	18	2
Miscellaneous ...	77	11	10
			13,973 14 3
The total amount expended for the year 1923 ...			£27,864 17 5
Amount appropriated			28,451 4 7
Amount expended ...			27,864 17 5
Saving for the year 1923			£586 7 2

4. The rates at which the agents of the Society are paid are:—

	Per member per annum.	
	s.	d.
Branch Secretaries' Allowance ...	1	6
Branch Chairmen's Allowance ...	0	5
Sickness Visitors Cost ... (nearly)	0	2½
Rent of Meeting Rooms Cost ... (nearly)	0	0½
Postages Cost ... (nearly)	0	2½

Total cost in branches for 1923 = 2s. 3½d.

5. The indoor staff (whole-time) is 55 (men 31, women 24). The average number of members to each official or clerk is 2,210. The average amount as salary for each official or clerk is £176 5s. 2d. The outdoor staff (part-time) is over 4,000 (874 branch secretaries, 874 chairmen, about 1,500 sickness visitors and about 1,000 members on branch committees).

6. The Committee of Management do not receive any salary as payment for their services. They receive:—

- (a) Repayment of third class railway and/or other fares necessarily incurred.
- (b) Payment of 21s. for each working day in respect of loss of remunerative time in travelling and/or attending meetings.
- (c) Subsistence allowance of 7s. 6d. for each day if the business does not involve absence from home at night, or 15s. per night if the business involves absence from home for one or more nights.

This is paid equally from the Management Fund of the voluntary side and the State Administration account unless the business relates solely to the voluntary or State work, in which case the expenses is charged to the particular account.

6563. (Mr. Cook): I see that in paragraph 23 of your Statement you express the opinion that the insurable age should not be reduced to under 16. You are averse from the age being reduced to 14. The reason you give is that persons under 16 years

of age are not in settled employment. Is that a very convincing reason really?—I do not know; but I have inquired from various employers in regard to that and they all tell me that first of all a boy is not very much use between 14 and 16. He is very often an errand boy and he is not in settled employment.

6564. That may be so in a good many cases, but that does not, it seems to me, affect the question at all. When he reaches the age of 14 and is in any kind of employment, even if it is casual employment, he is at any rate subject to illness, and in the case of an average working household that illness may cause a very considerable strain on the household. You have got to find fees for doctors and for medicine, which would be provided if the boy or girl were insured immediately they entered into any kind of employment?—We realise that; in fact, in our private department we have our juvenile section which provides benefit for the juveniles. Therefore, as far as our membership is concerned, we are looking out for that; but that does not settle your point. This is really the considered opinion of my Board.

6565. (Chairman): From paragraph 25 I see that you propose that voluntary contributors should be entitled to all benefits irrespective of the income limit. Do you not think that the medical profession might object to this proposal on the ground that such persons should make private arrangements for medical attendance?—Yes, I believe that they would, because they did so before. But that does not alter the principle involved. We found, in regard to a number of persons who are members on the private side, that when the Act came into operation all the doctors gave up their contracts with the private side. Now those people, because they have got on in the world a bit—the non-manual workers—have found they have to provide their own medical attendance. A good many of them, I believe, are quite prepared to take up voluntary insurance and pay the full amount if they are entitled to all the benefits of the Act.

6566. In paragraph 27 you make the interesting suggestion that payments under the Workmen's Compensation Act should be made by Approved Societies and that employers should, instead of insuring with insurance companies, pay an additional contribution at a flat rate by means of a stamp. You recognise, I suppose, that your proposal raises very difficult and controversial questions?—I do. In fact, I have sometimes wondered why I brought this before you. But it was such an interesting subject, because we are constantly up against the problem in our branches and with our members, that I thought it was my duty to lay the matter before my Board, and they thought it their duty to lay it before the Royal Commission for consideration. We realise that there will be great difficulty in carrying it out, if it is ever adopted, but not, I think, so much as is anticipated. In the cases that we have to deal with from time to time we find that very often there really ought not to be any difficulty. It is merely a question: did the accident happen in the course of the man's employment or did it not? An insurance company may set out to try and prove that the accident did not happen in the course of the man's employment, but he and his workmates know it did. That causes a great deal of litigation and trouble. We think in those cases if the Act was carried out and the injured workman reported and the employer made his statement in regard to wages, that difficulty would vanish right away.

6567. Are you aware of the extent to which the risk varies in different occupations as compared with the variation in sickness risks?—I know that there is a great variation in the accident risk by the statistics that are published. I also know that if you ever attempted to have a State scheme where you asked a different premium for the different risks, that you would be up against a very much worse problem than a flat rate.

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6566. Do you consider that the imposition of a flat rate premium could be defended?—I think so, because although there may be a slight variation in the risks between accident and sickness, yet certainly under the State Insurance Scheme you take all risks for sickness experience and you have a flat rate of contribution.

6569. By what body do you suggest that claims for compensation should be adjudicated upon?—Ordinary simple claims should, I think, be settled by a local body or even by the employer and the man himself. He now has to report in accordance with the Act, and it would fall into a very simple category if everybody is prepared to be honest.

6570. From paragraph 28 I observe that you desire the retention of the Deposit Contributor Class for what I might call the residue, but that for the bulk of the persons in the class there should be notice to join an Approved Society followed by allocation by the Ministry. Can you give us your ideas as to how this allocation could be carried out in practice?—I should say that that could be done by the Ministry if this ever comes to pass, by allocating them, *pro rata*, to the membership of the various Approved Societies in the locality where they are resident, of course bearing in mind that Temperance Societies must not have those who are not temperate and so on.

6571. (Sir John Anderson): I want to ask you a question or two about accidents. I would like you to supplement the replies you have given to the Chairman in regard to the manner in which you propose to deal with this problem. Do I rightly understand you to suggest that the existing contribution, which takes no account of accident risk, should be increased by an amount estimated to be sufficient on the average of the whole insured population to cover the accident risk?—Yes.

6572. That extra amount presumably would be payable entirely by the employer?—Yes.

6573. And you would make that principle universal?—Yes. I give reasons for that here. There are some little employers who do not insure.

6574. Let us follow it out. Whatever the actual risk may be, represented in terms of weekly contribution, it would be a great deal higher than was necessary to cover the risk in certain cases and a great deal lower than was necessary in certain other cases?—Yes, if you take the present system.

6575. I am taking your suggestion of a flat rate payable by all employers without discrimination, estimated actuarially to cover on an average the accident risk, with an allowance for administration; but I am putting it to you that in certain cases that rate would be very much higher than was really necessary and in other cases very much lower?—Yes, that is so.

6576. Do you think that can be justified *vis-à-vis* the individual employer? Could you, for example, require the employer employing a few clerks in an office to pay a rate which took into account the risks which attend the occupation of a coal miner or a quarryman, for instance?—I have thought over that and I realise the difficulty of the employer who does not carry on a risky trade. In our own office it costs about 2d. per clerk per week for accident insurance. I know that we would probably be raised up to 3d. or 3½d. That is not a great thing; but on the other hand there is no doubt there are a great number of employers who would be very glad of this scheme. I am sure of that, if it could be arranged.

6577. But why do you think you would be raised from 2d. to 3d. or 3½d.?—Because I think according to the statistics that it would cost a certain amount per annum, and to raise that over the whole insured population would perhaps cost 3d. to 4d. per week extra for men and perhaps a little less for women.

6578. Have you looked into the practice of insurance companies in regard to insurance against Workmen's Compensation? Have you any idea of the way in which the premiums vary between one occupational risk and another?—No. I have not done that; I have simply taken the Departmental Committee's Report.

6579. You have looked at the Holman Gregory Report?—Yes, I have it here.

6580. I was told the other day that the rates of premium in the experience of an ordinary insurance company varied between limits as wide as 3s. per annum to £3 per annum for different occupational risks, and I believe that the range of variation is wider than that. Does that surprise you?—Not at all, because I have some figures. For the miners I think they demand 63s. 6d. a year per person, while clerks would be about 8s. 8d. or 9s. There might be some other occupations less than that.

6581. Domestic servants would be less than that, would they not?—I do make a differentiation between the men and women in my statement. I thought the men would have to pay more than the women; but I feel that this subject is worthy of the consideration of the Commission.

6582. You propose, I understand, that the existing principle of the Workmen's Compensation Acts should be maintained?—Yes.

6583. Those Acts have grown up on the basis that the individual employer may fairly be held responsible for the risks to which the workers are subjected in their employment for him. Your plan would involve a complete abandonment of that principle. You understand, do you not, that the Workmen's Compensation Acts aim not only at giving the worker who is maimed or injured, and his dependants who are deprived of the breadwinner, compensation in money, so far as it goes, for what has happened, but also at giving the employer the strongest possible inducement to diminish the risks in those employments which are attended by exceptional risks? That principle would go by the board?—I am afraid it would. I have been looking at a report in the Press to-day in regard to that. I notice that the accidents in mines have increased. The statement is also made that undoubtedly the accidents have increased because the propping of the pits has not been so efficiently carried out as it ought to have been. I quite see your point.

6584. In some measure the risks must be assumed to be within the control of the employer?—Yes.

6585. So far as that is so, is it not very salutary indeed that the financial burden of compensation should fall on the employer in exact proportion to the risks, as proved by experience, in the particular employment?—I quite see your point in regard to that, and it is one of the things that trouble me.

6586. Then one other point. Would not your proposal be quite unworkable with Approved Societies organised as they are? What, for example, would be the position of an occupational society—a trade union composed of iron moulders or platers or steel workers—getting into your average rate, which you think would be 50 per cent. above that charged for a clerk, and getting only that average for this accident risk over the whole of its membership? Would it not be a hopeless financial position?—No, because the whole of the money would be pooled and the claims would be drawn from the pool. Those would not be merged with the Approved Societies' money at all. It would not affect the valuation of Approved Societies nor would it interfere with their money at all. It is merely a working arrangement.

6587. Then what is the advantage of giving it to the Approved Society? I mean, no Approved Society would have any interest in seeing that accident claims were properly administered; the interest would be all the other way. If a disability could be attributed to accident, the charge would fall on the pool, not on the funds of the society. If the society had no part of the burden to bear, and it all came out of a central pool, there would be no longer any incentive at all to economical administration or indeed to the close investigation of claims—an investigation which is important, of course, from the point of view of diminishing the risks and preventing their occurrence?—Your point is that by each industry bearing its own burden there is an incentive to the employer to prevent the risk. That has not

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proved to be so, because the claims have been heavier in the mines. Therefore, it does not always follow.

6588. I do not know what the explanation is in that particular case, but you would not put it forward as an argument, would you, that employers in general are quite indifferent to what they may have to pay—indirectly, it is true, in many cases, but in many cases directly—in the form of workmen's compensation?—It is a very difficult problem, but we wanted to bring it before the Commission for consideration. We recognise many difficulties, but we were anxious to help the insured persons or members in regard to obtaining their compensation as quickly as possible.

6589. I recognise the difficulty of the whole subject, and I recognise the fact also that section 11 of the Act of 1911 did present Approved Societies with formidable administrative difficulties in a proportion of cases; but I cannot think that a proposal to charge a flat rate would really get you out of the difficulty, even if you pooled the income represented by the increased charge. How, for example, would the individual Approved Society satisfy the authority controlling the pool in regard to a claim that it made?—Of course there would have to be a proper organisation in regard to that.

6590. But would it not bring you back to something very much like the organisation that you have now in the insurance companies? We know that the administration of Workmen's Compensation insurance is very costly. There may be different views about that; but we know also that it presents an enormous field for disputes and litigation, because, you see, the test of title to compensation is not a simple one which can be satisfied by looking at the claimant and obtaining evidence of his condition. You have to go further back and investigate the causes, and you get a very troublesome conflict of evidence in many cases. You get difficulties of interpretation; you have not got a clear field; you have got a body of statute law which has been the subject of litigation, leading up to the highest tribunal in many cases; and you have a very complicated body of case law. You would have to start with all that?—Yes.

6591. Does the suggestion on examination not lose a good deal of its attractiveness?—I had thought about various points in regard to this matter, and I came to the conclusion in my own mind, rightly or wrongly, that a great many of the difficulties in law cases that have been tried might have been avoided, because of the points that are put—not necessarily good points, but points of law and such like that require arguing. But they do not always alter the real facts of the case, so that I think a good many of those problems would vanish. They would not, of course, if people wanted to fight.

6592. You would change the arena of conflict. Instead of having a conflict between an employer or an insurance company representing an employer, and a worker, you would have a conflict between an Approved Society and the Department controlling the central fund. The Approved Society would really have no interest at all to scrutinise the claim very closely. If it looked at first blush like a case where compensation should be paid, the society would say it should be paid. There would be a double interest, namely, to serve the member and give him the satisfaction of prompt payment and to avoid a claim on the sickness fund?—That is an assumption that a good many people might make. Take the reverse case. We say that when the employer or an insurance company say: "This is a case for your Approved Society," then we investigate it and find it is a claim on the industry. Therefore we are used to dealing with these cases and we investigate them.

6593. You do now, of course?—Yes. I am speaking for myself and for those with me. I think that we would deal with them quite straightly.

6594. I am sure you would, to the best of your ability. But they are very complicated and difficult cases very often, and you have to consider, not

one particular society or a group of societies, but all the societies, and to consider them all operating on this very difficult subject matter. You have also to consider the position of the insured persons: the likelihood that they would want to go to the society where their claims would be treated most leniently. I am sure the inducement to lax administration would be enormously strong, and it would be inevitable that the authority controlling the fund would have to take a very strict line?—They would have to do that.

6595. Then would not you have the possibilities of conflict almost as great as they are at the present time?—I do not know that they would be any greater than they are at present.

6596. I do not say greater, but almost as great?—I know that there are a great many difficulties, and I am not sure that all Approved Societies would take our view. I do not think they would. If it is for the good of our members we do not mind taking the trouble. I put in that "if"—if it is for the good of our members.

6597. I am taking you as a typical society. You would get one of your members writing up and saying: "I had an accident at the works yesterday and lost the top of my thumb. I am confined to bed, and I want compensation." You would recommend the payment of compensation, but the people who would have to take the trouble would be the people controlling the central fund?—The branch officers would investigate every case.

6598. They would investigate every case, but their bias would be in favour of paying compensation; it must be so, I think.—I cannot say, but I can quite see your point of view—that they might say: "This is a compensation case" to save the funds of the Approved Society.

6599. Not only to save the funds of the Approved Society but to make things easier for the member?—Well, we will have to leave that point.

6600. (Sir Alfred Watson): In paragraph 28 of your Statement you say that your Society does not favour abolishing the deposit contributor class entirely, as it appears that the fund must be kept open for persons expelled by Approved Societies and other persons who are not acceptable by Approved Societies. Would not you add to that the class of people to whom Approved Societies are not acceptable?—Yes, if they wished, and then it keeps the fund open entirely as it is now.

6601. Exactly.—We are not very anxious about this. We really had hints—I think I am right in saying that—from the Department that they would like to have something better done for the deposit contributor. We believe that there are a number of people in the Deposit Contributors Fund who are there as a half-way house and they simply want the suggestion made to them when they will choose an Approved Society. There are others we have heard of who really feel that they do not want to be attached to an Approved Society and they prefer to be in the Deposit Contributors Fund where they are hidden up. I do not think it matters very much to us if they like to choose that, but we do say that if it is suggested to abolish the Deposit Contributors Fund, we do not agree with that entirely.

6602. Your real point is a negative one: whatever may be done with the deposit contributor we are not prepared to give up the right of expulsion?—Yes; that is the point. I might say that in the very early days in discussing this matter with Mr. Lloyd George, then Chancellor of the Exchequer, before the Act was prepared, this question arose and it was an understood thing that the Approved Societies should have the right of accepting or rejecting insurable persons, and that they should have a right of expulsion on moral grounds. I want to point out, if I may, the difference between what you may call a national scheme and the Approved Society system or Friendly Society system, particularly where we have branch meetings. Certain of our members

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object to meeting in the same room, and sitting side by side with people who have perhaps been in prison for various offences, and so they say: "We are not prepared to have this man in our branch." Perhaps you may think it is vindictive, but it is for the sake of upholding the prestige of the society that they do it. So that we say we must have the right of expulsion.

6603. (*Prof. Gray*): Could you tell me a little about paragraphs 25 and 26 in connection with voluntary contributors? Do you think that many people who pass the income limit do in fact wish to become voluntary contributors and are deterred from becoming voluntary contributors because they cannot get medical benefit?—Judging by the applications that come to us we feel sure that there are a number of people who would pay the whole amount if they were entitled to medical benefit.

6604. How does that compare with your experience of other people who go out of insurance, not by reason of going beyond the income limit, but because of change of occupation? You have that kind of person, have you not?—Yes.

6605. How many of these want to become voluntary contributors?—We have a number of those.

6606. How many voluntary contributors have you?—(*Mr. Bailey*): At July, 1924, we had 520 men entitled to medical benefit—voluntary contributors—and 75 women. Not entitled to medical benefit, there were 41 men altogether and one woman, making a total of voluntary contributors of 561 men and 76 women.

6607. Can you tell me what it was in 1923—not in detail but approximately?—There would be very little difference, but we have not the exact figures here.

6608. Can you tell me whether the number is going up or is stationary?—(*Mr. Duncan*): It is going up.

6609. How quickly?—Not rapidly.

6610. Then there is the old person of 65 who gives up work?—Yes, that is dealt with in paragraph 26.

6611. That person could, of course, as you say, become a voluntary contributor. Your suggestion is that he cannot afford to do it?—That is so.

6612. Because he is giving up his work and he requires his money?—Yes.

6613. Do you think that man would become a voluntary contributor for medical benefit alone, as you suggest?—Yes, because we have had numbers of applications. At the present time, of course, they cannot get medical benefit through the Friendly Society side, because the doctors charge very excessive fees. We feel that they ought not to be debarred from paying a small sum—whatever is necessary—for medical benefit instead of having to pay their own doctor's bills when they are ill.

6614. You would not find that an undesirable complication, would you, having this new category of old people? You would have already voluntary contributors paying for all benefits, and you would have another kind of voluntary contributor of the same age?—Those people could pay through the Insurance Committee in the same way as exempt persons. I would put that forward as a suggestion to overcome any difficulty.

6615. (*Chairman*): In paragraph 29 you suggest that the minimum membership of a society should be 5,000. What are your reasons for suggesting this number? We have had it in evidence that a much smaller number than that can successfully support the risks of health insurance. Is it on grounds of insurance or on grounds of administrative economy that you make the suggestion?—On the grounds of administrative economy. We have taken over a few small societies. We were asked to do so because they got into trouble. They could not manage their work, and we got the impression that there are a number of small societies in the same position. It is not because we have any feeling against them; it is merely a suggestion for economy.

6616. In paragraph 31 you suggest that dental treatment should be made a normal benefit without increase of the present contribution. Have you, from your experience of dental treatment as an additional benefit, any indication of what sum out of the present weekly contribution would be required to meet the charges on the basis which you suggest, namely:—"50 per cent. of the cost with a maximum of £3 10s."?—We have not gone into that question, but, judging by the experience that we have had with our 23,000 women members, I should say it would be about 1s. 4d. to 1s. 5d. a year. It might come out slightly more; it all depends whether the men's teeth are worse than the women's, of course.

6617. Have you any suggestions to make as to how dental treatment as a normal benefit should be administered, for example, through Insurance Committees or otherwise?—Through the Insurance Committees, we would suggest, as a normal benefit.

6618. In paragraph 35 you come to the conclusion that from 40 to 50 per cent. of the members of your Society who were examined by the regional medical officers or under similar previous arrangements were not incapable of work. But have you allowed at all for the members who declare off in the ordinary way during the period between the date of the panel practitioner's certificate and the examination by the regional medical officer?—There are very few cases where they declare off or would have declared off, so far as we can judge by dates, unless they had been called upon to go to the regional medical officer. We have not investigated that particular point, but we feel sure we are correct in saying that they do receive notice to go to the regional medical officer and then declare off.

6619. You do not make any suggestion on the important question of extension of medical benefit to dependants. Have you any views to put before us on this point?—No; we have not considered that with a view to laying anything before you. It is a very big subject.

6620. (*Sir Humphry Rolleston*): With regard to paragraph 35, on the question of medical certification, you have some criticisms to make on the medical profession, have you not? You refer to some cases which have been submitted to the Ministry. Are those cases to be found in your own reports, and, if so, why were they submitted to the Ministry?—I am referring to the published reports. We have never submitted any cases to the Ministry.

6621. Are you referring to the reports of the Principal Medical Officer of the Ministry?—The departmental reports on appeal cases, and such like.

6622. It must be obvious to you that at the commencement of a disease it is common to the whole medical profession not to be able to say in many cases what is going to be the result. It strikes me that perhaps the wording of this is not intended to express the reflection which might be read into it?—All we can say is that in these cases people are certified as being incapable of work and as suffering from certain diseases. We also assume that they are taking drugs for those diseases, but they are certified as capable of work by the regional medical officer. They were not suffering from those diseases so that it logically follows they have been taking drugs for diseases from which they did not suffer.

6623. Was there any possibility that they might have been cured of those diseases?—There may have been.

6624. You do not introduce that alternative?—No; but sometimes we get a first diagnosis and then we get a different one later, which shows, of course, that the first diagnosis is not always correct.

6625. Then there may be a dispute because it is a very common thing for a disease to change. Complications occur. I am not quite sure what that leads up to?—All we say there is, of course, that where there are many changes of certification, either the

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person was or was not suffering from the particular disease, or they have changed very quickly.

6626. But what does it lead up to eventually?—Mistakes, I should think.

6627. I do not follow your argument?—It means that where they have been declared fit for work, they have been on the Fund when they were fit for work.

6628. I think the Chairman asked you whether you had taken into consideration the fact that the interval between being certified unfit for work and the interview with the regional medical officer allowed time for recovery to have occurred?—It is possible, but they would have recovered very quickly in that case.

6629. Otherwise it might be taken to be that the medical officer had given a certificate where it was not justified simply to oblige the individual?—It is very difficult to be definite on those subjects.

6630. Then you say that the figures you give show that over 40 per cent. of those examined were incapable of work. Does that 40 per cent. refer to cases in which they were supposed to be capable of light labour, but not of hard work, or are they all certified as being entirely incapable of earning?—In some cases the doctors were perhaps guarded in their remarks and said that the man was capable of light work; but generally speaking they were signed off as capable of work.

6631. (*Mrs. Harrison Bell*): What is the practice of the Society with regard to the insured person who is certified by the doctor as being capable of light work? Is a man who may be a plater's helper in a shipyard cut off from benefit as soon as the doctor certifies that he is capable of light work without specifying the kind of light work of which he is capable?—You are referring, of course, to the regional medical officer, I take it.

6632. Yes?—We have had cases such as that you refer to when the regional medical officer's opinion has been disputed by the ordinary panel doctor, who has said that the man is not capable of working. In a case like that we write to the regional medical officer and say that the man's panel doctor says that he is still incapable of work, and ask the regional medical officer if he would like to see the case again. We often refer a case back in that way. We do not want to say that the man is capable of work if he is not, so we refer the case back.

6633. I want to ask another question on paragraph 35. Is it not true that there are certain obscure diseases which the doctor may know perfectly well the insured person is suffering from, but which, owing to the temperament of the insured person, he must not tell him?—Very likely.

6634. And the insured person may all the time have the appearance of being perfectly well, but his own doctor knows that he is not and cannot tell him. What happens to the insured person in these cases?—If he is signed off by the regional medical officer?

6635. If he goes to the regional medical officer and the regional medical officer has no opportunity of consulting with the panel doctor?—I thought they always consulted the panel doctor. I think it is one of the rules that they must do that.

6636. (*Professor Gray*): Is not that a case which is covered by the special certificate?—Yes, they have a special certificate to guard against that.

6637. (*Mr. Cook*): In paragraph 32 I see you suggest that the amount of cash benefits supplemented by benefits from other sources appears to be adequate. What other sources have you in your mind?—The Friendly Society side and Thrift Societies. Of course, there are many people who are stated to be outside the ordinary Friendly Societies who have no other form of thrift. I am inclined to think that a large portion of the population have some other form of thrift, even though it is not in the Friendly Society; so we say "supplemented by other sources."

6638. It may be that, as you suggest, there are other sources to supplement the allowance that a man would receive; but undoubtedly there are millions

of workers who either cannot or do not make provision other than the provision that is made for them through the National Health Insurance Act. Would you in those cases suggest that this amount is adequate in a case of a serious illness, or in a case of a married man with three or four children?—I should say that it is not adequate. I would be very foolish to say that it was; but in Friendly Society work it is a question of what you can pay for the contributions. My point was that if you did have over-insurance you may have malingering. Some years ago we investigated a certain district's experience. That was before the Act came into operation. There was a very heavy sickness experience in that district for a number of years. After our investigation we found that, generally speaking, the men were insured in perhaps three or four Friendly Societies. The result was that they were on the funds for a pretty long time when they were ill.

6639. Was not that simply giving effect to the principle that you were arguing about, that they ought to make provision for sickness outside the four corners of the Insurance Act?—No, I did not say that. If it is increased too much, it brings about over-insurance and malingering.

6640. (*Professor Gray*): Could you elaborate the arrangements you contemplate in connection with the finance of dental treatment? You rather suggest do you not, that dental treatment ought to be provided out of the finance as it exists at present; that there is enough money there for the purpose. Is not that rather the implication underlying this paragraph: that there is enough money in the Act to provide dental benefit without any increase of contribution?—We think so to the extent of 50 per cent. of the cost with a maximum of £3 10s. 0d., because from what we have been told there will be very large surpluses, generally speaking, for the Approved Societies at this second valuation. We think that if it is possible, instead of having a very large surplus for disposal at the will of the Approved Society, it might be better to provide dental treatment for all the people who come under the Act. Dental treatment seems to be one of the principal treatments for the maintenance of health.

6641. That means, does it not, that you would have to increase the amount diverted to the Contingencies Fund and the Central Fund?—Yes, whatever was necessary for that.

6642. And to that extent, of course, you would increase the amount for which there would be a common fund amongst all societies?—Yes, that is our view and intention in putting this forward.

6643. So that what you say there has to be taken along with what you said before on the question of pooling. You indicated in an earlier paragraph that you have views on this question, but are prepared to modify them to a certain extent. Could you tell us whether there are any general principles laid down which would guide us as to the extent to which you are prepared to allow pooling. You object on principle as a general idea to the adoption of pooling, but you do not object to the Central Fund as it exists at present, and you do not object to that being increased by the diversion of some more money to provide one universal scheme of dental treatment to be administered, I imagine, through Insurance Committees?—That is so.

6644. Possibly you would be prepared to go further than that. There may be some other claim coming along in which you would say that there again is a case for providing something for all societies at large by a further increase of the amount diverted?—Would it not come to this, that, as we say here, if this was given as a normal benefit it would reduce surpluses so that you would not have a surplus to dispose of in that way, and where there was a society with a deficiency that society would be entitled to draw from the Contingencies Fund and also from the Central Fund? Your point is: would we be prepared to allow a larger sum to be diverted to the Central Fund?



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6645. You would have to get it under this scheme because otherwise the Fund would be going down?—Yes.

6646. But you may conceive of other cases arising where you might wish to do that. How far would you go in pooling for praiseworthy objects of which you approve?—It is very difficult to give a direct answer to that. I would be glad if I could; but I think that many of these things will have to be worked out by experience.

6647. You would go as far as to say that it is a kind of question which has to be settled from time to time?—Yes.

6648. If a certain amount of pooling does not prejudice your idea of what societies ought to be and do, then later on perhaps you might be willing to pool a bit further?—Yes. We should have to consider a case as it came along.

6649. You want to keep the individual stimulus which comes from independent societies?—Yes.

6650. So long as the pooling does not re-act on that you do not object very seriously?—No, not very seriously so long as it is worked equitably. That is our point.

6651. Have you had any experience of the work of Insurance Committees?—No, I have never been on an Insurance Committee. I have put other people on, but never myself. What I have done in reference to the point raised here is that I have enquired from those who are upon Insurance Committees, or some of our representatives, and they have given me their impressions. They say that they believe that the rights of insured persons are maintained by that system; that people feel they are being properly represented and they would not like to see Insurance Committees abolished but rather to be made more use of.

6652. That is the reason I was asking this question. It is not that I am putting a view before you, but one of your own suggestions is that Insurance Committees have not much to do; that they have no serious work left for them now. You say here that the Society is opposed to the curtailment of the rights of insured persons. Then you say for this reason it is considered that Insurance Committees should continue their work. That is in paragraph 34. Do these two sentences hang together? Could not you have these rights of insured persons preserved without the continuance of Insurance Committees, by some other local machinery?—I do not think they could have the same kind of rights. I am told by those who are on these Committees that the insured persons value very much the fact that people that they know, who are acquainted with Friendly Society work and such like, are upon these Insurance Committees, and that they understand their point of view. They help them considerably in regard to that, and some of the Insurance Committees say they would be very glad if they were not quite so restricted. I do not know that they are bound down too much, but they would like to be of more use.

6653. You imply that, after all, these people have not very much to do, and that it is really mere routine work?—Some of them take great interest in their work and they say that the cases that come before them are sometimes very complicated. They go into them very thoroughly. That is what those that I have asked say. There may be some people who would not take any interest in them, and they may think they can be run by officials. We do not say that. We think that if you have democratic control—even if you have the idea of it—it helps the people.

6654. (*Miss Tuckwell*): You have a certain number of people who will not be able to pay the other 50 per cent. in regard to dental treatment. You have a certain number of people who are quite unable to pay; the people who pay 2s. for sickness and unemployment are not in a position to do anything more. What are they going to do? Having looked at the thing all round, these people really will not be able to benefit by this scheme by which they are treated

as being able to pay half. What are you going to do with the low-paid worker? That is what it comes to?—If you are referring to our own scheme, paragraph 31 refers to dental treatment being a normal benefit.

6655. But I understood you were speaking of a general scheme of dental treatment which you have been trying to put first?—Yes—making dental treatment a normal benefit under the Act.

6656. What I want to get at is what are you going to do with the low-paid worker who cannot afford to pay anything to a private fund and who has difficulty in paying contributions? In one case you speak of raising contributions and in another you say you must raise the benefits. What is to happen to those people?—That is a very difficult problem. I have never suggested raising contributions of insured persons. I will tell you how we help such persons in so far as our own scheme is concerned. We have, as you may have seen, one item for making grants to persons in distress.

6657. That is for women only?—That is so. Where we have been thoroughly convinced after investigation that the person herself could not possibly afford to provide half the cost of dentures we have made a grant from the Distress Fund in perhaps half-a-dozen very special cases, so that the person has been able to get them. If that idea could be extended you would overcome your difficulty. I do not know whether it can.

6658. Do you see any way of extending it, because after all you have to deal with the members of your Society?—I am very sorry for the cases that occur like that. I wish there was some way I could suggest; but it always comes back to the question of £ s. d.

6659. It really means that you only cater for other than the lowest paid, and that they are the only people who can get the full advantage?—I am not so sure of that, because I know of people myself who are practically paupers and yet who once had very good pay; so that it is not always that. Very often low-paid workers are able to save money when other people do not. But from the general point of view the low-paid worker in distress deserves some help, and there should be found a way to do it.

6660. But you do not say so?—No, I cannot. I wish I could.

6661. (*Sir Alfred Watson*): Why do you want to stamp out the hundreds of little societies that exist all over the country? What is the advantage of getting rid of them?—There is no advantage to us, but we think that some of these small societies are not very flourishing, and the time may come when, although they are all right at the moment, they may have a wave of sickness which will swamp the whole of their funds.

6662. Do you know of actual cases of that kind?—I have known cases where some of the Friendly Societies have tried to stand in a small community and have not succeeded.

6663. Was that position because of their unsound financial basis?—Probably it was that in the beginning. But we are not particular about that at all. We simply put that forward as a suggestion for the Commission to consider.

6664. I see you have done that, but may I say to you, as I have had to point out to other witnesses, that if your suggestions were adopted by this Royal Commission and recommended by them, there is a big probability of their being carried into law. Consequently you must realise that you make these suggestions, as you call them, with a good deal of responsibility.—Yes; but we do not want to do any harm to anybody, and it is for the Commission to see whether they would.

6665. You mentioned that you were putting it forward on grounds of economy. As a matter of fact your own administration—and you are a big society—runs very nearly up to the regulation limit, does it not?—Yes.

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6666. And the smallest society cannot go over the regulation limit?—Some of them do. They have a deficiency.

6667. If, broadly speaking, nobody can exceed the limit and nobody falls short of it, will any economy be effected by suppressing the little local bodies?—We were not thinking of economy in that way, but rather for the Department. I do not know that it matters to us, but we have to look at it from the citizenship point of view as well as from the small society point of view.

6668. In paragraph 32 of your Statement you say that the amount of cash benefits for sickness and disablement, supplemented by benefits from other sources, appears to be adequate, and if increased it is liable to cause over-insurance and malingering. Do you find that there is over-insurance and malingering among those of your members who are insured with you, both on the State side and on the voluntary side?—We have not found that; otherwise we should have stamped it out. We are bound to accept to a very large extent—in fact to nearly the whole extent—the medical evidence.

6669. You consider that if people who are insured with you on the voluntary side receive benefits on the State side that might be a case of over-insurance and malingering?—If insured in other societies. I think I tried to explain to the Chairman that we made an investigation some years ago and found that in a certain district men were insured in three or four societies and there was a heavy sickness experience. It is perhaps rather too bad to condemn the people in that way; but there was the fact.

6670. Of course we know that these were patent facts a few years ago, but I suggest to you that conditions have considerably changed. The value of money has very radically altered, and the relation of wages to benefits has altered too, and we must look at these things with not too much reference to what happened in the past. Are you prepared to take into your voluntary side those of your State insured members, or other State insured members, who are not at present insured with you on the voluntary side?—That is State insured members with another society?

6671. Or with your own. Are you prepared to take them on the voluntary side?—We do take them now.

6672. But are you prepared to take those of them who are not already on your voluntary side?—Yes. We take some people who come to us for State insurance only, but afterwards join the voluntary side.

6673. Does it not look as though you are prepared to take the risk of over-insurance if State insured people come to you on your voluntary side, but you feel there is an objection when the question is one of increasing the State insurance benefits?—I quite see your point. We make an argument here, and I think the argument is correct. But perhaps we do not carry it out quite to the full extent.

6674. In paragraph 34 you say: "This Society is entirely opposed to any demarcation of streets into areas in any large centre for the purposes of medical benefit, as such an idea savours of pauperism." That is a new idea to me; I do not know whether it is to my colleagues. Would you kindly tell us what lies behind that observation?—We had heard that there was an idea of lining out small geographical areas for the purpose of medical benefit under the Act. Whether that is true or not I cannot say.

6675. Do you mean dividing cities into something like wards?—Yes.

6676. And one doctor to an area?—Yes.

6677. Something like the block system of the Industrial Insurance Companies?—Yes. We had heard that something like that was contemplated. If it is we are opposed to it.

6678. Do you mean that you had heard it was contemplated by the Commission?—No, not by the Commission; but we have heard it talked about, and we wanted to get this in because we do not think it would be right for the insured persons.

6679. You want to get your blow in first?—It was not particularly a blow; it was just to express a view which I think the insured person would be grateful for.

6680. It is all very mysterious, because you express dissent from a proposition of the existence of which we do not know.—I am very glad you do not know of it. Before I leave the witness box I should like, if I may, to make a few remarks as to the powers of Insurance Committees and as to the medical benefit title of persons over 70 years of age. In regard to the work of Insurance Committees, I feel that they are not fully carrying out their functions under section 50 of the Act of 1924, an important matter for the health of insured persons. Whilst perhaps it might be difficult to carry out subsection 1 (a) of that section of the Act, yet I think that subsection 1 (b) is easily possible and the Insurance Committees ought to take steps to give lectures and issue publications to insured persons on questions relating to health; not necessarily disquisitions on disease, as that course might do more harm than good, but rather to instruct people so that they learn to distrust the pernicious publications on diseases and advertisements relating thereto. Doctors know what an adverse effect is created in the minds of people who read up all the symptoms of diseases, and as they are concerned for the good health of the people, they would assist in this matter; for, after all, the National Health Insurance Act contemplates not only the payment of benefit to insured persons who are incapacitated by illness and receive medical treatment, but also the prevention of sickness. If there is any manner in which the Royal Commission can further advance this matter, I feel sure it would be of great good to the country. I desire also to draw attention to the large number of persons on the registers, who are over 70 years of age and entitled to medical benefits only, for whom Approved Societies are liable, and as there is great difficulty in ascertaining when the death of such persons occurs, it is quite possible that societies are paying for medical benefit for persons who are dead. To overcome that difficulty I suggest that Insurance Committees should be empowered to call in medical cards every year, in respect of all persons on the registers over 70 years of age, with an enquiry as to whether such persons are living and, if so, to issue a fresh medical card of a different colour. By this method those who are deceased would be eliminated from the registers and societies would only be debited with, and the doctors only receive payment for, the actual number of such persons who are alive and entitled to medical benefits.

(Chairman): We are very much obliged to you for your evidence.

(The Witnesses withdrew.)

## FOURTEENTH DAY.

Thursday, 22nd January, 1925.

## PRESENT:

LORD LAWRENCE OF KINGSGATE, in the Chair.

THE RT. HON. SIR JOHN ANDERSON, G.C.B.  
 SIR HUMPHRY ROLLESTON, Bart., K.C.B., M.D.  
 P.R.C.P.  
 SIR ALFRED WATSON, K.C.B.  
 SIR ARTHUR WORLEY, C.B.E.  
 SIR ANDREW DUNCAN.  
 MR. A. D. BESANT, F.I.A.  
 MR. JAMES COOK, J.P.

MR. JOHN EVANS.  
 PROFESSOR ALEXANDER GRAY.  
 MR. WILLIAM JONES.  
 MRS. HARRISON BELL.  
 MISS GERTRUDE TUCKWELL.

MR. E. HACKFORTH (*Secretary*).  
 MR. J. W. PECK, C.B. (*Assistant Secretary*).

Mr. JAMES GOLD, called and examined. (*See Appendix X*).

6681. (*Chairman*): You are Mr. James Gold, Secretary of the Scottish Miners' Federation Approved Society?—Yes.

6682. For how long have you occupied this post, and what was your previous connection with National Health Insurance or Friendly Society work?—I was appointed Secretary in November, 1912. Prior to that I had no official connection with Friendly Societies.

6683. Your centralised Society of about 46,000 was formed at the initiation of the National Health Insurance Scheme; it did not grow out of a previous trade union society, did it?—It was as a matter of fact the trade union that formed a separate section.

6684. You have no private side, have you, so that so far as your members are insured privately it is under other societies?—We have no private side. We are quite independent.

6685. What is your appropriation for administrative purposes, and what are the chief items of expenditure?—Do you refer to any particular year?

6686. The latest you can give us?—Our expenditure for 1924 was £10,413, for purely administrative purposes.

6687. And the appropriation?—The appropriation was about the same amount. I cannot give you the exact figure at the moment, unfortunately, but it was a little over £10,000.

6688. Do you happen to know the rate per head?—I can give it for 1922, our latest certified accounts. It was 4s. 7-59d. per member; the allowance at that time was 4s. 10d. The details are as follows:—

	s.	d.
Branch Salaries ... ..	1	9-72
Board of Management and Conferences ...		2-70
Medical Referees ... ..		1-06
Wages ... ..	1	10-77
Postage ... ..		2-02
Rent and Taxes ... ..		1-37
Printing and Stationery ... ..		1-31
Commission on Money and Postal Orders ...		1-03
Furnishings ... ..		42
Telephone, Light and Cleaning ... ..		47
Sundries ... ..		72
	4	7-59

6689. Can you give us any particulars of the number of officials at branches and headquarters and on what sort of scale they are paid?—As stated in paragraph 2 of our Statement, the full-time staff is 15. All other persons who are engaged by the Society are employed only part-time. The rate paid to agents is 10½d. per card per half year.

6690. In paragraph 2 I see that in addition to using the district medical officers' scheme you have a medical officer of your own and 4 part-time medical referees. Do you consider that this double system is justified and that you would not do equally well if, like other societies, you simply relied upon the

district medical officers?—Personally I feel that the ordinary lay person is quite incompetent to select cases as there are many in which he cannot discriminate as to whether the period certified is or is not longer than the nature of the illness warrants. We find that our independent referees are very useful, for example, in compensation cases. They are also very useful for a second opinion.

6691. Then you prefer your own system?—We certainly prefer to continue the system. We have never adopted the suggestion made by the Ministry of Health that we should abandon all our private arrangements. We find in a number of instances that members desire to appeal against the regional medical officer's decisions. We have always the value of a second opinion in that case before the member is entitled to appeal to the Arbitration Committee.

6692. Do the interesting figures which you give in paragraph 3 lead you to think that there is careless certification by the panel practitioners?—I should not like to say that careless certification is general; but I feel confident that there is a proportion which is careless, and I expect that that proportion will continue for all time. Doctors seem to me to be just like ordinary humanity. Some are only professionally intelligent, and are hopeless in other respects. That is our experience, but it applies only to a very limited number.

6693. I gather from paragraph 5 and following that you attribute your adverse financial results to two main causes: (a) the contribution income is below the normal owing to illnesses, etc.; (b) the benefit expenditure is above the normal owing to the difficult conditions of the mining industry, which you describe very fully. Which of these causes has the greater influence, do you think?—It is very difficult to assess; but I might, with your permission, give the figures relating to another society so far as the contribution record is concerned. The years 1921 and 1922 were really abnormal. If the name of the other society has to be disclosed, I could easily give it, although I should prefer that the name should not be published. The average number of contributions per member in the other society was 47 for 1920, and ours was 43. That was a loss of 3s. 4d. per member per annum. In 1921, the average number for the other society was 45, while the average number for our members owing to the lock-out was 32. Therefore there was a difference of 13 during that particular year. In 1922 the number for the other society was 45, and the number for our Society 34, a difference of 7. In 1923 the other society's average was 46 and our average 43. I think it is impossible to determine whether our results are due mainly to loss of contributions or to heavy sickness experience. The two factors combined militate against our prospects. I have, however, always entertained the view that the latter has been more formidable than the former; that is, the sickness benefit is more formidable than the loss in contributions—at least, in normal times.

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[Continued.]

6694. (*Prof. Gray*): Might I ask whether the other society was a mixed type of society?—It was purely segregated manual workers.

6695. (*Chairman*): Have you any evidence to show that the fees of doctors and midwives for maternity cases have been increased substantially as a result of the Insurance Scheme?—I have no evidence on that point. We took out a return recently, but it related to the fees charged at the present moment, and I presume that the evidence you want is the contrast between the period prior to 1920 and the present moment.

6696. In paragraph 8, I see that you consider section 107 of the Act (section 63 of the 1911 Act) to be a dead letter. If, in accordance with your suggestion later, Approved Societies were reorganised on a territorial basis, do you think that section 63 could be effectively put into force, since such a society would be concerned with all the insured persons of its area and would also be aware of the industrial and housing conditions?—I have the feeling that if the whole National Health Insurance Scheme were reorganised on a territorial basis, it would mean that you would have the complete record of each individual mining village, and in that way it would be possible to contrast one village with another just as the Medical Research Council are doing with us at the present moment. Unfortunately, the result will be somewhat lop-sided on account of the fact that all the miners are not in our Society. But I believe, even if that were done, they would still have difficulty in assessing whether the added liabilities were due to housing, industrial conditions, or physical conditions.

6697. (*Mr. Jones*): On this question of your private medical staff, if I may describe it as such, I notice you have found it a good administrative action to have the certificates reviewed by an expert?—Yes; we have found it advantageous.

6698. It will be helpful, for instance, in discovering the difference between what a layman might pass as sickness claims and what might be compensation claims?—I cannot say that the doctor is an expert in compensation. We find that they often err in those matters.

6699. Even your examiners?—No; the ordinary panel doctor.

6700. But having the certificates examined by your medical man, you are able to differentiate better between sickness claims and compensation claims?—Yes.

6701. Then you draw attention to obscure cases which in the ordinary course might remain on your funds longer than need be?—Yes; that is the object.

6702. Then you have these referred by the official referee?—Yes, under the Refereeing Scheme set up by the Ministry of Health.

6703. When you find a conflict of opinion, or your member does not care to accept the medical referee's opinion, you refer him again to your special referees, do you not?—Yes, to our own independent referees.

6704. I should like to ask if your experience is that these special referees uphold the official referees in the majority of cases or otherwise?—We have very few cases; but I think in most of the cases the independent referee has decided in favour of the panel doctor.

6705. In favour of the member?—Yes. I refer somewhere, I think, to ramshackle cases, and with the consent of the Chairman I will read you the regional medical officer's opinion and our independent referee's opinion on one case. This was a case that was examined on the 24th October, 1924. The regional medical officer stated that the man was suffering from "rheumatism of thighs, especially right, and of knees. Now so much improved as to be considered capable of attempting work. In my opinion the insured person is not incapable of work." Our independent referee examined the member. I may say that this referee is one of the directors of the Kilmarnock Infirmary. The examination took place on the 13th November, 1924, and this is what he said: "This is to certify that I have to-day

examined Mr. J. B., residing at —, Rankinston. He informed me that he had suffered from rheumatism for several years and that he had been unable to follow his usual employment as a roadisman, below ground, since 4th June, 1924. On examination I found his chest in a satisfactory condition, but he complained of pain on pressure over the lumbar region of his back and the pain extended down the back of his legs, following the distribution of the nerves. There is distinct atrophy of the muscles of his left leg, which is 2½ inches less in measurement than the right leg. He is unable to walk along a straight line; he cannot stand in an erect position with his eyes closed, and there is distinct alteration in his reflexes. He informed me he had neither received constitutional nor local treatment for a considerable time, as he thought the drugs did not agree with his stomach. I am of opinion that he is suffering from 'spinal neuralgia,' and that the disease is now deep-seated. He is unfit to follow his usual employment, and the 'prognosis' is unsatisfactory. I would recommend his admission to the medical ward of an infirmary for 'observation and treatment,' as he is a widower with two young children and cannot receive the necessary attention at home." That is one type of case we have to deal with where the regional medical officer has certified the member fit for work.

6706. There would be very little probability of that man in a place like Rankinston getting any other than his usual employment, I take it?—There is no employment available but mining.

6707. A suggestion has been made here that in the event of a dispute such as this the regional medical officer's opinion should be final. I take it you would not be prepared to agree to any such suggestion?—No, I would not agree to any such suggestion. As a matter of fact, to facilitate appeals we have no deposit, and while we have a time limit we do not impose it rigidly.

6708. I might raise here very briefly the question of what is your procedure in the event of a dispute?—If a member desires to appeal—if it is a case that has already been before the regional medical officer and the member has been certified fit for work—we immediately send out our independent referee. If he sustains the decision of the regional medical officer we abide by that decision. It is really the weight of evidence that weighs with us. If the two opinions coincide, the benefit would be stopped. If the member felt that he would like to appeal further he could then submit his complaint to the Arbitration Committee. He can select anyone he desires out of a panel of five, and then he has still the right to appeal to the Board of Health.

6709. How long would it take to follow that procedure, taking an average case?—It depends very largely on the members themselves, because we at times state that they have allowed their title to appeal to go by default; but we very rarely pursue this course.

6710. Your procedure is fairly simple. Immediately the medical examinations are completed, if the member wishes to go further the matter will immediately come before the Arbitration Committee, will it not?—In less than two months.

6711. May I put that at the outside?—Yes; that is the limit.

6712. I suppose you want to be perfectly fair to the doctors, even though you may have some unsatisfactory experiences with them. Might I ask you to look at the figures which you show in paragraph 3 of your Statement? They are somewhat similar to figures from other sources. Definitely, you say that something like 50 per cent. have been certified unfit. Then regarding columns 6 and 7, taking the two together—those that failed to appear for examination and those that declared off prior to citation—I put it at from 30 to 40 per cent. between the two columns?—Yes.

6713. It would be perfectly fair to say that many of these cases might be on the brink of recovery by the time you sent them?—There is that possibility

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[Continued.]

6714. And in that event they would be declared off in any case?—Yes.

6715. So that it would be unfair to interpret these figures as being a reflection on the efficiency of medical certification?—I should not like to say they are.

6716. One wants to be perfectly fair with regard to that. Now I should like to ask one more question about the doctors and midwives. I think we can take it as a fact that the cost of these services has considerably increased, especially since 1914?—I have no evidence on that point. We collected evidence, but it related to the present charges.

6717. Is it within your knowledge that the present fees pretty well exhaust the benefit?—Yes, I think they do.

6718. And there is nothing left over, I think you say, for meeting the other necessary requirements of the family at that particular period?—That is so.

6719. In view of that how would you view the suggestion that the medical aspect of this question, if I may so describe it, should be separated from the cash benefit and be incorporated in a scheme of medical benefit, irrespective of the method by which that might be administered?—I do not know that we would offer any resistance to it. It is an aspect of the question that has not really been before us.

6720. How would you view the suggestion that there should be a maternity benefit to meet these other demands in the household at the time?—That is really a double maternity benefit that you would pay.

6721. There has been a suggestion that the maternity benefit should be increased in order to meet these other family demands. How would you view the suggestion that maternity benefit should really be split into two, one the cost of the medical service—a charge upon the fund in some direction—and then a separate maternity benefit in order that the original intention of the framers of the Act might be carried out, that there should be some additional benefit to the family at that time?—I do not know that we could express an opinion upon that point. I think if it were put before our Board they would be rather inclined to think it should be embraced in the ordinary fees.

6722. That is really what I am getting at—that attendance on patients should be part and parcel of the medical service?—Yes.

6723. In addition to that, would you consider that there should be a maternity benefit as well, to meet the extra needs of the household at that time? Would you favour such a proposition?—I think we deal with that question in one of the paragraphs.

6724. You do in a way. Your suggestion, I rather think, is to raise the maternity benefit; but if you raised the benefit might we not find that the midwifery charges might be increased therewith?—I do not know. I would not care to express an opinion on that point at the moment.

6725. (*Prof. Gray*): I think the reason why your experience and that of other miners' societies is so unfavourable, as far as health is concerned, is due to the conditions under which the miners work, is it not?—That is our belief.

6726. From that point of view the conditions under which the miners work become a matter of some importance. Could you elaborate that side of the matter for our information? If one were to ask you: Why is the health experience of miners so bad? what would you say?—We have always said it was largely due to the conditions under which they are employed; that it was occupational—the vitiated atmosphere in which they are compelled to work and the exertion which they import into their daily work mean they have to be in a very fit physical condition before they can continue to attend their work regularly.

6727. Is there anything in the other point, that they frequently get wet in the mine, and when they get to the top they have to walk home in a damp condition?—That always militates against them, because a large number of cases are rheumatism, lumbago, and bronchitis,

6728. And are they exposed to extremes of temperature, hot and cold?—They are always exposed to that, coming out from the hot mine into the cold atmosphere.

6729. Miners, I think, differ from other people, do they not, in the fact that perhaps owing to the heavy nature of their work they concentrate their work into fewer days a week? How many days a week do your miners work?—Five is the normal working week, or 11 days during the fortnight, usually.

6730. That gives you two days for every alternate week?—Yes.

6731. Do any of them work less than that?—Yes, considerably less. Some of them are on short time.

6732. How are these people paid? Is it on a piece-work basis?—The ordinary miner at the coal face gets so much per ton.

6733. The reason I ask these questions is because a suggestion has been made on several occasions that the miners, if, for instance, they get into a good seam, are able to make as much as they want in a matter of four or five days. Then, because the work is so strenuous, they recuperate for the next three days or two days. How far is that the case? I am not saying it is so; I am merely putting it as a suggestion to you?—I would not be prepared to recognise that there is much substance in that.

6734. If the work is strenuous it would be quite the correct thing for them to stay off a short time. The more strenuous the work is, the more you require a rest interval?—One of the defects of the miner is that the more he earns the more he is anxious to earn.

6735. The suggestion I have heard in the past was that the miner was much wiser, and that if he earns a certain amount he is quite content to take a day off; but you do not think that is the case?—That is not my experience.

6736. With regard to maternity benefit, you say, quite correctly, that the more that is paid for maternity benefit, the less will be left for sickness and disablement?—Yes.

6737. You refer to your high rate of maternity benefit as being an additional cause of the unfortunate condition of the miners' societies. Is it not fair, in stating that argument, to bear in mind that maternity benefit costs a good deal less than sickness benefit?—Yes.

6738. The figures are these under the present Acts: The amount allowed for men, for instance, for sickness benefit, is 302d.; for disablement benefit, 111d.; which makes together, 413d. As against that, maternity benefit is 68d.?—Are you quoting from the allocation of the contribution?

6739. I am quoting from the Report of the Government Actuary on the provisions of the Bill of 1920. The point is one, I think, which we ought to bear in mind considering your argument. It is that obviously a percentage increase in maternity benefit might not have a great effect as compared with a similar increase in sickness benefit; that is to say, there is only about one-seventh allowed for maternity benefit compared with disablement and sickness, so that a 20 per cent. increase, let us say, on maternity benefit would have the same effect as about 3½ per cent. increase in sickness benefit. Is not that so?—Yes. As a matter of fact, I have the figures taken out regarding the other society to which I have already referred. Our experience is that the maternity benefit is 1s. per head higher than in the other society. So far as our own individual experience is concerned, our maternity benefit is really one-third of our sickness benefit.

6740. The only point I was putting to you was as between, let us say, a quite considerable excess in maternity benefit and a small excess in sickness and disablement together. A wise society might prefer the big excess in maternity rather than the relatively small excess in sickness and disablement?—Yes. I do not know that we would do that.

6741. With regard to workmen's compensation, you must have had a good deal of experience there. Do

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[Continued.]

you find the provisions work well?—We have not, really, any difficulty with the workmen's compensation provisions, though we have a number of difficult cases.

6742. You do not think your members fall between two stools?—Yes, sometimes they do; but I should say a small proportion. If a man has forfeited his title to compensation through personal neglect, he certainly gets neither benefit nor compensation.

6743. What kind of personal neglect would that be?—Failure to report his accident to the employer.

6744. Do you serve notice on the employer saying that you are paying, and hold him liable to refund you later under that section of the Act of which you know?—We serve a notice on the employer and proceed to pay.

6745. Do you find that in the end you get the money back all right?—We have no difficulty at all with the employers in Lanarkshire and Fifeshire.

6746. Have you difficulty elsewhere?—We have difficulty in Ayrshire.

6747. What kind of difficulty?—The difficulty is, that the secretary there intimates that he does not pay any benefit in cash, and he switches us on to the employer.

6748. The secretary of whom?—The secretary of the Coal Owners' Association in Ayrshire. To obviate correspondence, we have adopted the practice now of serving a notice on both of them.

6749. Does that work better?—It makes doubly sure.

6750. But under that procedure you find the thing works better?—In Lanarkshire and Fifeshire it works quite smoothly.

6751. Is that because the employers' side are more reasonable in Lanark and Fife? Are they more reasonable employers than in Ayrshire?—I should say that the secretaries of the Coal Owners' Association are much more reasonable.

6752. (Mr. Cook): With regard to the panel patients and private patients, have you any information that would lead you to the conclusion that doctors, generally, in mining areas treat private patients differently from the way they treat the panel patients?—Really, I do not think there is any substance in that.

6753. You have no information that would lead you to that conclusion?—No.

6754. With regard to the question of what happens when a member is certified fit for light work, have you gone through the whole of your procedure there? If a man appeals to the Arbitration Board and the Board decides against him, would you immediately cut him off from benefit?—Yes.

6755. The doctor certifies that the man is capable of light work, but you understand the difficulty in mining areas of any light work being procured. Do you give any time to allow a man to find light work?—No, we allow no period of grace. We intimate to the member that he ought to apply to the Labour Exchange for unemployment benefit.

6756. In your Statement you emphasise repeatedly the excessive amount of sickness in the case of miners, and you have referred this morning to some of the reasons for that excessive sickness, such as the conditions under which the men work, the character of their labour, and, in deep mines especially, the high temperature in which they work, and having to come into the cold atmosphere outside, travelling long distances by train and by foot. Could you make any suggestion that would tend to reduce the sickness arising from that particular cause?—No.

6757. It is sickness that may be caused by men leaving a heated atmosphere, either wet by water falling on them or wet with the sweat of their own bodies. Do you think that it would be an advantage if a system of baths were established at the collieries so that the men could cleanse themselves properly and change their clothes before leaving for home?—I think that baths would be a great advantage at a colliery, but the difficulty is to get the men to take the same point of view. I understand that a good deal of opposition has been offered both by men and

employers, although I have always held the opinion that it would be a great advantage physically and domestically if they would adopt it.

6758. As a matter of fact there are practically no baths at all in Scotland except at one or two collieries. There are no baths at all in Great Britain, except in one or two isolated instances?—Yes.

6759. (Mrs. Harrison Bell): Pursuing Mr. Cook's last question, is not the objection to the idea of baths at the collieries very largely due to the fact that what is suggested is only baths, and that no provision is made for washing or drying or mending the miner's clothes, which has to be done in his own home nearly every night?—Yes.

6760. If that was provided for by the baths at the pit and a lock-up for him to keep his going-home clothes in, would not that obviate the difficulty, and would there then be the objection?—I do not know that it would obviate the difficulty, because we are very conservative in our outlook, and the great difficulty is to get them to adopt any new idea which would be advantageous to themselves and likewise to their family.

6761. (Miss Tuckwell): Is there anything in the suggestion that they are in a hurry to get home? I have heard the difficulty accounted for by the fact that a man wants to get to his home when he leaves his work?—Undoubtedly, he will be anxious to get to his home in the uncomfortable condition he is in.

6762. When he gets home, does not he wash there?—Yes, undoubtedly.

6763. (Sir Humphry Rolleston): With regard to the table in paragraph 3 of your Statement, the percentage of men who are unfit to travel when they are declared unfit to work is high. Does that mean that they are seriously ill?—The percentage is high, but our Medical Adviser is in a difficulty in selecting cases, because he can only judge by the nature of the illness and its duration. When we intimate to our local agents that these members have been selected, we receive replies that a proportion of them are unfit to travel, and these figures in column 2 represent that proportion.

6764. Do you think that proportion is unduly high?—No, I do not think so. It is a high number, certainly.

6765. (Sir Arthur Worley): With regard to the men who fall between two stools, I think you put it that that was largely due to the fact that they had failed to give notice?—Yes.

6766. But as an actual fact the number of cases that you have in a year where a man fails to get compensation owing to lack of notice is very small, surely. There are not many cases now where a man does not give notice or where it is some obscure cause that has brought it about?—My impression is that if the figures were tabulated it would be somewhat staggering to find the size, because there are an number of cases where men anticipate that they will work in a day or two, and they never think of making any intimation to the employer.

6767. They have not necessarily to make an intimation in a day or two. They are not out of court if they do not make an intimation in that time?—Under the Statute it is six months, but it is advisable to do it at once.

6768. He has six months, and even then if a very good cause is shown, loopholes are made, so that I suggest that the cases of a man being injured at his employment and not giving notice within six months are very few. It is only fair to say that I have had a little experience on this subject. I remember the cases that have come before me in a number of years, and the number of cases where a man has not given notice is very low.—Well, I know that there are quite a number where we have to urge them to put in a claim to the employer and to give notice immediately.

6769. Why should not they give notice? Why should you have to urge them? They are away presumably from their work, and presumably you are paying them something in the meantime, are you

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not?—We do not advance benefit unless it is really solicited.

6770. I cannot see why, if a man has met with an accident and has practically no money, he should need urging to give notice?—Well, we have to do it; that is my experience. I do not say that there is an enormous number, but I think the number of minor cases would be quite staggering if they were tabulated.

6771. (*Mr. Cook*): As a matter of fact, is it not the case that the Compensation Act demands that a man shall give notice immediately?—Yes.

6772. If he delays more than a comparatively short period, the employer pleads prejudice. It depends on the nature of the accident; but he says he has been prejudiced in not receiving timely notice, and many cases are disputed, and sometimes the man is unable to obtain benefit?—That is so.

6773. (*Sir Arthur Worley*): It is a possibility, but it has to be proved by the employer that he was prejudiced?—There is very great difficulty sometimes owing to the fact that the member may have quite genuinely sustained an accident in the course of his employment, but for some reason or another no one was present and he has not mentioned it to anyone prior to leaving the colliery. All these things militate against his prospect of establishing his claim.

6774. (*Mrs. Harrison Bell*): But arising out of Sir Arthur's questions, is it not true that a man sometimes meets with an accident which he thinks is too trivial to report at the time, and then it afterwards becomes serious?—Yes.

6775. Then the employers' side, not having been notified, take up the attitude that the injury is really not due to the accident. Is not that one of the cases where the member may be said to fall between two stools?—The employer pleads prejudice, of course, on account of the fact that the member had not intimated his accident at the time. I think there is a great deal in what you say. It is largely due to the fact that he anticipates that he will be able to resume work in a day or two, and he does not trouble anything further about it. We have similar difficulties in sickness experience. They do not go to the doctor perhaps for three or four days, and then they wish benefit paid from the first day of incapacity.

6776. (*Sir Arthur Worley*): If a man met with a trivial accident and then it developed, in a large proportion of cases it would be easily traceable. However, you have not any figures which prove your case; it is your impression?—I have not any figures available, but I know there are quite a number of cases of septic poisoning which have been due to a trivial prick in the finger.

6777. The remedy is for the members to be educated up to making a prompt claim when they meet with even minor accidents?—If I am not mistaken, under the present Act the employer is under the necessity of providing an accident book.

6778. (*Mr. Cook*): Yes, there ought to be a book in which a man enters his name when he comes off?—Yes.

6779. (*Chairman*): The main criticism in your Statement is that the segregation of membership under the Approved Society system leads to such widely different rates of benefit that it should be abolished and replaced by a more uniform system. We have had it in evidence from several societies in defence of the present system that each society gets the same revenue in proportion to its members, and that, therefore, the members as a whole receive the same amount of money in benefit whether the society has a light or a heavy experience—the light experience society by its higher scale of additional benefit, the heavy experience society by the larger number of members who participate in the ordinary benefits. Is there any fallacy in this argument in your opinion?—I think there is a fallacy in that argument. In the first instance the scheme is national at the head but competitive at the extremities. I could understand that argument if every society had its membership segregated. That would establish

conclusively that each individual member would receive the full benefit of his contribution. At the present time, however, we find that the members of certain societies represent mixed occupations, and as a consequence of that miners are really being paid additional benefits out of the contributions of those who are more favourably occupied. Now we are unable to pay any additional benefits. I think I am right in saying that, with the exception of a very insignificant little society, no miners' society pays any additional benefit. As a matter of fact, it would be much better if they were segregated if the present scheme is to hold good. If they are anxious that each individual member who is engaged in a particular industry should receive the full advantage, then there is something fundamentally wrong if those who are engaged in the mining occupation should be receiving additional benefits out of others' contributions. That seems to us the position at the present moment. We feel that we want it all changed, and a real national scheme established, where everyone would participate in uniform rates.

6780. We have also had it in evidence that the present system is right because it encourages competition between the different societies to secure good results for their members, and that under a revised uniform system such competition would disappear with unfortunate results. What do you say to this?—So far as competition itself is concerned, I have never been able to diagnose its virtues. It has more vices than virtues, and so far as this particular type of case is concerned, I have no dread of free competition; but I should say let us start out on exactly similar conditions. If you make it fair competition, then we have nothing to dread.

6781. In paragraph 11 you draw attention to the fact that a society in your position will lose members to other societies which can give additional benefits, and that your loss by transfer is equal to nine weeks' recruiting. I see, however, that your membership has increased from 42,000 in 1913 to 46,000 at present. Has the rate of increase slowed up since the results of the last valuation were declared?—The membership certainly ought to have been considerably more. Our new members for 1924 were 2,439 and exits 2,659. We had 365 transfers out, I think, up to July, 1924.

6782. Do you mean in six months?—No, in the 12 months. 49 of these were occasioned by geographical necessity.

6783. How many transfers were there into the society?—A very small number. We have very few transfers in unless it is just a question of convenience or there may be a number from the Deposit Contributors Fund. These are a negligible quantity.

6784. Is it anticipated that your membership will from now onwards diminish steadily because of the attraction of other societies?—I should say that if a member can get 2s. 6d. or 5s. per week more he would be indisposed to remain with us.

6785. Do you think that a time might come when your Society might be left with a very much reduced number of people, who either have little interest in or knowledge of the position of societies generally, or who are unable to get into richer societies?—It seems to me that is conceivable and may develop in the future.

6786. What do you say to the view that such a tendency is right as expressing the operation of free competition inherent in the present system?—We feel, of course, that there is not very much free competition. In all departments of life you reach a point where competition must inevitably cease.

6787. In paragraph 12 you give some very interesting figures as to the membership of societies in Glasgow. If all these persons were formed into one local society, would you expect that the sickness would be closer to the average of the country than in your Society at present?—I am not quite sure about that question, because we have very few members in Glasgow. All our members are in mining villages outside.

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6788. In paragraph 16 you make a constructive suggestion, namely, that the scheme should be re-organised on a purely territorial basis. I should like to take you over what appear at first glance to be some of the difficulties of such an arrangement and hear your views. In the first place, the present system has been in existence for 12 years, and prior to that the friendly societies and the Trade Unions had been engaged in similar work for many years with, I gather, successful results. You would expect, would you not, very considerable opposition to such a radical upheaval as you suggest?—Yes, I should anticipate that there will be very strong opposition to a proposal of that nature; but I have the feeling that a national scheme should apply universally, and that the competing units at the extremity should be abolished and a territorial basis substituted.

6789. You appreciate, do you not, that the change over would be an enormous task; involving, as it would, constitution of new societies, transfers of membership, wholesale transfers of funds, winding up of existing liabilities, new arrangements for finance, management, central control, and the like? I do not say these difficulties are insuperable, but I should like to know that you appreciate them. Could you give your views on these various points?—I do not see that the difficulties would be very serious. As a matter of fact, we ourselves have already done in a small way what would require to be done under the proposed re-arrangement. We used to have seven district offices in the various mining counties of Scotland and we transferred them all to the central office. Simultaneously the staff was reduced from 24 to 15. I cannot see that there is really any difficulty in the matter in the position of membership. The only transfer that I see would be necessary would be the transfer of the member's card from the society into the area in which he is now resident. As to the wholesale transfer of funds, as a matter of fact the greater proportion of the funds is held nationally just now by the Ministry of Health and is in their name. So far as the outstanding liabilities are concerned they are generally nil at the end of a year. I cannot see that the arrangements for finance should present any difficulties. The Ministry of Health would simply advance the money to the districts instead of to the individual societies as they do now, and so far as that part of the work is concerned, it would be considerably simplified. Management may present a new difficulty, and probably it might be advisable to consider the necessity of setting up some *ad hoc* authority for purely administrative purposes.

6790. Assuming that local societies were established, you realise, do you not, that a difficult administrative problem would arise by reason of movements of the population which does not arise under the present conditions? Every transfer from one area to another would mean a change of membership with consequent adjustments for reserve values, records, etc. What are your views on this?—I do not think that there is really any difficulty at all in the matter. There would be no transfer of reserve values. There certainly would be if you proposed to value the district separately; but as a matter of fact we are dispensing with district valuations; at least that was the idea that was revolving in my own mind—that the scheme would be valued as a whole and that irrespective of the district the benefit would be exactly similar to each insured person.

6791. You suggest that there will be a saving in administrative expenditure under such a system, inasmuch as one set of officers will perform the work for the area instead of the present multiple arrangements; but on the other hand do you not think that the new difficulties which I suggested in a previous question would go far to neutralise this?—No, I cannot agree to that point of view, because we know from experience that we made a considerable saving on our administrative account when we centralised, and exactly the same thing would take place if the whole system was set up on a territorial basis.

6792. Do you suggest that these local societies should work on a self-contained financial basis to the extent that the present societies do, or would you have a much more extended system of pooling than is provided by the present central fund?—What we are really proposing is a national scheme administered territorially.

6793. Do you suggest that there should be complete pooling for the whole insured population and that the new societies should merely be local agencies for the collection of contributions and the administration of the benefits?—Yes, that is exactly our position.

6794. As an alternative to instituting such societies you suggest in paragraph 18 two modifications, namely, that in the case of the hazardous industries societies either the industry itself or the State should pay an additional contribution so as to bring all up to the same level. Taking the first suggestion, do you not see great difficulty in determining how far a particular industry is responsible to a particular society? Your Society is almost wholly composed of miners, but other societies which have not done well in valuation have quite a heterogeneous membership?—Our impression is that in the segregated societies, and where the employer is paying an inadequate contribution, the Government should make up the difference between the present normal contribution and the rate that would enable the society to pay additional benefits.

6795. You say the State should make it up?—Yes. It is impossible to have an absolutely just system under the present scheme so long as there are so many competing units. It seems to me that it is not more unreasonable to ask the State to do this than for the State to allow the miners who are engaged in hazardous occupations to exploit the contributions of those who have a low sickness experience.

6796. Would there not be also great difficulty in assessing the increased contribution which should be paid by the industry concerned?—I do not think there will be any difficulty in that matter. As a matter of fact the industrial companies have to some extent given us a very good guide. I understand that they classify their risks under three different heads, ordinary, medium, and hazardous, and that the difference between the two extremes is 20 per cent. In the ordinary case they charge £10 and in the hazardous case they charge £12. I understand that one society used to charge 10s. per annum in respect of each miner who was admitted.

6797. As to your other suggestion that the State should pay an increased contribution, would this not also involve great complication? It would mean, I gather, that every society would be brought up by the State grant to the level of the most successful society?—That is applying the State grant to all the societies. We were confining, I think, the State grant to the segregated societies. It certainly would involve a considerable sum.

6798. A society would have no inducement to strive for good results, knowing that however it administered its affairs or with whatever excess of sympathy it controlled the payment of benefits it would always be recouped by the State?—I cannot say I agree with the point of view expressed in that question, because there would be no recoupment if the difference was made up between the normal rate of contribution and the rate that is actually necessary to cover hazardous risks, instead of paying the grant as it is at the present moment on the benefits paid.

6799. Do you consider that such a scheme is really an insurance scheme? Has it not much more the character of general State support of the sick?—We are more concerned, of course, about the maintenance of the sick than we are about its designation.

6800. (Sir Arthur Worley): Could you give us the membership of your Society for the last three or four years?—In 1920 it was 41,452, in 1921 it was 42,062, and in 1922 it was 42,096. I have not the figures for 1923.



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6801. That means you have gone up until 1921 and have held your own in the years 1922 and 1923. I was trying to clear up the point about the number of entrants you had—the number who left you and the number which you had lost in transfers?—The membership is beginning to decline now.

6802. On these figures you have just given?—Not on these figures that I have given now, but I am speaking of 1924. They have declined in 1924.

6803. On the main question do you consider this is a scheme of insurance by which a premium is paid commensurate with the benefits, or the other way round, that it is a flat premium paid and the benefits are adjusted to meet the hazards? Is it your view that it is a contribution which should give an equal amount to everybody?—Yes; we maintain that a flat rate of contribution implies a flat rate of benefit, and that, as it is a national scheme, the benefits should be universally the same.

6804. And short of that, you would be more in favour of segregation of occupations?—I was advancing that because of the question that was put.

6805. I mean, if it were not possible to get a complete pooling scheme, then the second thing would be that you would go for segregation?—I would not like you to interpret my views as being in favour of segregation. The Chairman was putting the view that the members reap the full advantage of their contribution. I say, definitely, that they do not. Where a proportion of the members are miners and a proportion are clerks in the same society, the miners are really exploiting the advantages that might reasonably accrue to the clerks.

6806. They are diluting the experience of the other people and are getting the advantage of it?—Yes.

6807. But you would not be in favour of having societies by segregation, as a matter of fact. I only want to get the fact whether you are in favour of a general pooling and a scheme of segregation by occupations?—No, I am not in favour of segregation, but have no objections to pooling.

6808. I should imagine a number of your members would not like that?—We would not favour segregation.

6809. Coming to the question of maternity benefit about which Mr. Jones was asking you, that is on rather a different basis from some of the other benefits; that is to say, some of the Approved Societies say they get better results, for instance, than the miners, because they select their members. There is no question of selection in maternity. You admit a man, and although he may be a single man you do not know whether he is going to get married in two or three years and receive maternity benefit. I was wondering whether it would appeal to you if the maternity benefit were paid from a central fund; that is to say, as far as that benefit is concerned there would be more of a pooling scheme, which would obviously suit the miners. The miners, apparently, get more maternity cases than the average, and, therefore, their funds are depleted by that?—That is so. You would take it out of the present administration entirely, I understand?

6810. Not necessarily. I am only assuming for a moment that from the present benefits and premiums you took a certain proportion, sufficient to pay for the segregated maternity benefits, and then each society drew from a central fund whatever was required. In that way the miners would draw more than they placed in?—Is it a question of re-insurance?

6811. Yes, you may call it that, if you like?—We would not object to that.

6812. That is going some way towards your central pooling?—Yes.

6813. If everything were done on that basis, then it is a pooling scheme?—Yes.

6814. I was wondering whether dental benefit might be done in the same way. It has been suggested by an Approved Society that from the contributions should be deducted a certain sum and

then distributed per member. That would help the miners in so far as there are more members than contributors owing to this lack of work?—We have urged that dental benefit should be made a statutory benefit.

6815. If that were done, I am trying to get your pooling scheme in another line. Anything that tended in that direction would meet with your approval?—Yes, it would meet with our approval.

6816. (Sir Alfred Watson): You said in answer to the Chairman that you think there ought to be a national scheme under which each person would participate according to his needs. Is it not a necessary corollary to that that each person should contribute according to the risk he brings?—Yes, I readily subscribe to that point of view if you will have a competitive system.

6817. I do not understand what you mean by a competitive system. Suppose you only had one common fund into which the contributions of everybody went, if the population can be clearly marked out into classes, some of whom bring greater risks than others—and you yourself say that the miners are such a class—would it not be right that into that common fund each class should pay the contribution appropriate to its own risk?—That abolishes the national scheme entirely. We favour the national scheme of a flat rate of contribution.

6818. But why do you say on the one hand that different classes of the community bring different pressure of risks and on the other hand say that a national scheme involves a flat-rate contribution? Should each class not contribute to the national scheme according to the risk that it brings as a class?—I do not know that you could have it otherwise than a uniform rate in a national scheme. It does not really appear to me that you could have fluctuating rates and have a national scheme administered as it is to-day.

6819. I am not on the administrative difficulty, which, of course, I see quite clearly, of having different rates of contribution from people who may move about from one occupation to another in the course of their career; but in principle if different and well-defined classes of the community were subject to different degrees of risk, should they not pay contributions according to their risks?—Do you mean the employer should pay, or the employer and the member combined?

6820. I do not mind whether it is the employer, or the employer and the State, or the employee and the employer?—So long as it comes out of the industry?

6821. Look at your paragraph 18. You say: "The heavy risk industry and the State each pay a contribution which would appear to cover only 'ordinary risks' when, as a matter of fact, it should be an increased contribution to cover 'hazardous risk.'" What do you mean by that exactly?—I mean that under the present system if we were to be enabled to compete with other societies it would require an increased contribution; but so far as the national scheme was concerned I am in favour of the uniform flat rate of contribution.

6822. Under a national scheme are you in favour of the employer paying a flat rate?—Yes.

6823. And the employee paying a flat rate?—Yes.

6824. And the State paying a flat rate?—Yes.

6825. Why do you suggest an arrangement which would in effect mean that the poorer paid agricultural labourers were subsidising the better paid miners and the quite highly-paid workers in some other industries?—It is a very debatable point about the highly-paid miners.

6826. I said "better paid"?—I am quite prepared to modify it and say "better-paid miners." I do not want to misinterpret your statement. The miners are not as well off as any number of agricultural workers.

6827. I am aware of the fact that in Scotland the agricultural worker is very well paid in contrast with his fellow in the same class in England.

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But it is, I think, the fact, is it not, that in England, if not in Scotland, the agricultural labourer receives a far lower wage than does the average coal miner?—I cannot speak intimately of England, but in Scotland I know they are as well off as the miner, and at the present moment considerably better off, I should say, although the nominal county rate for the miner is 9s. 4d. per shift.

6828. Do you say that there are no classes of the community in Scotland whose experience is light and whose wages are low compared to the class of coal-miners?—Yes, I could readily agree that there are other occupations, where the wages are less than those of the miners.

6829. And where the risk of sickness is lighter?—I could not speak authoritatively on that point.

6830. I thought the tendency of your argument had been to prove to us that the miners' sickness risk is almost immeasurably high in comparison with almost all other classes?—So far as the information in our possession is concerned, it would appear to point that way. I cannot say what the sickness experience of low-wage earners is.

6831. Would you then admit that the effect of a national scheme with a flat rate of contribution for all persons would be to subsidise certain classes of people at the cost of certain other classes?—Yes, I think I could concede that point.

6832. You are not quite certain as to whether the people who would be taxed in that operation might include classes who were earning considerably lower wages than the classes who were getting relief?—I do not quite get your point.

6833. Perhaps it is unfair to put this sort of thing to you, but I think I must because we have a good deal of evidence before us, in England at an rate, as to differences of sickness risks. To take a county like Cambridgeshire, where the wages of agricultural labourers are undeniably low, I find that the rate of sickness in Cambridgeshire is about 74 per cent. of the standard. In Northumberland and Durham, where the people are engaged very largely in coal-mining and other extra hazardous risk occupations, the sickness rate is 109 per cent. These are National Health Insurance figures. Now, under a national scheme it is perfectly clear, is it not, that Cambridgeshire would be subsidising Durham, under flat-rate scheme?—Yes, just as it is doing now under the present scheme.

6834. How is Cambridgeshire doing it now? Do you mind telling us?—I cannot get past the fact that if you have mixed occupations represented in various types of societies, the members with 74 per cent. sickness pay additional benefit to the members with 109 per cent. sickness experience.

6835. But every person in Cambridgeshire has a full right to place himself in a society which will not take a single member from Durham?—They have that right, but it is a right, I am afraid, that does not prevail in practice.

6836. Does it not prevail to a very large extent? Is it not the fact that miners as a class are to a very large extent in societies of their own?—I do not think it is. I think a small percentage of miners belong to their own societies and the larger proportion to other societies. I may be wrong in that, but that is what I think. There are 46,000 miners in our Society, and that is not half the miners in Scotland.

6837. Is yours the only miners' society in Scotland?—It is the only miners' society in Scotland. The other members are distributed amongst the Friendly Societies and the Industrial Companies. In that way we have so many of our people working beside so many other members, and the one is getting 2s. 6d., 3s. 6d. and 4s. 6d. more in sickness benefit than our members are getting.

6838. That is all because the other societies have chosen to admit the miner, is it not?—Yes.

6839. They are not bound to take him, nor were the 46,000 in your Society compelled to go to you. They could have gone to these other societies if they had chosen?—Yes. Our own members can transfer

to those other societies. We do not place any obstacle in their way.

6840. Then I cannot see what grievance there is in the present arrangements. Forty-six thousand miners have elected to have a society of their own, and perhaps an equal number of miners have elected to go elsewhere with the full goodwill and consent of those to whom they have gone; that is the position, is it not?—Yes; it is their own choice that they have formed a society. Of course, you cannot get past the fact that everyone was invited to start Approved Societies, and no one anticipated what the ultimate result would be so far as the question of segregation is concerned, unless, perhaps, they were people who had an intimate knowledge of friendly society work.

6841. Apparently you agree that the present position is that there is full liberty, and the result of that liberty is that some people have sacrificed a part of the additional benefits they might have had in order to give miners and other classes in heavy risks some advantage?—Yes; they certainly reap an advantage.

6842. But under your system of what you call a national scheme, all that would disappear, and the agricultural worker and other classes with light risks would be compelled to subsidise the people with heavy risks?—Yes, undoubtedly. If it is a national scheme you must have that; you cannot escape from it.

6843. But cannot you escape from it? What I want to know is why, in a national scheme, is it inappropriate that different classes should pay in accordance with the risks they bring? Why does "national" in your mind connote "flat rate"?—Because it has always been in existence, and I do not see how it can be anything but a flat rate. You cannot have every employer collecting different rates of contributions. It seems to me you would only be setting up additional difficulties.

6844. But surely you could have a national scheme which was so regulated that the mining employers paid an appropriate contribution for a miner's risk and in which there was an appropriate deduction from the wages of their workmen. Why should the employer of the miner in all circumstances pay the same contribution as the employer of an agricultural labourer or of a clerk?—As a matter of fact, the clerk is paying a contribution in excess of the actual requirements, so far as statutory benefits are concerned.

6845. Is not the agricultural labourer?—I suppose he will be doing the same thing, but I do not know.

6846. Is not that remedied by the joining societies in which they get the full benefit of their contributions, if they choose to do so?—They certainly get the full benefit in that way.

6847. It seems to me to be the case that under the present system people do get the full advantage or suffer the disadvantage of their degree of risk, whatever it may be, if they choose to make a wise use of the machinery the Act provides. I do not understand why the creation of a national fund should involve the dispersion of all that and the substitution of a flat rate for everybody. That is what I want you to tell me, if you will?—We have already said that we favour a flat rate under a national scheme. We think the present scheme is inequitable.

6848. To pass to another point, you say in paragraph 5 of your very interesting Statement that in some years you had a very serious loss of contributions. You indicate that the diminution of the number in the year 1922 was due to an internal dispute, as the result of which the average number of contributions fell from 43, in the case of men, in the previous year, to 32. Now, if you had a national scheme, would it not involve, for what the point may be worth, that insured people generally, and industry generally, would be called upon to subsidise trade disputes to the extent resulting from the loss of contributions?—Yes, undoubtedly. I do not think you can escape from that. That is one

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of the inevitable things that will happen frequently in any industry.

6849. It may be perfectly right, and I have no doubt there have been many occasions when it was perfectly right, for the coalminers to stand up against their employers and to thrash out a keenly disputed question of wages at the great cost and hardship of very many weeks' unemployment; but if the coalminers do that in the full exercise of their liberty, what argument is there for putting the resulting loss of contributions on the whole body of insured persons throughout the community?—In a national scheme I do not think you could get past it, irrespective of what the industry was.

6850. It would really mean that the national scheme would collect what contributions it could get and it would have to pay such benefits as the Act required?—That is really what you do now in many instances.

6851. Would that not mean in the long run that the State would have to come to the rescue and make up whatever deficiency there was in the Fund?—The State might have to do it. They must find some means to obviate disputes, and that perhaps would be a rather difficult problem.

6852. Just to clear an ambiguity in your Statement, may I refer you to paragraph 12 where you say, speaking of Glasgow, that there are 98 societies with a membership of one each. I suppose you mean by that that there are 98 societies with offices elsewhere than in Glasgow which happen to have one member resident in Glasgow?—It was not the intention to convey the idea that these societies all had their head offices in Glasgow.

6853. The idea it suggests is that there are 98 societies situated in Glasgow each with one member. I suppose you mean that there are 98 persons resident in Glasgow, each of them belonging to a different society, and in every case the society is one with its office outside Glasgow?—Yes, that is right.

6854. I am still in doubt as to what you mean by local administration of a national scheme on a purely territorial basis. Do you mean that all the existing societies are to go and that some *ad hoc* authority is to be set up in each area?—That is right.

6855. So that segregation and all its consequences would disappear as a practical problem?—Undoubtedly.

6856. There would be no Miners' Federation Society?—That is so.

6857. What sort of control would you propose that the central body should exercise over the local bodies?—As a matter of fact, I do not know that it has been very closely thought out, but the impression was that an *ad hoc* authority might be set up, similar to the Education Authority, and that the county areas would be similar to the areas that exist now.

6858. Would you have areas corresponding to the existing education areas?—Yes, or they might even be extended, owing to the fact that they can be much more easily administered for National Health Insurance than for educational purposes.

6859. (Mrs. Harrison Bell): There is a difference between the Scottish Education Authority and the English Education Authority. Which is it that you mean?—It is always Scotland that I am referring to.

6860. (Sir Alfred Watson): Economy in administration as regards education is secured by a proportion of the cost being defrayed by the local authority. Part of the cost of education is borne by the taxpayer and part by the local rates, is it not?—Yes.

6861. And the local authority administering has a direct interest in economical administration, because it has to pay part of the cost?—Undoubtedly.

6862. How would you apply that system of local administration to National Health Insurance?—We were of opinion that the National Health Insurance scheme would be self-supporting, and much more self-supporting under a territorial arrangement than with so many conflicting units.

6863. Do you mean self-supporting in each area?—When I speak about areas, it has always to be

remembered that we are endeavouring to deal with a national scheme.

6864. I know; you have told us that. If one territorial area could be administered more economically than some other area, then it would reap the advantage of its economy?—No.

6865. What means would you take to secure economical administration by a local authority, which presumably would have no direct interest in the moneys it was disbursing?—I cannot see how you say they would have no direct interest if they were elected by the insured persons.

6866. If they were elected by the insured persons and they were not responsible themselves for finding out of the rates any part of the money they paid to the insured persons, I can quite understand that they would have a direct interest in what they paid, but not the sort of interest I was thinking of, and perhaps not an interest compatible with sound administration. I suggest to you that local election by the insured persons to the authority which is going to pay benefit locally is no safeguard at all if the National Exchequer is charged with the responsibility of finding the money?—But would not it always be under the supervision of the Minister of Health? We have had 12 years' experience now and it would be quite easy to see whether a territorial district was efficiently or inefficiently managed. You could always tell that, I think, without much difficulty.

6867. How could you tell? May I put these figures to you? These are figures representing the actual experience of National Health Insurance as administered under the society system by local societies. In the county of Surrey, up to 1918, the sickness and disablement claims were 70 per cent. of the standard. You will find this on page 31 of the Valuation Report. That is at one end of the scale. The counties of Northumberland and Durham taken together showed claims of 109 per cent. Now it is perfectly evident, is it not, that if you set up territorial areas, you would have the widest divergencies, just as those figures show, between the claims of one area and of another. Surely in those circumstances it would be vitally necessary to have some means of ensuring that the local authority administering the benefit was having due regard, and the utmost possible regard, to economy in its expenditure. In what way would you suggest that economy in administration could be established to the satisfaction of the central body that had to find the money?—Are you talking of administration expenses alone?

6868. No; of the costs of benefits. You could not say that because Surrey only had 70 per cent. of the expectation that is well administered; you could not say that Northumberland and Durham, because they had 109 per cent., were badly administered. I think you yourself would repudiate any suggestion of that kind. What I want to know is, particularly in view of these variations, what precautions you would take to see that the local authority was wisely and carefully expending the money entrusted to it?—It seems to me that the only index you could take would be the past experience of National Health Insurance in the last 12 years. You could take that as evidence as to whether they were keeping within the previous experience or not.

6869. Is there a single local authority in this country which has ever administered one penny of National Health Insurance money in the last 12 years?—They have not in the last 12 years, but they would be under the same central authority as the Approved Societies.

6870. Who are under the same authority?—The territorial areas.

6871. But they do not exist at the present moment?—That is so.

6872. You are proposing to disestablish the Approved Societies and to set up local administrators

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in their place. You agree that in the last 12 years the Approved Societies have been administering their own moneys, and have had a real incentive to administer them carefully. Now you propose to set up new bodies which will not be administering their own money, but which will be administering Government money. To what, in the experience of the Approved Societies, can you appeal to show that that money would be wisely and thoughtfully administered in future?—Is your point that a man will not do his duty unless there is some dominating factor? I am afraid I cannot subscribe to that point of view, because I have the feeling that it does not matter where the individual be transferred to, he would not really abandon his individual responsibilities, and my own private opinion is that to look at the question from that point of view has always implied a very low standard of morality on the part of the official.

6873. Do not you think that it is rather singular that in every branch of public administration, when the Government places money in the hands of local authorities to spend, it invariably couples with that grant a condition that the local authority shall spend some of its own money?—It does that with regard to education, I think.

6874. Is not the purpose of that to ensure economical administration on the part of the local authority?—That is the intention, I should say.

6875. If that intention is sound in education, is it not equally sound in National Health Insurance?—I do not know that it could be argued against.

6876. You said just now that the local authority would be very responsible because it was elected by the insured persons. Is it not inevitable that if the local authority was spending money, the whole of which was derived from the Central Government, the pressure by the insured persons at election times would be to get the maximum amount of expenditure locally?—That might be the intention, but I do not think it would really work out in practice. You cannot conceive that a man would pay claims indiscriminately through pressure.

6877. Cannot you imagine the state of things that would arise in a particular ward of a big city where two candidates were up for election to what I will call the local Insurance Committee—I do not mean the present Insurance Committee, but to the new Insurance Committee—and it was known that in that district there was a large number of people more or less constantly in receipt of disablement benefit and whose continuance of disablement benefit was very much dependant on the exercise of the discretion to be vested in the Committee when it was elected?—I cannot visualise two types of individuals such as you describe. If there are such individuals, they would be very poor types.

6878. I think I must leave it there.

6879. (*Mr. Besant*): Going back to the question of your membership, it was 42,000 in 1913, and 46,000 in 1924. The number now, I understand, has a tendency to go downwards. What happens to your members when they leave? Do they have any difficulty in getting into another society?—They have not had any difficulty, so far as I know.

6880. They have the inducement, I take it, to leave in order to join another society with additional benefits?—I cannot speak on that. Possibly it is so. I expect that they would select a society which would favour them most financially.

6881. I mean the tendency would be for them to go somewhere where they would get larger benefits than you are able to offer?—Yes, I should think so.

6882. How do you secure your new members to-day? What inducement can you offer as against the other societies you were speaking of? You, at the moment, not having additional benefits, and other societies alongside being able to offer additional benefits, how do you secure your new members?—The question of ill-health is generally a pretty remote possibility, and applicants do not always weigh up whether it

would be more advantageous to be in this society or in some other society. As a consequence we get a fair proportion of new members. Our local people are well known in the localities and they work very hard: In addition, we pay, I think, 1s. procuration fee.

6883. But I suppose other societies equally pay a fee, do they not?—Yes, I understand they pay a procuration fee.

6884. Then, to a large extent, I suppose sentiment enters in, and local knowledge of the official, and so on?—Sentiment may be a factor. I think the question of convenience is generally an important factor.

6885. Turning to these interesting sickness charts of yours, I notice that in each of the years the sickness experience you have had is largely in excess of the normal standard, but in the year 1920, the additional sickness is much less marked than in any other year?—Yes, that is so.

6886. Could you tell me whether that was due to any special circumstance? On the face of it it would look as though your people were more healthy in that year, and I cannot understand why they should be more healthy in 1920 than in the years on either side?—In 1920, however, there was fairly steady employment and work and wages were very good up to the 1st April, 1921.

6887. Was not that the case in 1919?—We had two epidemics there, one pronounced and the other mild.

6888. 1920 was a special year?—Yes.

6889. What I meant was that it seems just a little unexpected that things should have been so much better in 1920 than in any other of the years for which you have furnished us with the charts, and I wondered whether you could give us any outside explanation?—No, I cannot say, unless it is what I have already said, namely, that wages and work were good in the mining industry up to 1921.

6890. Would that be so in that particular year more than in any of the others?—Do you mean subsequent to 1920?

6891. Yes.—Yes, it would. They have been bad since the 1st April, 1921. Things have never really recovered.

6892. You spoke of the industrial dispute in 1921 when your members were out of work. Would there be much diminution of sickness benefit on account of that?—I do not think it makes much difference.

6893. Will you now turn to paragraph 6 where you discuss the question of doctors' fees and midwives' fees? You speak of the doctors' fees being from 10s. to 60s., and the midwives' fees varying from 10s. to 42s. Is not that fee of 42s. to the midwives exceptionally high?—It is high.

6894. I see it is much higher than any other figure which has been submitted to us before. Is 42s. anything like the fee customarily charged, or is it quite exceptional?—I do not know that it is customary, but it seems to be common in certain districts.

6895. (*Sir Humphry Rolleston*): I was wondering whether that 42s. was a misprint?—No, it is not. As a matter of fact, it is a fee that is charged in Fifeshire. That is the only district in which that fee is charged.

6896. (*Mr. Besant*): It is the customary fee in Fifeshire, is it?—No. But in a particular area it is evidently. The midwives' fee varies from 15s. to 42s. in Fifeshire.

6897. What do you think would be the average fee over the whole of your membership? Would it lie near to the 10s. or would it be a good deal higher?—The normal fee is a good deal higher than 10s.

6898. Do you think it would be 15s. or over 20s.?—It is more than that. There is one district in which 10s. is charged and that is in Ayrshire. They varied from 10s. to 30s. in Ayrshire. I should think the average would be about 25s. or 27s. 6d.

6899. What fee would you say for the doctor would be an average figure? It goes from 10s. to 60s.?—The 10s. is through club practice, I understand, in the West Lothian district, and that has been raised

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since. Our rates could be put more correctly at from 15s. to 60s.

6900. Are there many cases as high as 60s.?—Only one district in Fife charges £3.

6901. In the normal way would the doctor's fee be limited by the maternity benefit of £2?—I do not think so, because some of them charge 50s., and others 42s. That is in excess of the amount that we pay as maternity benefit.

6902. What do you think is a fair average figure for the doctor's remuneration?—It is difficult to decide what could be regarded as a reasonable fee.

6903. I mean taking one with another, from the 15s. to the 60s. How do you think they would work out on the average?—There are only two districts in which 60s. and 50s. are charged. I should think the average fee would work out at a little over 30s.?—35s. probably.

6904. (*Miss Tuckwell*): I suppose that maternity benefit was intended originally to help to keep the woman while she was ill during her confinement and while she was not eligible for attendance by the panel doctor?—That was the original intention.

6905. And now the doctors' or the midwives' fees have so encroached that there is nothing left?—The members are out of pocket really. The fees trench on the man's wages.

6906. So that you would advocate any scheme which provided full and healthy maintenance for a woman during these occasions?—Yes, undoubtedly.

6907. As well as the medical attendance by the doctor or the midwife?—Yes.

6908. I was interested in the answer which you gave to the Chairman's question as to all societies having the same income per member to be spent in benefits. I suppose the present position is one in which a person in one society can get only statutory benefit and a person in another society can get not only the normal benefits but additional benefits as well?—Yes, that is right.

6909. Then you put the point also that the whole scheme is one of national health?—Yes.

6910. And a scheme of national health imposed upon a person?—Yes.

6911. Suppose you carried to its logical conclusion the suggestion contained in that question. Assume for one reason or another that all the members of society were below the average in health it would be true, would it not, that the members would receive more than a similar number of members in another society, but the rate would gradually get lower and lower?—Yes.

6912. And the reserves would be eaten up, would they not?—Yes.

6913. And the scheme would cease to be of any value?—That is so.

6914. So that if carried out to its logical end the suggestion that the position is just with regard to segregation becomes rather absurd?—Yes; that is our point of view.

6915. (*Mr. Evans*): Do you confine your membership to miners?—Miners and their immediate relatives.

6916. Can you tell us how many of your members are not miners?—They are a very small proportion. As a matter of fact, we are not particularly anxious about retaining them after they have left the mining industry. We certainly should not expel them, but if they wished to transfer to another society we certainly would facilitate it.

6917. You have also told us that there has been a tendency in the last year or so for the membership of your Society to decline. Does not that rather correspond with the payment of additional benefits to members of other societies?—It does not exactly coincide with the date on which additional benefits came into operation, but I think members are beginning to realise now that they would be much better off in another society where they could participate in additional benefits.

6918. And that would be an inducement to leave you to join another society?—Yes.

6919. And the decline in your membership will probably be caused by that?—That is our impression.

6920. You suggest there should be territorial units?—Yes.

6921. I know you have already said that the educational area might be the unit for insurance purposes?—That was just a tentative suggestion.

6922. If you did have some system of territorial or regional societies set up in Scotland, I take it your Society would lose its identity?—Yes, undoubtedly.

6923. So that you are not fighting for your Society?—All the societies would lose their identity.

6924. You are fighting in the interests of good insurance, even though it would mean that your Society would lose its identity?—We are conscious of the fact that we would cease to exist as a society.

6925. Sir Alfred Watson put some questions to you just now concerning miners, and he suggested that, because miners bring greater risks than others, they should contribute more as a class. I heard your reply to that. Your argument is, that because it is a national scheme the unit could be a national unit?—Quite.

6926. And if the risks undertaken by miners are greater, they are really undertaken in the national interest; is not that so?—I should say so.

6927. If Surrey is better placed than Northumberland and the risks incurred by labourers of Surrey are less than the risks incurred by the labourers in Northumberland, are they not in a more fortunate position than the Northumberland labourers?—Yes.

6928. The idea you have is, that there should be a sort of common pool and that the risks undertaken by the miners would in part be their contribution. Would you agree to that?—Is that under a national scheme?

6929. I am talking about a national scheme; it is the National Health Insurance Scheme?—Undoubtedly.

6930. Sir Alfred Watson has suggested to you that the country should be split up into certain areas and that, because certain areas are better placed and the risks they run are not so formidable, their contribution should be less. I am suggesting to you that if it is to be a national unit, then the contributions of all these communities should be pooled in the national interest?—Yes, undoubtedly; that is exactly what would happen, I expect. Under a National Health scheme they would all be pooled in one fund.

6931. I think the point has been made that the miner is rather an expensive sort of man to carry because his risks are greater. The point I am trying to make is that if the burdens are spread more evenly—talking nationally—the miner's risk is a big burden which he has to bear, and by the spreading, of those burdens we are really making for a good National Health scheme; whereas if segregation continues and you put up these communities separately, you are not making towards a good National Health scheme. That is your point, is it not, that the unit is a national one?—Yes, that is our point.

6932. With regard to economy in administration, do you think the saving of cash is the only inducement to economy?—I could not say that it is, but it is one of the factors that operate very forcibly now under the present scheme. Each society is very anxious to pay more than its neighbour.

6933. But would you measure economy by £ s. d. always?—I should not measure it by that at all. I should measure it by the good health of the community. That is far more valuable than money.

6934. But that would be rather a difficult thing to measure, of course?—It would be

6935. There is one other thing you have not touched upon. Do you think there ought to be some sort of connecting link between the Public Health authorities and the Education authorities and the Territorial Insurance authorities?—There might be advantages in having them correlated, but we were

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under the impression that they should be entirely independent.

6936. Do you think it is an anomaly that the rate of unemployment benefit is greater than the rate of sickness benefit?—I am not sure. I have not any knowledge of the figures so far as unemployment is concerned.

6937. The unemployed man is paid 16s. if he is a single man and he gets 5s. for his wife if he is a married man?—In that case, yes.

6938. Do you think the amount paid for Health Insurance is adequate?—No; it is hopelessly inadequate.

6939. (*Professor Gray*): I am not quite sure that I understood your exchange of opinions with Miss Tuckwell; but you did not imply, did you, that in the event of a society having a less favourable experience than another society the benefit would go on declining and declining with each period of five years until nothing was left?—I put it in this way: If our members were anxious to secure additional benefits they would transfer from our Society, and if those transfers continued throughout the years we would eventually be left with a residue which no society would accept. That would be the inevitable consequence.

6940. I understood you were dealing with the case of a society which had less favourable experience than the average, and I understood you to say that as time went on you would get a less and less favourable experience. Would not you in fact get some sort of benefit stabilised at something less than the normal rate; whatever was proper would be given from quinquennium to quinquennium. It is a hypothetical case?—Quite so.

6941. I gathered from something you said to the Chairman that you would not, in fact, object to complete segregation as a possible scheme?—I do object to segregation.

6942. But did I understand you to say that you would not object to something which is commonly called insurance by industry?—When the argument is put up that each one receives the benefit of his contribution, my reply to that is that it is incorrect, he does not receive the full value of his contribution unless he is segregated, and, as a matter of fact, at the present moment they are not segregated unless in particular types of societies, as you know.

6943. Your point is that that is a valid argument if there was complete segregation in insurance?—Yes.

6944. What you object to is a sort of combination of two kinds of systems, in one of which there is segregation, alongside of societies which are mixed; is not that so?—Yes.

6945. You would not object to a system of societies in which each society represented a fair sample of the population. Some people come and tell us that their society represents a fair type of average population; it has got a fair mixture. If you had all societies of that type, then, obviously, each of them would be a kind of nation in small, would it not?—Exactly.

6946. You would not object to that sort of thing?—I do not think that would conflict with the principles we suggest.

6947. You say that a miner who is in the Miners' Society gets the lowest benefit permissible, while alongside of him there is another miner who is getting 3s. extra?—Yes. For instance, we find them having 4s. 6d. now, and they are working alongside our people. That is because they are members of societies which represent mixed occupations.

6948. (*Mr. Cook*): It is the custom, I think, in mining districts for lads to commence work at 14 years of age—immediately they are free to leave school?—That is so.

6949. That being so, have you ever considered the advisability of National Health Insurance applying to them immediately they enter employment?—It is a period that we have felt ought to be bridged over—that interval of two years. As a matter of fact, they are left out of it entirely until they attain 16 years

of age, although we find that in some instances the employers stamp cards immediately the lads commence work.

6950. You do not make any reference in your evidence to the question of arrears. Do you think that the present arrears penalty is justifiable?—I do not; I think it is exorbitant. The ordinary arrears table is not so bad. But where, for example, a member has submitted a late card and on account of the late card he has lost his maternity benefit, we think that it is really excessive. Then, again, there are the cases where a member has been ill for a whole year. The loss of benefit in that case comes to £29 15s., although I recognise that if he paid the 12s. penalty it would be a very good investment. But circumstances over which he has no control dictate whether the payment should or should not be made. The payment is not made, and the loss for the 12 months comes to £29 15s.

6951. Do you think that the penalty should not exceed the loss to the society or that it should more nearly approximate to the loss to the society?—It seems to me a very stiff penalty—the keeping of the maternity benefit because the member's card is late and depriving a member of a full year's benefit although he has been ill all that time and is deemed to have been paid—he has never received a single penny.

6952. You seem to apprehend that in the future you are likely to lose more members by their transferring out of your Society than you have lost in the past. I take it that is due to the fact that knowledge is becoming more widely spread of the better benefits that can be obtained?—Yes.

6953. With regard to the rather sweeping changes that you propose, I take it that you have not come here to-day with a cut-and-dried scheme with all the details carefully thought and worked out. You have simply given us the bones, as it were, of what you think would be a much better method of dealing with health insurance than the present method?—From the point of view of the well-being of the population, we think there is no argument against the territorial scheme.

6954. Would you agree that a great deal of the opposition that you might naturally anticipate to your proposals would be likely to come from the vested interests that have grown up round this question?—Exactly.

6955. And, further, I think that you would also agree that most of the difficulties that Sir Alfred Watson foresees could be overcome by a man of the type of Sir Alfred Watson himself if he were asked to administer a scheme?—I think if a scheme were drafted we would simply place the load on Sir Alfred's shoulders and leave it there.

6956. And you would have confidence that he could do it?—Yes.

6957. (*Mrs. Harrison Bell*): Have you any health examinations before admitting people to membership of your Society?—No, we have not any.

6958. In the event of a nationalised society, shall we say administered territorially and taking in every kind of worker in the area and finding that the flat rate of contribution is not quite sufficient for the hazardous occupations, do you think there should be a contribution based on the experience of insurance companies? You quoted a while ago to somebody else, 20 per cent. extra for hazardous occupations. Do you think that in your territorial areas the State might add that 20 per cent. for hazard, and in your opinion would that warrant the State in devising some method of inspection such as Sir Alfred Watson indicated?—It was purely the industrial side that I was dealing with, and I cannot tell what the exact percentage or the exact difference between a normal rate and the rate actually necessary would be.

6959. You see no insuperable difficulty in that being estimated anyhow in the budgeting?—There is absolutely no difficulty. Again I would put it on Sir Alfred Watson's shoulders to assess the difference.

(*The Witness withdrew.*)

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Mr. E. HIBBERT and Mr. D. SHAW.

[Continued.]

Mr. E. HIBBERT and Mr. D. SHAW, called and examined. (See Appendix XI.)

6960. (Chairman): Mr. Hibbert, You are the Chairman of the Lancashire and Cheshire Miners' Permanent Approved Society?—(Mr. Hibbert): Yes.

6961. And you, Mr. Shaw, are the Secretary?—(Mr. Shaw): That is so.

6962. How long, Mr. Shaw, have you occupied that position, and what was your previous experience of Friendly Society work?—I have been Secretary of our Approved Society since 1912, when the Society was approved. Before that, from 1906 I was the General Secretary of the private section of the Friendly Society, and before that Chief Clerk in the office.

6963. The Approved Society is, I gather from Appendix A of your Statement, a separate section of a voluntary society?—That is so.

6964. Will you tell us how long that voluntary society has been in existence?—It was registered under the Friendly Societies Act in December, 1872.

6965. I see that your membership increased from about 15,000 to over 17,000 between 1912 and 1923. Does that rate of increase still continue, or has your inability to give additional benefits checked it?—The rate of increase still continues. It is probably rather larger, if anything. We should have a much more rapid increase, I think, if we were able to give dental treatment.

6966. Do you lose many members by transfer to societies which give additional benefits?—Not a great number. In 1924 we lost 142, and 24 came in, so that there was a net loss of about 120. The transfers out were chiefly on the ground that we cannot give dental treatment.

6967. I see from paragraph 3 of your Statement that whereas in the early years 95 per cent. of your members were miners, the figure is now 80 to 85 per cent. Is your Society now open to persons in all occupations and not connected in any way with the mining industry, or are there some restrictions?—There are no restrictions whatever, and have not been for some years.

6968. Is it open to all persons?—That is so.

6969. We have had evidence from another miners' society to the effect that the segregation of membership under occupations which is possible, and does in fact exist, under the present scheme is producing very unfortunate results, e.g., for miners, and that accordingly the scheme should be abolished and replaced by a system of local societies on a purely territorial basis. What are your views on that?—The question might be answered rather better in compartments. In the first place, there are normally about 1,100,000 persons engaged in the mining industry, on the surface and underground; but in the miners' societies—I think there are about twelve of them—there are only 170,000 insured persons.

6970. Does that include the whole country?—Yes. That covers Great Britain. We have only to deal with about twelve societies whose membership consists chiefly of miners. The total membership of those societies, according to the Valuation Reports of 1918, was about 170,000. After all, the membership is not a very big one. Then I think even with this so-called segregation we should do very much better if we had dental treatment. I am sorry to trouble you so much with dental treatment, but everything seems to turn on that.

6971. You wish, therefore, to maintain the main structure of the present system and endeavour to meet the financial position of "hazardous occupation" societies such as yours by dilution, careful management and such devices as you describe in your Appendix E?—Yes, that is the basis of our reference.

6972. You do not think that the wide differences in rates of benefit now paid (which differences may be accentuated as a result of the second Valuation) indicate a big flaw in a scheme of insurance which is termed "national" and which is supported by uniform contributions?—I think in considering that

question a good deal depends—and it affects several parts of the National Health Insurance Scheme—upon the difference in the basis or method upon which Approved Societies begin to pay their benefits. There is a very wide difference. For example, it depends whether the benefits are paid from the date of the doctor's first certificate or from the date when the certificate is first received by the Approved Society; and, secondly, there is a difference in the prompt payment of benefits; thirdly, there is the system of fixing insured persons. All these things appear to affect the answer to this question.

6973. You approve of the principle of competition between societies in the matter of securing good financial results for their members?—The competition seems to us to be fair and reasonable, provided we are all agreed upon the basis of payment of benefits.

6974. Do you not find anything for criticism in what has been told as to the position in the City of Glasgow, for example, where there are 98 societies with one member each, 92 with from two to 10, 71 with from 11 to 100, 65 with from 101 to 1,000, 44 with from 1,001 to 9,000, and 14 with from 11,000 to 53,000; that is to say, 384 different societies operating each with its staff of officials, records and so on?—We really find nothing for criticism. It is an ordinary incidental result of the travelling by miners to and fro in the different parts of the country in order to get work. At present, as a matter of fact, I think we have three members in the Glasgow district, but in 1912 when we started Health Insurance work we had not a single member outside Lancashire. In 1914, and from that time onwards, there were millions of British working men taken from their homes for war service or military service.

6975. It is a shifting population?—That is right. People got settled in those new districts, formed attachments there, and remained there provided that the conditions were better than they were supposed to be in Lancashire. At the present time, during the last five years especially, we have had rather a large number of members going to Notts and Yorkshire to the new coalfields there. Many of the coal mines in Lancashire are old mines, and they are getting worked out, and the miners go elsewhere to get better work. In most cases they continue to be members of our Society. In very few cases do they transfer.

6976. Do you not think that a big saving in administrative expenses might be possible if the Glasgow members of these 384 societies were united in one local society?—To take the latter part of the question first—supposing you put these members into one society, you might still have the same migration taking place the following year. As a matter of fact, there is no big saving at all to be effected. If our members had remained in Lancashire and we had received their stamped cards in the usual way, we should have had to pay the usual commission to our local secretaries. But in the case of members living at a distance we save that commission, and there is an actual saving in administration expenses. At this moment I think we have members living at about twenty counties of England, Wales and Scotland outside Lancashire.

6977. (Mr. Cook): You argue in favour of the maintenance of the present system of National Health Insurance by Approved Societies?—Yes.

6978. You want to retain that system?—Yes.

6979. How do you reconcile that position with the fact that societies composed exclusively or mainly of miners, and societies composed of workers employed in occupations equally hazardous, are not able to obtain more than the bare statutory benefits, while other societies, the members of which pay no more than the miner pays, are able to augment very considerably the statutory benefits? Do you think that that works fairly and equitably under this system

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of National Health Insurance?—I think before we could finally express an opinion on that we ought to be quite sure that all societies adopt the same method of payment of benefits, and secondly, ensure that dental treatment is provided. I think we should get an entirely new view of sickness rates in all societies if that were so.

6980. I do not follow you. What do you mean when you talk about all societies not paying the same benefits?—I mean the payment of benefits by the same method or on the same basis. In a previous answer I told the Chairman of the Commission that some societies—I do not know how many—pay benefits from the date they get the doctor's certificate, while others pay benefits from the date of the doctor's certificate no matter when the certificate was received. A second point is the prompt payment of claims. I think these are two very important points. With regard to the second point I have mentioned, we had a case not long ago in a district close to Wigan where we had one member in a house to whom we were paying sickness benefit. There were three other members of that home who belonged to another society. Those three members asked how it was we were able to pay our member so promptly, whereas when they made a claim to their society they had generally to wait three weeks.

6981. I do not think that you are really dealing with the question I put to you. What I have in my mind is this. It is a very important and well-known fact that the sickness experience in the case of a society composed mainly or solely of miners is very considerably higher than the sickness experience of a society where you have perhaps no miner members at all, but where you have workmen who are employed in less hazardous occupations than mining. The reason why those additional benefits that I have referred to are paid by those other societies is because of the well-known fact that they have not anything like the sickness experience which a society composed of miners has. Do you consider that that is quite in conformity with the principles that should govern a National Health Insurance scheme?—Yes, except that I think the method of paying benefits does have an effect on the sickness rate of respective societies. Take, for example, my own Society. We took out the figures a few months ago quite haphazard, as to what the effect would be with us if we paid from the date we got the claim instead of following our usual practice of paying the claim from the date of the doctor's certificate, and we were surprised at the difference. Supposing you allow a margin of three days in each case, it would mean a saving of about 10 per cent. in the amount we pay in sickness benefits.

6982. What I have in my mind is this. I am trying to draw a parallel between miners' societies and other societies where there is no differentiation at all such as you have evidently in your mind. They both pay precisely in the same way, that is to say, they begin payment on the date fixed by Statute. They do not pay an additional benefit, that is to say, from the first day of sickness. Some societies which are in a happy position are able to do that as an additional benefit; but the societies that I am dealing with in my comparison are those where the only point of differentiation is the heavy sickness experience in one case and the comparatively light sickness experience in the other, due to occupational causes. I am asking you the question, do you think that is fair under a system which is professedly national?—Are we quite sure that the date of payment fixed by Statute is treated in the same way by all societies?

6983. In the case of the societies that I am comparing there is no difference at all on that point?—Does that mean that they pay from the date of the doctor's first certificate, or from the date they receive that certificate?

6984. From the date of the doctor's certificate.—Our second point, as I have already said, is that a very great difference would ensue from the adoption

of dental treatment. I think on the whole that miners are probably more in need of that than any other class of insured persons.

6985. I agree with you.—If that were done we might be able to measure the true rate of sickness.

6986. In reply to the Chairman you expressed the opinion that the competition between societies was reasonable?—We think it is on the whole.

6987. How do you reconcile that with the facts I have just been putting before you, where one society, not because it is badly administered, but because it contains a preponderance of members like miners who work at an occupation which undermines their health, is not able to pay the same benefits as another society which does not live under that handicap? How do you reconcile the statement that the competition is fair and equitable in the case where a society which is more happily situated is able to give all the statutory benefits which the miners' societies give, and, in addition to that, is able to give 2s., 3s., or 4s. per week more in sickness benefit than the miners' societies can give? Do you not think in a case like that, immediately the miners begin to recognise it they will all want to transfer to the society which gives them the bigger benefit?—No.

6988. It is not more than an hour ago since we had a representative from a miners' society before us who said they were doing that in his society.—The transfers into our Society come from societies which give larger benefits than we do, and the transferring members come to us on the ground that they would rather have prompt payment at the ordinary rates of payment than payments three weeks later at 1s. or 2s. more.

6989. (Mr. Jones): What is your anxiety in regard to the dental benefit for your members? Why do you press it so much?—First of all, there is a large volume of medical evidence in that respect. I have here a batch of medical officers' reports. Those reports are repeated week by week. We also get reports to the same effect on the panel doctors' certificates.

6990. You are unable to give your members that benefit?—We are unable to do that.

6991. That is because your sickness claims have not left you with sufficient surplus?—That is so.

6992. Do you regard it as an equitable provision under the Insurance medical service that certain members should get dental benefit and certain others not?—It is unfortunate. It would be well if it could be remedied in some reasonable way.

6993. What is your suggested remedy?—We have tried to set that out in our Statement.

6994. Will you just state briefly what your remedy is?—Our remedy would be economies of various kinds, and a small increase in the contribution.

6995. Do you think economies in other directions would be likely to produce the large amount necessary to provide dental treatment?—We are not sure. We can only offer suggestions.

6996. Have you any knowledge of the extent of dental defect in the population as a whole? You say it is worse amongst miners than amongst the whole population?—We have no knowledge of the extent of dental defect in the population as a whole.

6997. Have you any knowledge of the extent to which it exists among school children?—No.

6998. I think it is a fair statement to say that about 75 per cent. of the insured population of the country have dental defects. Is not that likely to require a very large amount to meet it?—Yes.

6999. Is it likely to be met by these small economies that you have in view?—And the small contribution—I am not sure.

7000. Would it not require some drastic revision of the method of distributing the contribution?—Like most risks it is spread over a period of years. Every insured person would not require the treatment now.

7001. A very large number would, of course, to make up for arrears?—Yes.



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7002. Would not that leave us in just the same position, that is to say that sooner or later some societies would get over the dental difficulties, and others would not, depending on the class of people they were dealing with?—I do not quite follow the question.

7003. Certain classes of people have been better trained to look after their teeth than others?—Yes.

7004. Some people are generally able to look after their health better than others; they have been trained in that way; they follow, probably, less hazardous occupations; and generally in all respects they are on a higher plane of health than, say, the members of your Society?—Yes.

7005. Even though you met your present difficulty with regard to dental benefit in some way, would you not just lead yourself into the same difficulties in other directions? Dental treatment is forcing itself upon you at the moment because there is a demand for it. Is it not likely if that were satisfied, that you would have the same difficulties cropping up when new demands arose?—I do not think so.

7006. Do you think the members of your Society would be perfectly satisfied?—From our experience of them up to the present, I think so.

7007. Then they are going to be much more easily satisfied than some other miners have been.

7008. (Mr. Evans): With regard to competition between your Society and other societies, to what extent do you say you have succeeded in gaining members as compared with other societies who are paying additional benefits? How do you say you are able to compete with them?—We do not say we compete as fully and as successfully as we might. We get a fair share of new members, and the transfers out are not very excessive.

7009. You have a percentage now of miners of from 80 to 85 per cent., whereas you had in the early years 95 per cent. Does that mean that you have lost some of the coalmining community, and they have become members of other societies?—We only have a very small number of transfers out. The net number for 1924 was about 120.

7010. You could not tell us how many members you have who are not miners?—No, I could not.

7011. You do not confine your membership to miners, of course?—Not now. We have not done so for some years.

7012. (Miss Tuckwell): Your Society is registered under the Friendly Societies Act?—Yes.

7013. It is not under the Trade Union Acts?—No.

7014. I was wondering how the Society managed to increase its membership. Do you explain to the people you are canvassing that you want them to insure to help others, or how do you manage when you are canvassing people?—We increase our membership partly on that ground, and on our private side we have access to a large number of homes from which we get members. On our private side we provide benefits for coalmining accidents, fatal and non-fatal. We do not deal with sickness on our private side.

7015. So that you depend rather on the advantages derived from your private side than on the altruistic side of your argument?—We derive benefits from both sides, from the private side and from outside our private side.

7016. (Sir Alfred Watson): As you have replied to Mr. Cook on certain questions arising out of your Appendix G, I propose, with the Chairman's permission, to deal with that at this point. You there give a reason for what is called the unfavourable sickness experience of your Society, and you suggest that the differences between the experience of one society and another depend a good deal upon the different method in the administration of sickness benefit. You go on to say that some societies only pay benefits as from the date of receipt of the claim, and not from the date of the doctor's first certificate. You indicate that your Society does not follow that practice. Will you please give me the provisions of the Act on this not unimportant matter?—I have

not brought the Act with me, and cannot point you directly to the page, but I know the page of the Handbook that permits societies to pay from the date of the receipt of the claim or from the date of the receipt of the doctor's certificate subject to explanation given by the member for the delay.

7017. The Act says this: "Where an insured person . . . fails to give notice of the disease or disablement on or before the third day of the incapacity, benefit shall, subject as hereinafter provided, commence only on the day following the date on which the notice is given . . ." and so on, provided that if the society is satisfied "that in the circumstances of the case the insured person was not reasonably able to give notice" at the proper time the society may give benefit commencing on the fourth day of the incapacity. It appears to me that the Act requires that benefit shall be given in conformity with the date on which notice is actually given unless the member shows that he was reasonably unable to give notice at an earlier date, in which case the society must date back the claim to the fourth day from the beginning of sickness. That being the case, I want to know what your own practice is. You condemn apparently the practice of other societies in carrying out the Act. I want to know what you do. Do you rise superior to the Act of Parliament?—We have no desire to do so, I can assure you.

7018. You say here that if your Society were to pay as from the date on which the notice is received instead of going back to the fourth day from the beginning of sickness you would save ten per cent. of your claims. Am I to understand that it is the general practice of your members to send their certificates in late, and that you go through all the cases very carefully and decide in nearly every case that the member was not reasonably able to give notice earlier than the day on which he did in fact give it? Is that the practice?—Our practice has been to pay all claims from the date of the doctor's certificate, and we are quite satisfied from our general experience that the members have been unable to send them in earlier. For example, the places of residence of colliers constitute a very great problem in respect of the distance they have to travel to their work at the collieries. Many years ago, perhaps 30 or 40 years ago, all colliers lived within a mile perhaps of the colliery at which they worked; but the closing down of old collieries and the opening up of new collieries has had the effect of causing miners every day now to travel long distances. We are quite sure from our intimate knowledge of our private side that this great problem of travelling to and from work has been the explanation in most of these cases.

7019. Let us consider that. What has the distance a miner has to travel from his house to the pit got to do with the length of time that elapses between the date the doctor gives him a certificate and the date he sends it to you, the interval consisting of days of sickness on which he does not travel to the pit at all?—If a miner lives five or seven miles away from the colliery it is a very serious matter to get the certificate to the colliery office to be sent on to us. On the other hand, if a miner lives 10 miles from our central office it is no easy matter to get the certificate there. I quite admit there are postal facilities.

7020. Why does the sick miner's certificate, which has to be sent to you, have to go to the colliery?—In some cases it is because, since 1872, the colliery cashier has acted as our local secretary. They still act as our secretaries for National Health Insurance. For example, they send us in our stamped cards, and a large percentage of our sickness claims are sent by them. In other cases, where a miner lives close to Wigan, the certificate comes straight to the central office.

7021. I see. When a miner is sick he has to send his certificate to your local secretary, who is at the colliery?—Yes.

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7022. That takes him some time to send, does it?—Yes.

7023. It being in some cases—I suppose quite rare cases—as much as seven miles from his house to the colliery?—Yes.

7024. That must be a very exceptional case where a man travels seven miles before beginning his day's work and seven miles after he ends it?—There are plenty of cases of that kind.

7025. There are not many cases of seven miles, I should think. I suppose there is a pillar box nearer than seven miles from his house?—I dare say.

7026. What is there to prevent him posting the certificate?—There is the position in the home. Sometimes there is only the wife and himself, and there is the difficulty of getting out. At this moment in Lancashire there is a great wave of influenza; whole households are down with it, and not a single member is able to get out of the house.

7027. You are quoting one sort of special incident after another. First of all you quote the man who lives seven miles from the colliery; then the man whose household consists of himself and his wife; and then the case of a wave of influenza passing over the whole village. What you tell us here is, that if you habitually, and as a matter of practice, carried out what appears to be the Act of Parliament you would save ten per cent. of your sickness claims?—Yes.

7028. Surely, there must be more in it than these special cases you have referred to. You are giving us these reasons to explain why it is that your sickness experience is so much heavier than that of other societies, and yet the only explanation you give us so far is that, from a variety of special causes, your members do not get their certificates in till several days after the sickness begins, on the average. I am suggesting to you that your "special reasons" why the certificate does not come in, destroy your argument that other societies are making profit out of their sickness claims by refusing to follow your practice. It cannot be that the generality of societies are composed of members who have to send their certificates seven miles and, therefore, send them in very late. Supposing you have these special incidents that cause a large number of your certificates to come in late, what reason have you to suppose that other societies have the same experience?—No reason at all. It is one of those provisions in the Act, relating to payment of benefit, that hardly seems equitable or fair.

7029. We will come to that in a minute. What you say is this: "It follows that certain societies, by following this practice, have shown a spurious sickness experience and succeeded in getting a large surplus"?—Yes.

7030. Following what practice—the practice of paying benefits according to the date on which they receive the certificate?—Yes.

7031. But if you say that your certificates, generally speaking, only come to you late because of the special conditions affecting your members, the distance they live from the secretary, and all that sort of thing, do you suggest that other societies have the same experience of late certificates but make a surplus by paying in accordance with the date on which they get the certificates? Why do you suggest that other societies have the same experience at all?—We hear that in the course of conversation with our members, as we say in the second part of our Statement on the question of the delayed payment of claims.

7032. But your members are not members of other societies for National Health Insurance?—No, but in many homes there are members of several societies.

7033. A person can only be a member, for National Health Insurance, of one society, of course?—Yes.

7034. What is it that you hear from your members of this practice in the case of other societies?—Questions are asked us, as in the case I quoted a few minutes ago, why this, which we do in our Society, cannot be done by other societies, why the other

societies cannot pay from the date of the doctor's certificate, but only from the date of the receipt of the claim.

7035. I have asked you what reason you have to think that other societies have the same gap between the doctor's certificate and the date of the claim, seeing that you have given us a series of special and peculiar reasons in your case which lead to this state of things—peculiar reasons that apparently do not apply in the case of other societies. What reason have you to think that other societies get their certificates late, and consequently pay as from a late date?—We hear about the matter constantly.

7036. That is what you have said to me. You have told me you hear about it. But your members are not entitled to National Health Insurance benefits from any other society than yours?—No, they are not.

7037. From whom do you hear these things?—As I have already said, we hear them from members of other societies in the same homes as our own members, just as we heard in the case which I quoted a short time ago.

7038. Do you think it proper to bring up this sort of gossip for the consideration of a body like a Royal Commission?—It is not gossip, if I may say so.

7039. If it is not gossip it is a serious charge of which we are bound to take some notice as against other societies, and in that case I should like to know whether you are in a position to substantiate it by definite cases?—May I refer to this case again, in order to deal with the second point that we make in the same Statement?

7040. Refer to anything you like, but I should like an answer to my question?—Here is a case where we are paying benefit to one of our members in a certain home. Three members of the same household, members of another society, ask how it is that our member receives the benefit so promptly when they have always to wait three weeks before they can get any payment. That is the kind of thing we hear.

7041. Are you prepared to bring up definite evidence of that before us. You know the sort of thing that you hear is not evidence. What you are asking us to take note of is something that might be serious, for all I know. Are you prepared to give us the names of people and the names of other societies, and put us in the position of following the matter up?—I should not like to do that.

7042. Do you think it is quite proper to throw this general and nebulous sort of charge about to be printed in the proceedings of this body?—With great respect, I make no charge in this case. It is the people themselves.

7043. Perhaps you and I regard a charge in a different light. To come back now to the legal position—the Act of Parliament, as I conceive it, says that you are to pay from the day following the date on which notice is given, unless you are satisfied that the insured person was not reasonably able to give notice earlier. Do you apply that Act of Parliament, or do you not?—We do not.

7044. Very well. It is just as well that we should know where we stand. What you are doing is to violate an Act of Parliament and to complain that other societies are not doing the same thing?—What we regard as practically of paramount importance in every case is the evidence of the doctor's certificate.

7045. You do not regard the precise words of the Act of Parliament from which the authority for the whole thing emanates as being not only your charter, but your guide and your direction?—What can you do when a man is sick and has only our sick money to live on? It is the Act of Parliament that is at fault; not our practice. What is the use of talking about social reform, and passing great Acts of Parliament, and the moment you pass an Act of Parliament you defraud a man of sick benefit, or take the sick benefit from him. There is no sincerity in it at all.

7046. What will you say if next time the auditor comes to your Society he calls upon you to produce

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evidence that you have satisfied yourselves that in these numerous cases the member was not reasonably able to give earlier notice? Will you talk in per-fervid terms to the auditor about the Act of Parliament, and the beneficent scheme, and all the rest of it? There is such a thing as an auditor, you know?—Oh, yes; we have an exceedingly good auditor, too.

7047. Another point you deal with in your Statement is, you say, that certain societies fine members 2s. 6d. each if they fail to produce a signing-off certificate. You go on to say: "If this fine is applied to the reduction of the sickness benefit the latter is again made into a 'favourable sickness experience.'" Have you any evidence that fines on members are applied to the reduction of sickness benefit?—Not on that point, no.

7048. Is it not the fact that fines go into the administration account?—That is so.

7049. Would it not be the case that if the fines went into the benefit fund they would attract the State grant of two-ninths if the money was spent?—Possibly.

7050. Do you think the auditor is going to allow that sort of thing? There is a sort of insinuation against all your fellow societies running right through your Appendix G—a sort of pontifical statement, "We are the only upright people administering National Health Insurance." Frankly, I do not like it.—Well, you must amend the Act of Parliament. The Act of Parliament is, I think, the culprit.

7051. Possibly, but while the Act of Parliament remains what it is, it is just as much obligatory upon you as on anybody else.

7052. (*Sir Arthur Worley*): I understand you are in favour of dental treatment being paid for?—Yes.

7053. Do you want that to be a statutory benefit?—Yes, if possible.

7054. I think the indications given to you are that it would be quite a serious obligation, and therefore probably in societies such as yours, unless the contributions were increased you could not afford to do it?—That is so.

7055. Seeing that dental benefit is not a hazard that arises out of occupation, would you not think that it might be a reasonable thing if some scheme were devised by which the extra payments would be derived from a central fund? In other words, that out of each contribution paid so much was put into a fund, and that fund was divided up, say, per member, which would be a different thing from a separate contribution. It would be a sort of pooling arrangement. It would mean the strong Approved Society with a large surplus giving the benefit of some of it to the weaker society. A suggestion to that effect has been made by one of the Approved Societies. Would that meet with your approval?—I think that would be a very fair and simple way of securing the benefit.

7056. With regard to maternity benefit, that again is not exactly a hazard that follows any particular occupation in any shape or form. Would you think that might be dealt with in a similar way? I do not know what your experience is, but in some societies maternity benefit is heavier than in others. Some societies are less able to pay the benefit. Seeing that maternity benefit is a sort of national hazard spread throughout the country, would not something of a similar scheme meet with your approval?—It hardly seems necessary for maternity benefit.

7057. Supposing for the sake of argument maternity benefit costs you 50 per cent. more than some other society, and the other society in consequence of having the more favourable sickness experience had a large surplus, would it not be a reasonable thing that it should be, so to speak, evened up in some way or other?—We do not seem to have suffered much in that direction.

7058. I do not know quite what you mean by that because I do not know how much you set on one side for maternity benefit. But the fact is that you do

not show the same surplus as some other Approved Societies, one of the reasons being possibly that you suffer more from maternity benefit?—It never seemed so to us. Our excessive sickness rate appeared to us to arise from want of dental treatment.

7059. I was only speculating as to the maternity benefit around Wigan which I used to know some years ago. You would not see any objection to a scheme if it could be propounded, by which maternity benefit was spread over the whole of the societies rather than laid on the individual Approved Society?—I would not see any objection if it were approved by the Board of Management, but that point has never been considered.

7060. (*Chairman*): You propose in paragraph 4 to lower the age limit for insurance to 14 years. Would you amplify your reasons for this?—As a matter of fact we have not prepared any statement of reasons for and against that being done. It was a suggestion made to us by several of our members, and the Board saw no great objection to it at the time. In compiling these notes we inserted this suggestion from these members. We are well aware that there is something to be said for it, and something to be said against it.

7061. You are not very strong on the point?—No, we are not.

7062. You do not think this would tend to stereotype, so to speak, a principle that children of under 16 should be working instead of learning?—It might have that effect.

7063. You are aware that compulsory insurance for children below 16 was decisively rejected by Parliament last year in the parallel case of Unemployment Insurance?—Yes. We are not quite sure whether the working people do not think there is something to be said for this proposal of ours. The principal reason is not to secure cash benefits, but to get the advantage of medical treatment.

7064. I see that you suggest that the contributions and benefits for these boys and girls between 14 and 16 years of age should be at half the normal rates. Would not this cause considerable inconvenience both to employers and Approved Societies?—It might do so, but on the other hand at the time of entering employment they would automatically become insured instead of having to wait until they are 16.

7065. In paragraph 5 you say that every care should be taken to avoid increasing the contributions of employers or insured persons. On the other hand you suggest in Appendix E an increase of 1d. for all members; and in paragraph 18 an increase of 1d. for women because of their excessive claims. Does this mean 2d. in all for women?—No, it means 1d.

7066. How do you suggest that the increase should be divided between employers and employed?—The Board of Management did not think any further charge could be made on the employers, but that the employed people and the State should bear the charge.

7067. In paragraph 8 you suggest that the stamped cards should be sent from employers to the societies via the Ministry's district offices and that the insured persons should not handle them. Would this not be a costly business both for employers and the Ministry, having regard to the listing, classification, checking, packing and posting that would be necessary?—We have tried to imagine the course that would take place in sorting out the cards and sending them on. It seemed to us it was not a very formidable process. It is only an attempt to find a way out of the difficulty which has existed since 1912.

7068. Do you not think it would be costly?—I am not sure that it would, as far as we can see at the moment.

7069. Apart from that, do you not think it desirable that the insured person should have an interest in securing and disposing of his card and watching the state of his contributions? Even if they do not take this interest, should they not be educated to do so both on moral and financial grounds?—I am sure they should, if it were only to meet Sir Alfred

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Watson's point. We had a case of a member a few weeks ago from whom we got nine half-yearly cards. We have to clear the case up now, and have got all that trouble. They are nearly full cards.

7070. Do you try in any way to educate your members?—We try when this sort of thing happens, but it is too late then. You cannot get in touch with your members individually to educate them.

7071. Do you not think that the difficulties in the way of enforcing the stamping of a card for every week of employment would be much greater if, as you propose, the workers did not see their stamped cards?—That might possibly happen.

7072. (Sir Alfred Watson): May I just follow that up. In your plan that the employers should send the cards to the inspector of a district, would not that mean the provision by the Ministry of a big staff in each district to sort out the cards into their respective societies?—In our statement we deal with the sorting out of the cards in the employer's office, and we suggest that the employer might be paid a small sum. A smart youth, a typist, say, of 17 years of age, could soon sort out 1,000 insurance cards.

7073. I quite agree, but, of course, the insured persons are not all employed in establishments where at the end of a half-year 1,000 cards would have to be sorted. Establishments where 1,000 people are employed would be rather the exception than the rule. Take a big town with an enormous number of domestic servants in private houses, in one-servant households. The present system is that the girl takes her card when it is full and hands it to a representative of her society, who probably calls on her for it in many cases. You propose that the obligation to send the card to the district office should be on the employer in that case. Would it be very easy for the employer to do that? He would have to know the name of the district office, would he not?—As a matter of fact, the position of the small employer was thought by the Board to be a difficulty in the way you are suggesting.

7074. You have referred to the case of establishments with 1,000 employees. Surely what would happen in the vast majority of cases would be that from a myriad of employers would come one, two, three, four, five or six, or perhaps 10 cards. They would have to be sorted in the district office, and might have to be sorted among 200 or 250 societies and branches operating in that particular locality?—Yes.

7075. Surely if a change of that sort is to be advocated must it not be supported by very convincing evidence of its suitability?—Yes.

7076. I take it that you agree it would involve the Ministry in a good deal of extra cost. What are the precise advantages that would follow from it?—The Board had hoped that Approved Societies would get the bulk of their cards with less in the way of losses than they do at present. As I have already said, they had recognised the difficulty of dealing with the small employer.

7077. I am glad to know you have recognised it, but have you put forward any means for dealing with it?—No.

7078. That being so, I do not see how we can follow it much further. I see that you propose the district inspector's office should be fixed at the Labour Exchange. Is there any particular reason for that?—It is one of the small points. We hoped that in the aggregate it might do something towards improving the other necessary benefits by reducing expenses. We admit they are small suggestions, but we were hoping to do all we could to avoid increasing anybody's contribution.

7079. You realise, of course, that there are a large number of people who are insured on the National Health Insurance side, but not for Unemployment?—That is so.

7080. From what you said in answer to the Chairman's question, I rather gather that you would attach

more importance than you seem hitherto to have done to the consideration that if the insured person never saw the card he would never know whether the employer was stamping it properly?—That is a point.

7081. (Miss Tuckwell): At the end of paragraph 5 of your Statement you say: "Care might be taken to develop the possibilities of making more fruitful the inherent financial resources of the Approved Societies under the Act." I should like to know what you mean by that?—The suggestion was that that might be effected by economies and by improving the power of investment, and that kind of thing.

7082. (Mr. Evans): Could you tell me how your Society is managed? Is it managed by the individual members, or merely by the Board of Management?—It happens in every organisation that the Board of Management are elected by the individual members to manage the society. The meetings of the insured persons are held periodically. We have an annual meeting. There is a local meeting at each colliery, at least twice per annum. The only complaint made to me is, "We cannot find anything for them to do," but, as far as we know, the meetings of insured persons are held. We have an annual meeting at which representatives and insured persons attend.

7083. Your membership, you say, is scattered through 22 counties outside Lancashire?—Yes.

7084. How do you get them together?—We cannot get them together.

7085. What sort of meeting is your annual meeting? Is it a meeting of delegates?—They are at collieries in Lancashire at which we have members.

7086. Does the colliery form a sort of unit?—Yes, an agency.

7087. In each colliery you have your lodge or branch?—Yes.

7088. Is there a secretary to the branch at each colliery?—Yes.

7089. I suppose every man at the colliery would not necessarily be a member?—Oh, no. It is very difficult to get a meeting together either on our private side or the State side. People will not come unless you pay them to come. As already indicated, most men have long distances to travel from the pit.

7090. In paragraph 7 of your Statement you make suggestions with regard to the transmission of stamped cards. What sort of machinery do you suggest should be set up?—I think we have already dealt with that point.

7091. Would you tell me briefly what it is?—The suggestion that came before the Board for consideration was that it might conceivably be possible for the employers at the end of the half-year to arrange the cards.

7092. I see. The suggestion is a sort of clearing house?—Yes.

7093. (Miss Tuckwell): You would not say, would you, that a child leaving school at 14 years of age had had full educational advantages?—One could scarcely say that.

7094. You would like a child to have full educational advantages?—Yes, but on the other hand, the education children of that age have received would be sufficient for the time being, provided they utilised their spare moments, for the mining industry, and for many other industries.

7095. Are you going to draw a distinction between the education of the children of miners and the education of the children of other classes? Would you not be in favour of giving all children the same opportunity of education?—Yes, if that were at all possible.

7096. That being so, do you not think it would be better to have worded this paragraph in some such way as to read "school-leaving age," instead of saying definitely "14 years of age," so that there would be latitude for raising the age as the statutory age is raised?—Yes, I think it would be much better to use that as a general phrase.

7097. (Professor Gray): You have raised the point, and perhaps you might explain to the Commission a

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little more fully what you mean by identity numbers of Approved Societies. I understand that on the contribution card the name of the society does not appear?—That is so.

7098. On the card there appears sometimes, or perhaps always, a certain cypher?—A number.

7099. Is it always a number, or is it sometimes a cypher?—It is chiefly a number, with an occasional letter attached.

7100. But sometimes also a hieroglyphic?—No.

7101. At any rate, there is a cypher appearing on the card which links it up with the society. What is the meaning of that? Why cannot you put on the card, "The Hearts of Oak" or "The Lancashire and Cheshire Miners' Permanent Approved Society"? Why cannot you put on the card the name of the society?—We never saw any objection to that, but in the early days I think it was felt that an employer should not know to what society a man belonged.

7102. It is a relic of the old days when there was a fear that a worker might be intimidated by his employer, and if the employer realised that he belonged to such a society as the Lancashire and Cheshire Miners' Permanent Society, he might dismiss him, or something of that sort?—Anything might happen.

7103. Do you think there is anything in that?—I do not think so now.

7104. So that you think this timidity on the part of the worker about having the name of his Approved Society upon his card has disappeared?—Yes.

7105. Apart from that, do you think if an employer wants to find out he will have any difficulty in doing so with the least detective skill? After all, the miners belong to one of three or four societies. Would not a comparison of the cards enable the employer to pick out the societies in each case?—He might.

7106. Do you not think that in a fortnight an employer could pick out the societies that all his men are concerned with?—Most likely.

7107. So that this safeguard to protect the worker from being bullied by the employer is not much good?—I do not think so.

7108. The cypher therefore might very well be abolished, and the name of the society put in?—Yes.

7109. On the question of the sending of cards to the district office, is there not this further danger? The effect of your suggestion would certainly be, would it not, to come between a member and his society to the extent that at present the member has to get his card to his society, whereas under your proposal that would be taken from him and passed by his employer to the district office?—Yes.

7110. So that that link between the member and the society is broken under your suggestion?—Yes.

7111. Do you not find that even at the present moment not infrequently members pop up with cards which they have got from various persons who gave them to them to oblige them? I do not wish to make an accusation against any society, but do you not get cards which have been supplied to your members by an agent of some society who happened to meet those people, and when they said, "I have not got a card, what shall I do?" he took one out of his pocket and said, "Here is a card." In those circumstances, if you go to the clearing house those cards might all be shifted off to the other society?—Yes.

7112. That is not desirable?—That card does not generally bear the society's number.

7113. I see. He gives a blank card?—I will not be quite sure about that.

7114. I should have thought he gave a card which had on it the cypher of his society?—In some cases that might conceivably happen.

7115. In a case where a member got a card from some other society, if it went to this clearing house it would disappear, and you would never get the advantage of it?—No, that is not altogether so, because at the end of the half-year if cards have not come in we have to make inquiries in every case.

7116. (*Mr. Cook*): Is it your experience in Lancashire that young lads immediately they leave school, or are qualified by the law to leave school, go into mines or factories?—Yes.

7117. You were suggesting in your evidence, I think, that their education has reached quite a satisfactory stage at that age?—No.

7118. In other words, you are taking things as they are?—Precisely.

7119. Very frequently it is economic necessity that induces the parents to send their children to work at that tender age?—It is inconceivable that the miners with their present wages could do anything else.

7120. Precisely. It is the economic pressure on the household. You are suggesting simply that between the age of 14 and the age of 16 their health ought to be looked after just as adequately as it is after they reach the age of 16?—Yes.

7121. And you think, therefore, they should be insured at that age?—Yes.

7122. (*Chairman*): In paragraph 14 you propose differential rates of benefit for married men with dependants without, I assume, any differentiation of contribution rates. Would this not introduce considerable complications into society administration?—We do not think so. A similar basis of insurance exists under the Unemployment Insurance Act, where a married man with children is provided for.

7123. You have made a number of other suggestions which we will consider. But the only important question that I wish now to examine you on is dental benefit. You think that this should be a normal and universal benefit, and that the whole cost should be met by insurance?—We think so. One particular reason for making that suggestion is that if inquiry is made we think it will be found that most dentists have a number of uncompleted cases where an insured person cannot get dental treatment because he is unable to share the cost.

7124. You seem to me to be rather optimistic in paragraph 26 as to the financial effects of this big proposal. Do you really think no increase of contribution would be necessary for the purpose, especially in a society like yours, with no disposable surplus?—We certainly think some increase of contribution is necessary.

7125. Have you made any calculations as to cost?—First of all we can hardly say what the cost is to begin with. On our private side we are giving a certain amount of dental treatment. We have miners meeting with bad smashes to the mouth, causing fractured jaws and broken teeth.

7126. Have you any figures as to the cost?—No. The highest we have paid is £10 10s. for two complete dentures, down to £6 10s.

7127. I mean the total cost?—No. We have too few cases to make it worth while.

7128. How do you suggest that dental benefit should be administered? Some people think the Insurance Committees the appropriate local body, but I see that you want to abolish those bodies.—We think that dental benefit if and when established might be administered in the same way as medical benefit, either through the Insurance Committees or otherwise.

7129. Do you suggest a cash payment method or an arranged service similar to medical benefit?—Similar to medical benefit, if possible.

7130. (*Sir Alfred Watson*): In paragraph 13 of your Statement you make some interesting suggestions with regard to arrears of contributions. You will agree, I take it, that arrears chiefly arise through unemployment?—Yes.

7131. And the necessity for putting a penalty on arrears at all is simply due, is it not, to the fact that you must have some sort of incentive to induce the insured person to see that his employer complies with the law and stamps his card?—Yes.

7132. If we could have some system under which weeks of unemployment could be absolutely proved, would you have any objection to contributions being excused for these weeks and therefore arrears

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penalties for those weeks abolished?—The Board of Management have not considered that point, but one is always afraid of weakening the income side of the societies, because in the endeavour to provide some necessary benefits your efforts are restricted.

7133. You know that the actuarial basis of the Act purports to provide for freedom from contributions during unemployment?—Yes.

7134. The fact that a penalty is imposed after a certain length of time of unemployment is not really an actuarial requirement at all, but is an administrative requirement due to the point that I have just mentioned—namely, that there must be some incentive to induce the insured person to see that his contribution is properly paid when it is due?—Yes.

7135. Let us take it for granted that the actuarial basis would provide sufficiently for unemployment, that is to say, would make a sufficient provision for excusing contributions when unemployment was proved. Would you as a matter of principle see any objection to giving the insured person the full benefit of that arrangement provided that he did prove his unemployment?—No, I see no objection except the one I have already given.

7136. I quite follow that. In paragraph 16 of your Statement you make the suggestion that the transfer fee should operate in all cases no matter what might be the date of entry into insurance. Do you think that Approved Societies generally would be favourable to the abolition of the right of free transfer up to two years from the date of entering into insurance?—I do not know what the opinion of the societies generally is on that point, but there is a considerable amount of trouble and expense in these cases, similar to those cases which have been insured after two years.

7137. Was not that period of two years fixed on a very definite line of reasoning? Was it not said that a person comes into insurance at the age of 16, and soon after coming into employment; he or she is very young, and not perhaps able to make a final choice. He joins, we will say, an Approved Society connected with an Industrial Insurance company through the agent calling at the house; but presently the insured person finds he would rather be a member of his trade union. It was decided in the interests of fair play that those young people should have two years within which to revise their choice. Has it not worked very well?—On the whole it has.

7138. Is it worth while to disturb an arrangement that rests upon such a reasonable basis?—Merely on the ground I have already stated—the expense of the inquiries.

7139. Yours is an important Society which has many items of expense on many small matters. Is it quite good policy to pursue the insured person and extract a small sum like 2s. out of him on every occasion on which a trifling transaction of this sort arises?—Perhaps not.

7140. Have you noticed in the Valuations Report that up to 1918 the sickness experience of women in all societies was well below the expectation of the tables on which the valuation was made?—I believe that was the case.

7141. If that is so, and if we have no evidence as yet that the experience has changed, do you not think it would be a very difficult matter to increase the women's contribution?—Except that I think the fairly general impression since 1918 is that the sickness rate has gone much higher.

7142. If I were to suggest to you that since 1918 the sickness rate has not gone much higher, and if it appeared on the completion of the second Valuation now in process that the sickness experience of women was still within the expectation, would you still say that the contribution of women ought to be increased?—Not on that ground.

7143. On what ground would you increase the contribution of women?—That would bring women on the same basis as Class A, and any small contribution made might be applied to dental treatment.

7144. But in your Statement, paragraph 18, you propose that all insured women should pay an extra

1d. a week because some few insured women occasionally have children without previously having been married. I suggest to you that the ground on which you propose the increase of contribution is rather wiped out by the general experience in regard to women?—Of course we had not the definite information you have now given us that the sickness rate is below the expectation. I mean since 1918.

7145. But you have the knowledge of what the experience was up to 1918?—Quite so.

7146. That is in the Valuation Report?—Yes, but as I have already said, the impression is that the sickness experience since 1918 has been heavier.

7147. Do you lay any stress on your suggestion in paragraph 20 that the recoupment grant for men who served in the Army should be revived?—We suggest that because our sickness experience in respect of those cases is comparatively heavier.

7148. Supposing in those cases it was comparatively heavy, and supposing we admit that that is due to the War, is it not a fact that in respect of all men your sickness experience is very favourable?—I must say again that is not our impression.

7149. It may not be your case; I am not saying it is; but taking all the societies, is it not generally understood that the sickness claims at the present time are very much below the provision made for them?—Not from what I see in the papers.

7150. Suppose I were to tell you now that that certainly is the case, what would your view be?—I should be very much surprised to hear it.

7151. Take it hypothetically if you do not like to take it in any other way. Suppose the sickness experience among men at the present time is very much below the experience of the standard, and societies are therefore making a large profit on sickness experience among men, do you still say that for a very small section of men the Government should come to their aid and assistance with a renewal of that old grant?—Oh no.

7152. It all depends on what the present facts are?—In a Manchester evening paper on Tuesday last there was a statement that the sickness in Blackburn is heavier than at any time since the passing of the National Health Insurance Act.

7153. Perhaps Blackburn is passing through a wave of influenza?—The whole of Lancashire is.

7154. But you do not have a wave of influenza throughout 12 months of the year, and year after year. It ceases to be a wave then?—Well, in 1924 there were several epidemics.

7155. With regard to paragraph 21 of your Statement, are you really prepared to advise the Royal Commission that the difficulties of administering the affairs of societies should be increased by requiring societies to satisfy themselves as to paternity in every case in which a maternity claim arises?—I do not think there is any difficulty in administering a matter of that kind. It is a matter of law; it is not a matter for the society, or administration. It is a question of law as far as I understand it. The law requires that the benefit shall be paid irrespective of the paternity.

7156. I know, but what you are proposing, if I understand you rightly, is that the society shall not pay unless it, or somebody to whom it can appeal, is satisfied that the child is the child of the insured's husband?—That is right.

7157. That means that you have to satisfy yourself that the money is properly due?—If you knew the class of case I think you would realise there would be no difficulty about that.

7158. I quite understand that you can see cases where there is no difficulty in proving the contrary, but you have to prove a positive thing here instead of a negative one. You have to satisfy yourself in every case, I suppose?—No.

7159. Surely?—No, the question does not arise in every case.

7160. But you are suggesting that it shall?—Pardon me, no.

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7161. What is it exactly that you suggest? We had better have it from you. You say that you think the law should be altered in this respect without delay. What alteration of the law do you propose?—That the maternity benefit shall not be paid, as the law requires at present, in the case of an insured person who is not the father of the child in respect of whom the claim is made.

7162. How are you going to prove that?—How are you going to satisfy yourself?—It is only necessary to satisfy yourself in the exceptional cases where it arises, and that is where the wife is not living with the husband.

7163. But it is something on which you have to satisfy yourself in every case, is it not?—Yes. But if there is no disturbance of the domestic relationship, and you are satisfied with the general appearance and condition of the case, no difficulty arises. It is in these notorious, disgraceful cases, where the insured person himself strongly protests against the payment of the benefit; surely the position is clear there.

7164. I know that, but if you alter it the other way it is the converse thing you have to prove. Do you not think the auditors will want questions answered and documents obtained?—Not if you alter the law, and do not make it obligatory to pay this benefit as under present conditions.

7165. (*Professor Gray*): How do you propose, under paragraph 22, to pay for your additional benefits? You propose there that there should be a certain number of extra benefits which are made statutory?—That is the meaning of it.

7166. "The following should form part of the ordinary benefits provided by the Acts." How are you going to pay for those benefits?—We have tried to suggest means in this Statement.

7167. What does it come to?—There is this advice about economy and a small increase of contribution.

7168. I take it your suggestion here is that these various things should be applied to all societies?—Yes.

7169. And, therefore, the cost of those should be borne by the ordinary contribution?—Yes.

7170. So that small economies by individual societies would hardly help you unless the contribution is too big. Is not that so?—Unless the societies economise in the way we suggest.

7171. You can hardly require all societies everywhere to economise to the extent of this. Either it is an increased contribution or it is some method of diverting a part of the contribution for this purpose?—Yes, or apply some portion of it to that purpose. May I point out a very remarkable case that has arisen during the last few months. We have a case in Wigan Infirmary at the moment, a man, who has undergone a serious operation, and the doctor recommended a special belt. The infirmary think that the Society should provide that belt. We wrote to the Lancashire Insurance Committee about it. The cost of the belt is two guineas. The Lancashire Insurance Committee replied that they could not provide the belt, but they said: "If the support you refer to is in the nature of a spinal jacket"—costing from four to six guineas—"I would advise you that it has been held in a recent case that spinal jackets are splints and, as such, may be supplied as part of medical benefit." It does seem an extraordinary thing that the articles we mention, not one of which would cost anything like four to six guineas, should all be excluded from medical benefit, and yet the larger article, costing four to six guineas, is now being regarded as part of medical benefit.

7172. Your suggestion is that there is enough in the contribution to enable a portion to be used to meet your proposal?—I do not know that.

7173. (*Mrs. Harrison Bell*): On paragraph 17 in the first few lines, you appear to me to cast a serious reflection on the 1,230 members of your Society?—I hope I make no serious reflection on the members of the Society. I am only dealing with actual facts.

7174. I may be misreading it, but that is what it appears to me to mean. What average do you get of cases such as you mention?—It is difficult to say. If I said 3 or 4 per cent. of cases of prolonged duration I might be not far out, but I have not got the figures to show that.

7175. In the next few lines of that same paragraph you make a suggestion that, I fear, is a serious reflection on the doctors. Do you suggest a false certificate in some of these cases? You say: "Numerous cases of unmarried, Class E, members at all ages from 17 to 35, frequently declare on our sickness funds and are certified to be suffering, probably, from gastritis or anæmia or even influenza." How do they get a certificate from the doctor to say they are suffering from these diseases if they are only suffering from pregnancy?—I do not use the word false certificate. I make no reflection on the doctor at all. Let me give you an instance. I sent a person of Class E to the regional medical officer; he sent a report back: "Suffering from quinsy"; it lasted rather a long time; quinsy is not a serious thing, and we thought it time to send the case to the regional medical officer, and I sent her there, and he replied not a word about quinsy but seven months' pregnancy. I wrote to the doctor pointing this out, and I said I should never have sent the member if I had known this, and he said he did not know himself.

7176. You suggest that the doctors are not, in the case of these groupings of members, as careful as the doctors are in the general way?—I do not suggest that at all. The doctor did not know in that case. I simply did not understand the position.

7177. At the end of that paragraph you say "Cases arise in which misconduct has occurred some weeks after the member declares on the funds." If the person becomes pregnant after sickness surely she is getting benefit before the time of her actual sickness?—Yes.

7178. It seems to me a little curious to mix up the two things in this particular way. I am a woman, and I take this statement, as you have put it, as a very serious reflection.—It is not intended to be so. I am simply dealing with the facts of the position.

7179. That is how it strikes me. In reply to Sir Alfred Watson, you have rather gone away from the suggestion that you make in paragraph 18, so I will not pursue that. In paragraph 19 you suggest a payment of £3 should be made. This £3 could not be regarded, could it, as helping to make sick people well or to give them sickness benefit? It is only a sort of marriage endowment as a *quid pro quo* for leaving the Society for the time being?—It was a means of dealing with a rather difficult class of case. £3 appeared to us to represent a contingent maternity claim and a certain amount of sickness benefit.

7180. In paragraph 21 you speak about the payment of maternity benefit in the case of a child whose mother is not the wife of a member of your Society. What is the practice of the Society on the other side? Supposing a member of the Society claims maternity benefit for an illegitimate child, what is the position?—I do not think he can do that, can he?

7181. I want to know.

7182. (*Professor Gray*): The position is this. The Act says that maternity benefit is the payment of so much on the confinement of the wife of an insured person. The case arose in a disputed matter that went to the Law Courts and to the Divisional Court; and by a decision of two to one, Lord Reading and Mr. Justice Gray against Mr. Justice Darling, it was held that there was no other option but to take these words in their literal interpretation. The society had to ask two questions: First, Is this the wife of an insured person? Secondly, Has she had a baby? And if both these questions are answered in the affirmative, maternity benefit is payable. The case Mrs. Bell is asking about does not come under the Act at all. To follow that up, the real difficulty, as Sir Alfred Watson has suggested, is this: if you

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suggest anything else it enables the Society in every case to inquire into the question as to whether or not the husband is the father of the child, and that is a difficult question. If I may say so with all respect to the witness, I doubt whether the question is an important one now. It arose in a Shropshire case and in a Durham case, and it was common during the War, because at that time there were any number of cases where obviously the husband could not be the father of the child, and the attention of societies was drawn to the matter. But at the present moment these conditions do not exist, and I doubt whether the question arises now?—It does arise, if I may say so. We have had two cases during the last two years.

7183. But nothing like to the same extent that happened during the War?—Oh, no.

7184. (*Sir Humphry Rolleston*): You have emphasized the great desirability of dental benefit, and you very rightly say that if dental disease were abolished there would be a great deal less of other disease. Can you form any idea as to how long you would have to provide a considerable amount of dental benefit before you could lessen the amount of existing disease?—No.

7185. That would be important from the point of view of the money that would be required?—Yes.

7186. (*Chairman*): We are obliged to you, Mr. Shaw, and thank you for your evidence.—If I may I should like to submit certain details of our administrative expenditure, viz. :—

(1) The expenditure of our Society on administration for 1922, the last year for which figures are available, was £3,407 ls. 4d.

(2) The cost per head of membership was 3s. 11d. for 1922.

(3) The cost is decreasing. We estimate the average cost for 1924 to be 3s. 10d., and it may be less.

(4) The heads under which our expenditure on administration for 1922 was incurred are as follows:—

	£	s.	d.
Salaries, wages, etc. ... ..	2,660	3	5
Printing, stationery and postage	301	19	10
Rent, rates, taxes, and insurance	83	16	4
Travelling expenses ... ..	167	12	9
Medical referees ... ..	82	19	4
Local committees and representatives to general meeting ...	56	0	0
Legal ... ..	12	0	0
National Conference of Friendly Societies ... ..	10	0	0

(5) The agents of our Society are paid 11d. per member per annum.

(6) The total staff of the Society (indoor and outdoor) is—

	Per 1,000 members.	
Central office whole-time clerks	6	8
Outside part-time staff:		
Women visitors ... ..	20	11
Local secretaries ... ..	78	44
	104	58

(7) The members of the Board of Management receive 2s. 9d. each for attendance at monthly meetings.

(8) We are constantly endeavouring to reduce expenditure.

(*The Witnesses withdrew.*)

Mr. LEE SHAW, called and examined. (*See Appendix XII.*)

7187. (*Chairman*): You are Mr. Lee Shaw, Secretary of the Lancashire and Cheshire Miners' Federation Approved Society?—Yes.

7188. For how long have you been Secretary of this Society, and what has been your other connection with the work of National Health Insurance?—I was appointed to this office on 31st August, 1912.

7189. What was your previous experience?—Coal miner.

7190. Your Society is centralised, with a membership of about 16,000?—Yes.

7191. Will you tell us whether the membership is mainly or entirely miners or whether you have other types of insured persons, and, if so, to what extent?—They are all working in or about the mines. It is a condition of membership that they must be members of the Federation, so that it follows they are engaged in the industry when they are admitted to membership.

7192. Is the Federation a trade union?—Yes.

7193. I observe that you attribute your unfavourable experience, under which you had no disposable surplus at the last Valuation, mainly to the laborious and uncongenial conditions of the occupation in which your members are engaged, and to bad housing, but also in part to a high maternity experience. Can you say whether heavy expenditure on maternity benefit is a feature of all miners' societies?—Yes. I have evidence in regard to the Scottish Miners' Federation Approved Society which supplements that statement. At our annual conference when we have met together and discussed this problem the representatives of miners' societies have supplemented the discussion on those lines.

7194. Have you found that your members are tending to leave your Society to any substantial extent in order to go to societies with more favourable valuation results?—Yes, unfortunately, that is our experience. I can give you particulars which emphasise that fact. In the year 1917 we admitted

839 new members, in 1918, 899, in 1919, 949, in 1920, 999; and after the valuation results were definitely known in 1921 the number was 599, in 1922, 479, in 1923, 389, in 1924, 321. Shall I give transfers in and transfers out?

7195. Yes, certainly.—I may say we never made a great feature of seeking members from other societies, we preferred to recruit the young persons in the mines to build up our membership. Transfers in: 1917, 34, 1918, 11, 1919, 37, 1920, 53, 1921, 64, 1922, 18, 1923, 8, 1924, 18. Transfers out for the same years: 1917, 15, 1918, 21, 1919, 19, 1920, 58, 1921, 61, 1922, 59, 1923, 121, 1924, 154.

7196. Is it your desire to recruit members other than miners to a substantial extent in order to improve the position? While this might do so financially it would tend to alter the character of your Society, would it not?—Yes, it would have that tendency. Perhaps it would help us financially, but still having regard to our experience at the present time, and particularly in view of the fact that we are not able to recruit in the field that was open to us previously, I rather think our prejudiced position would not help us very much in recruiting outside men.

7197. In paragraph 9 of your Statement I see that from 1915 onwards you had the services of a medical practitioner to examine members whose claims were doubtful. I assume this arrangement terminated when the regional medical officers' scheme came into operation. Are you satisfied with the present scheme?—Yes, fully satisfied with it. It is a great improvement on the old arrangement.

7198. In paragraph 11 you give figures showing a steady advance in the payments for sickness and disablement benefits in the last four years. To what causes do you attribute this?—I think it is very definitely related to the low wages which have prevailed in the industry since the 1921 dispute. Our



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average sickness experience was considered fairly good having regard to the type of the society.

7199. Do you mean low wages, because there was not the work?—No. It was due to the big reduction that took place in wages. If you remember, in 1921 a dispute took place; it lasted three months, and eventually the whole of those engaged in the industry had to return to work at wages which were very much lower than were paid previous to the dispute. There was a progressive reduction in wages to the end of the year, and we reached the lowest level somewhere about the end of the year.

7200. That was in 1921?—Yes, and the payment for sickness benefit has progressively increased. We feel it is definitely related to the low wages which have been paid in the industry since that period.

7201. In paragraphs 15 and 16 you point out the adverse effects of segregation, and ask that the Act may be amended so as to give equal benefits to all insured persons. You do not intimate how this should be done. Do you suggest national pooling, or the replacement of the present segregated societies by local societies on a territorial basis?—We certainly suggest national pooling. We feel that if you remodelled the National Insurance Act on a regional basis you would have somewhat similar anomalies arising as at the present time. I would suggest that if we took areas up in the North, say Lancashire or Durham or Yorkshire or Northumberland, where there is a considerable number of miners and others who follow laborious occupations, and compared them with other counties, both from the point of view of sickness experience and maternity experience, you would have similar anomalies arising as is the case with segregation.

7202. If individual societies were organised on a local basis it would involve, would it not, very difficult problems of transition, e.g., transfer of members and of funds, new rules and regulations, new relations to the Department, continual adjustments consequent on movements of population, and so on?—Yes. I believe it would continue some of the anomalies which exist at the present time with regard to transfers, adjustments in regard to transfer values, and that sort of thing.

7203. Would it introduce new difficulties, do you think?—I could hardly say whether that would happen or not, but I can quite see that it would continue some of the difficulties that exist at the present time.

7204. Do you think such an alternative system would result in saving administrative expenditure?—Probably it would.

7205. If you recommend pooling of funds under the present system of societies, to what extent do you consider this pooling should go? There is a wide range between the present Central Fund and complete pooling?—Yes, there is a wide range, but I am very definite in my conviction that to overcome many of the difficulties national pooling would be the most effective method.

7206. Complete pooling?—Yes, complete pooling.

7207. Do you know whether there has been any widely expressed feeling among societies with your type of membership or societies which secure no disposable surplus on this difficulty of segregation and in favour of radical reform of the system?—I can only speak for the National Association of Trade Union Approved Societies. We have discussed this question for many years. It has come usually under the heading of nationalisation of assets and liabilities. Generally the principle has been approved. I am not going to say in every case it has been whole-hearted. There has been a certain amount of cautiousness on the part of some societies. The principle has been approved by that organisation year after year.

7208. (Sir Arthur Worley): With regard to maternity benefit, you press that very much in your statement on the ground that it is unfair that a

society like your own with perhaps a higher maternity range than normal should be penalised?—Yes.

7209. Would you be in favour of some system short of general pooling whereby maternity benefit came under a system of pooling? That has been suggested.—Yes. That, I feel, would be distinctly helpful.

7210. That is a benefit which is common to everybody, and not incidental to a trade, though certain districts are perhaps higher or lower. You would be in favour of some such scheme of pooling as regards that?—Exactly.

7211. You realise that the system of pooling you are advocating is going to bear hardly on some other people; it would lessen your troubles, but it would take surpluses or money from other people?—Exactly.

7212. That is to say, a man who received very much less average weekly wages than a miner, whose sickness benefit was less, and therefore who has an interest in a surplus, would get less even than he does now to the advantage of the higher paid man? I am thinking of the farm labourer.—Yes, it might have that effect.

7213. You can see a great deal of opposition by those who are in receipt of that surplus?—Yes.

7214. I take it a good many miners are members of Approved Societies?—Yes.

7215. And get benefits now?—Yes.

7216. Do you think they would be in favour of your scheme by which they would get less?—I venture to think they would if the case was properly stated to the members. I think the difficulty is not with the members of Approved Societies, but elsewhere.

7217. Human nature being what it is, it is rather a lot to say to a man, "If you come out of that society and come into ours you will be doing good for mankind, but you will be losing money." It is not a thing that would usually appeal to a Lancashire man, is it?—There is something to be said for that point of view.

7218. I am only putting that point of view to you to get your opinion as to whether your object would not be partially achieved by a system somewhat on the lines of the maternity scheme I mentioned?—Yes, I think that proposal would be helpful. As you are aware, the possibility was anticipated when the Act was passed.

7219. That particular benefit was considered in relation to a re-insurance scheme?—Yes, and two counties were contrasted at the time, Durham (which, of course, is chiefly a mining county) and Sussex. It was shown that in Durham the maternity rate experience for the whole county was 33 per 1,000 of population, whilst in Sussex it was only 18 per 1,000 of population.

7220. It really comes to this: you believe it ought to be an equal payment and an equal benefit?—Exactly.

7221. That is theoretical, because in fact in benefits your people are getting more per head in cash than the other people are?—Yes.

7222. Short of theory, coming down to actual practice, you would welcome some scheme of partial pooling—no matter what it is—rather than nothing?—Exactly. Under existing conditions it really is not National Health Insurance in the strict sense. I suppose it is more or less an accident the industries in which people are engaged. Miners are exposed to greater risks and hardships, and consequently bear a burden which is not borne by workers engaged in other industries.

7223. (Chairman): You refer to the peculiar conditions of the particular industry?—Yes. We think it is not unfair to suggest that as they have to bear inevitably that burden of heavier sickness risks they should be assisted by a national pool.

7224. (Sir Arthur Worley): To follow that principle through, if you assisted them to the extent of 50 per cent. it would be quite reasonable that you would assist lead workers to the extent of 45 per cent., and so on. According to the degrees they are

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in, you would assist them and bring them to a common level?—I venture to suggest that the miners are, unfortunately, not in the happy position of being able to assist anybody; their weekly wage is decidedly low.

7225. The lead people in the potteries are perhaps not quite so bad as the miners, but they are worse than some others, domestic servants for example?—Possibly.

7226. They must be. If you carry your scheme through it means that domestic servants will have to pay for the higher paid miner, which is hardly an equitable arrangement?—Possibly not.

7227. (Sir John Anderson): I should like to ask you, Mr. Shaw, whether, taking your suggestion of complete pooling, you contemplate under that system that Approved Societies would continue very much as they are now?—It would be possible, I venture to suggest, to achieve a uniform administration. It would mainly rest upon sickness visitation. For the purpose of preventing what is usually described as maladministration if you had a uniform system of sick visitors it would follow that the different types of members belonging to the different societies would be visited by certain visitors appointed for certain areas and doubtful cases would be referred to the society for the purpose of referring them to the regional medical officers.

7228. You would suggest that the societies should continue to administer the Act very much as they do now?—I feel that is possible at any rate. But after all that would continue the difficulties that exist between different societies at the present time. Of course, it might happen that if you had a sort of general pool and thus had equal rights of benefit for all insured persons, it would dispose of that element of transfer between societies, and, I suppose, it would be hardly necessary to have the separate valuations of societies which take place at the present time. I do not know. I suggest that.

7229. Would you suggest providing, under your scheme, any further safeguards against lax or careless administration than would be provided by the uniform system of sick visitation which you suggest?—No, I do not think that would be necessary.

7230. The position at the present time is, is it not, that every society has to abide by the consequences of its own experience and of its own administration?—Yes.

7231. Those consequences come out clearly in the valuation?—Yes.

7232. If there has been especially good administration the members may expect a larger surplus than they would otherwise have?—Yes.

7233. If there has been careless or bad administration, presumably the surplus would be diminished. Quite apart from that, you have the differences in occupational risks, and the differences in sickness experience?—Yes.

7234. You would get rid altogether of the inequality in the rates of benefit by the system of pooling, but if you maintained societies as they are at present you could not get rid of differences of administrative standard, could you?—I do not know. I feel somehow in regard to maladministration that the higher authority such as exists at the present time would be able to bring pressure to bear to alter that state of things. I am rather inclined to think that, generally speaking, societies, to-day at any rate, exercise reasonable care in the appointment of their officials.

7235. Have they not every inducement to do so at the present time? If they do their work well they profit, if they do it badly they suffer. Under your system that would not be so?—I think quite apart from inducement most societies certainly aim at getting the very best officials. I am not going to admit the principle that if a system of equalised benefits were to come into operation it would tend to impair the efficiency of the administrative officers. I think there is abundant evidence in connection with

the present scheme to show that. Take the chief administrators, those at Whitehall. I think they show an intelligent and practical interest in the work in which they engage, and I think repeatedly it has been necessary for the State officials—shall I put it in that way—to help a good many societies in bringing about a more efficient administration of their particular societies.

7236. Quite. If you were going to have a single fund instead of the separate funds of the societies, from which all the benefits came—benefits paid at a uniform rate—that fund being controlled by those intelligent officials at Whitehall whom you have mentioned, would not the obvious method of administering the benefits be to scrap the whole of the existing system of Approved Society administration and substitute some kind of official organisation on a territorial basis, so that the whole thing could be organised on uniform lines for the whole country and controlled from the centre? As a mere matter of business, would not that be the obvious thing to do if you had a single central fund and uniform benefits? All the machinery of valuation would disappear. You would simply have your central fund and it would be controlled by a Department at the centre. I should have thought that Department would naturally wish, and Parliament would naturally expect, that the local administration of that single fund would be entrusted to people over whom Parliament and the Department had complete control?—Yes.

7237. Does not the main justification of the Approved Society system as run at present, consist in the fact that the society is a self-governing and independent unit?—Yes.

7238. Would not that justification disappear altogether with the scheme of complete pooling in a central fund which you have in mind?—I do not think so. I think you could have men appointed from different sections of those insured who would exercise a proper influence over the activities of the officials. I cannot subscribe to the idea that when a man becomes an official of a State Department or of a local authority he merely becomes a machine. I happen to have an interest in Bolton to the extent of being a representative on the Town Council, and I must pay tribute to the ability of some of those men who hold very important positions.

7239. I know. That was rather my point. Would not the proper course be to entrust all local administration to such people?—Exactly. But, you see, a Town Council consisting of representatives is more or less a big committee, and they exercise a beneficial influence. There may be a tendency on the part of an official to work somewhat harshly, or his tendency may be to be lax in his administrative duties.

7240. These officials are employed by and under the direction of the Town Council, are they not?—Yes.

7241. The money which they spend, the funds available for their administration, are raised locally?—Yes, locally; but always under the authority of Parliament.

7242. Always under the authority of Parliament?—Yes. Every town has its own Act of Parliament, and can only do this or that in accordance with that particular Act. If I may extend the argument, take our education system. I would be the last person to admit that the teachers throughout this country are a mere machine, and go about their work mechanically. I think they show—a large number of them—considerable devotion to their work. That is a huge State service, if I may put it in that way.

7243. There you have a national service conducted on a local basis, but it is a geographical basis, is it not? You have not got your teachers or scholars grouped into societies without regard to geographical considerations. The thing is uniform from one end of the country to another?—Exactly.

7244. What I was suggesting to you was, if you put National Health Insurance on that sort of national basis with uniform contribution and uniform

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benefits paid out of a central fund you would have to have uniformity of administration?—Yes.

7245. Would it really not mean in the long run—it might not happen at once—that Approved Societies as we know them now would disappear?—Exactly.

7246. I want to ask you whether from the general point of view you would regard the disappearance of Approved Societies, as we know them, without regret?—I do not know that I should. I think that every town looking after its own insured persons could do it effectively and could administer it with that sympathy which we feel is necessary in the case of sick persons.

7247. That the local authority could do it?—The town. I would not say it would come under the existing local authority.

7248. A local authority?—Yes, a local authority set up representing different interests. I feel satisfied as to that in my own mind, because generally in regard to sickness and those who are the victims of it there is a sort of spontaneous sympathy which will be helpful in securing efficient administration.

7249. You told us you had had some experience of local government. Do you know of any case in this country where responsibility has been entrusted by Parliament to a local authority where that local authority has not also got a financial responsibility?—No, I do not know of any.

7250. The local authority is independent, can settle within the limits of the Act of Parliament its own arrangements and its own administration, but it has to stand the racket so far as money is concerned?—Exactly.

7251. There may be a grant from headquarters, but in the first instance the expenditure is chargeable upon the rates, and the members of the local authority are responsible to the ratepayers?—Exactly.

7252. You have no case where an elected local authority carries on administration at the cost of a central fund. Is there such a case?—I could not say that.

7253. You do not know of any?—No.

7254. So it would be an entirely new departure in principle if the administration of benefits for Health Insurance out of a central fund were entrusted to elected local authorities of the kind with which we are familiar?—Yes, it would be a new departure. It does not necessarily follow that that would happen. I would suggest an authority in the form of a committee chosen or elected from the different sections of insured persons.

7255. What would be the sort of people most likely to secure election under those conditions, people who are very strict about payment of benefits or people who are rather genial and sympathetic?—I suppose it would be preferable to have someone who was sympathetic, at any rate. I suggest, under existing arrangements, you can have maladministration both ways. In addition to the man who may be careless in administering a society you can have secretaries which are too harsh and withhold benefits which ought to be paid, and consequently the whole purpose of the Act is missed. I think that is amply proved in the statement submitted by the Scottish Board of Health. I think they took about 500 cases over a certain period and it was clearly proved that out of those 500 cases there were over 100 cases where the Society was at fault. On the other hand, I think it is reasonable to suggest that there are large numbers who are informed that they are not entitled to benefits, when, in many cases, there is reason to believe that they are, but they leave the matter just there.

7256. I do not think anyone would dispute that. That was not quite my point. My point was, if you administer these benefits out of a central fund, not by ordinarily elected local authorities as we understand them, but by committees of people elected by the insured persons themselves—elected periodically,

presumably—surely the interest of the insured persons in the area would always be to get men elected on their committees who would see that benefits were paid very freely indeed?—I hardly think that would be the actual experience. I find, generally speaking—and I have a fairly wide experience of working people—that they are not over-ready to countenance a man who is prepared to malingering.

7257. No, perhaps not.—I think, generally speaking, they are usually severe with any man about whom they are doubtful if they can detect him in the matter.

7258. I know. Would you agree that in administering insurance benefits a society secretary or committee, or whoever is responsible for deciding whether to pay benefits or not, cannot do his duty without refusing some claims which the insured persons concerned think ought to be admitted. Is not that your experience?—Yes.

7259. You cannot give entire satisfaction?—That is so.

7260. It is not merely a question of malingering. There are people who are so constituted that they always think they ought to get more than they in fact do get, and quite honestly?—That is the case.

7261. Would not the position of the elected committee of the insurance authority be very difficult, let us say, a few weeks before an election was due when they came to deal with such claims? Would not all sorts of pressure be brought to bear on them? After all, it is only human nature?—I do not think there would be any wide support in cases where it was definitely established that the persons were malingering.

7262. It would not be definitely established, would it?—There is this safeguard, of course. You have the regional medical officers who can always assist in determining whether a man is really “swinging the lead” or not. I would not endeavour, as Secretary of the Society I am representing here to-day, to decide whether a person was physically fit to perform work against the medical evidence of his panel doctor. If I am doubtful or the sick visitor is doubtful the cases are referred to me, and then they are referred to the regional medical officer. There is always that safeguard in cases of that sort, and I feel satisfied in the circumstances you mention when the election was approaching, they would have serious regard to the reports of the regional medical officers in doubtful cases.

7263. Do you think they would send insured persons to the regional medical officer just as freely as they do now?—That would depend, I suppose, on the sick visitor. I feel, taking our own case, knowing that one is subject to the risk of calumny from the person whose benefits may be suspended, we are not deterred in our action in that direction, particularly when we have the report of the regional medical officer to support our action.

7264. You are not liable to be thrown out at the annual or triennial election?—There is this to be said. Our proceedings are subject to conferences for approval, and if I were to act in any way harshly as they thought, I should be questioned about the matter.

7265. You can always say this, cannot you, to your members, that you have to hold the balance between the man who is claiming benefit and the general interests of your members?—Exactly.

7266. You would not be able to say that if you were a member of a local committee drawing upon a central fund in London?—I do not know about that. The working man generally looks at it from this point of view, that the genuine workman is paying contributions for the particular benefit, and the man who is not playing the game and is prepared to submit claims to the society for benefits to which he really is not entitled, is receiving the contributions of the genuine man. That, in a greater or less degree, is the principle that operates. I do not think there

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is any serious danger from the malingering type of member as sometimes is suggested.

7267. I will not carry it further. I see you take a very high view of human nature.—I feel satisfied, at any rate, that there is a distinct improvement, an upward tendency, in more directions than one.

7268. (*Sir Alfred Watson*): Has your Society received any funds from the Ministry for investment in the past?—Yes.

7269. What sort of funds do you hold and how much?—I have not got that figure. For our own investment I think it approximates to £70,000.

7270. In the event of a centralised system being set up, would you be prepared to hand those funds back to the Government Department concerned?—Yes.

7271. Your trustees would not object to surrendering back to the Government the funds you have received for investment on behalf of your members?—Not at all.

7272. Do you think that would be the general view of societies all over the country?—No, I do not think it would. I can quite see Friendly Societies and Industrial Societies objecting very seriously to that.

7273. That would be the necessary consequence, would it not, of the universal system of flat rate benefits which you propose?—Exactly.

7274. Supposing it were discovered in the course of the working of the new system that the claims had in fact risen to an extent that made the contribution insufficient and that the central fund was becoming insolvent, how would you propose to deal with the situation?—There are only two ways that I can see, either increase the contribution or reduce the rate of benefit.

7275. Do you think that insured persons generally would be prepared to take that consequence of an arrangement which had disestablished their own Approved Societies and put them all in a central fund?—I suppose it would cause irritation to those who suffered most from the adverse effects.

7276. Would not the consequence be in fact a very strong demand that the State should make good the whole of the deficiency?—Yes, that might happen.

7277. Is it not likely that Parliament, foreseeing such an arrangement, would insist that what we now know to be the State charge for National Health Insurance should be divided between the State and the Local Authority?—Yes.

7278. That would mean, would it not, that whether the local administrative body was the Local Authority as we know it now or was a committee set up for the special purposes of the Act, a part of the charge so far as the whole charge was not covered by the contributions would have to fall on the local rates?—I do not know whether that would necessarily follow.

7279. If it were the case would it not inevitably mean that the Local Authority would insist upon having a direct responsibility for administration?—Yes, they would be entitled to that, in those circumstances?

7280. That would mean that a committee of the Local Authority, corresponding, say, with the present education committee, would have to be set up instead of the directly elected committee that you contemplate?—Yes.

7281. A question or two on the figures you have given in paragraph 6 as to the claims of 36 societies for maternity benefit. You give us two extremes, one society with the lowest expenditure had an average payment of £5 10s. per annum for each 100 members, whilst the society with the highest experience paid £19 13s. 1½d. per annum for each 100 members?—Yes.

7282. That latter figure gives the very extraordinary birth rate of 13 per 100 taking married and single persons together?—Yes.

7283. It is a most extraordinary experience. Have you any objection to telling us the names of the

societies?—I could not give the names. When those figures were compiled in order to get figures there was an undertaking that the names of the societies should not be revealed. Those figures were obtained by the National Association of Trade Union Approved Societies, and Mr. Ernest Corbey compiled those figures. I did inquire from him a few days ago if I could have the names of certain societies, but he felt it was not within his province to give the names.

7284. Do you think it is quite fair treatment to this Royal Commission, quite respectful to us, to submit these figures without giving us any information by which we can verify the figures or ascertain whether exceptional circumstances explain these very exceptional results?—Perhaps it is a little difficult, but I think it may be taken that the figures are accurate, and possibly the Department itself, having knowledge of the societies which compose that Association, could obtain the data which would bear out these particulars.

7285. I have no knowledge of the societies. You give figures which, unless they arise in some quite exceptional way, are really incredible as a basis for general conclusions. Really I want to know, since you have put these figures to the Commission, what are the societies concerned so that we can turn up their returns and see what accounts for this state of things?—I certainly could see Mr. Corbey. I do not think he would hesitate to give the names of the different societies whose experience is referred to in that statement.

7286. Personally I think we ought to have that information.—Yes.

7287. We cannot possibly form any conclusions on figures if they are given to us in this mysterious way without any means by which we can examine them?—I think it is generally admitted that there is a wide disparity in the maternity experience of different societies.

7288. There is a disparity certainly between the experience of different societies of men at any rate?—Yes.

7289. My attention as an actuary is arrested by the two extremes you give, £5 10s. and £19 13s., especially the £19 13s., which suggests that taking married and single together, there would be no less than 13 claims a year for maternity benefit over a series of years for each 100 members. I want to know more about it.—Yes.

(*The Witness stated later in a letter dated 9th March, 1925, that, in view of an undertaking previously given, the names of the societies in question could not be disclosed.*)

7290. Now, taking the general question, you are aware of course that a scheme for reinsuring maternity benefit in accordance with one of the sections of the Act was prepared as long ago as 1912 or 1913?—Yes.

7291. Have you examined that scheme?—I have only dealt with the section of the Act that provides for that. Evidently those who framed the Act anticipated wide disparities in regard to the maternity experience. As I said before, two counties were mentioned at that time showing that there was a wide disparity in the maternity experience of different counties—Durham, which is of course a mining county, and Sussex.

7292. There was a scheme prepared, was there not?—I could not say.

7293. Prepared by an Advisory Committee set up by the Government of the day and published as an Appendix to the Report of the National Health Insurance Joint Committee for the year 1912-13?—I could not say that, I have not seen it. I have only concerned myself with the section of the Act that makes provision for reinsurance.

7294. You are a member of the Minister's Consultative Council, are you not?—Yes.

7295. Has not the question been discussed there, and has it not been pointed out that the Report containing the scheme has been made public?—I could not say just on the spur of the moment.

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7296. Then are you aware of the fact that one reason why the scheme was not put into operation was that it was found to be so extremely complicated, regard being had to the general financial basis of the Act?—No, I am not aware of that. I do not think it has been discussed so extensively as that at the Consultative Council. I believe that in the latter part of November of last year the Consultative Council were disinclined to discuss it. I remember when we came to the question of reinsurance of maternity benefit on the agenda, there was a demand for us to proceed to the next business.

7297. I do not want you to tell us the details of what happened at the Consultative Council, but I do suggest to you that there has been a scheme published in official reports, 10 or 11 years ago, that has been open to the consideration of Approved Societies and the Consultative Council ever since that date, and that an important reason why the section has never been put into operation is, that the only possible scheme that could be propounded, regard being had to the general financial basis of the Act, was so complicated that societies and the Department could not have worked it?—Was that the view of the Department?

7298. You must not ask me what the view of the Department was?—I have not seen it.

7299. I am suggesting to you that, after the lapse of all these years, it should be common knowledge, and I should have thought it was knowledge present to your own mind. However, I cannot press you further if you are not aware of it.

7300. (*Miss Tuckwell*): You are in favour of a pooling scheme so as to get equal benefits for the same payment, are you not?—Yes.

7301. Over and over again when this matter has come up the difficulty has occurred that anything which did away with competition among societies would be objectionable, would militate against good administration. I suppose you have got a very bad sickness experience?—Yes.

7302. You can never hope, really, to get your Society into a position as favourable as that of the other happier societies?—No, there seems no prospect at all.

7303. You are satisfied that the people who are working with you are doing their best?—Exactly.

7304. You would not connect the hopelessness of your own Society and the good results of other societies with the way in which the work is carried on?—No.

7305. The people do the administration just as well?—Yes. In fact, I should say, having regard to the circumstances of our Society, we have to exercise a somewhat more stringent oversight than those societies with surpluses. I do suggest, seriously, that it is possible for societies that are in a favourable position to have more actual malingering in relation to the number of persons who claim benefits, and to the amount of benefits paid than a society like ours.

7306. Do not you think the fact that there are men all over the country going on with the work, year after year, without any hope of showing as good results as people in other societies rather destroys the argument that the incentive of competition is necessary?—Yes.

7307. These men are doing their work without any hope of competing with the others?—Yes.

7308. Does not that destroy the suggestion that is put forward that you must always keep up the Approved Society system in order to make the officials vie with each other to do their best?—Yes. I suggest that having regard to the circumstances, the competition is altogether unequal.

7309. (*Mr. Evans*): Have you any experience at all of the present method of paying unemployment benefit?—No, our Federation has not had any experience at all.

7310. The suggestion is made here now that if you had a complete pool this incentive would disappear. With the present method of paying unemployment

benefit that incentive apparently is absent. Do you think there is any evidence of laxity in the payment or control of unemployment benefit?—I hardly think so. I feel there is, generally speaking, proper regard had to the duties that have to be performed by the officials of those Departments; and I do know this, that the complaints mainly arise because those who look forward to getting unemployment benefit are not paid unemployment benefit. The very fact that they are refused unemployment benefit clearly indicates that the officials must be exercising reasonable oversight.

7311. If that oversight is being exercised now there is no reason why it should not be exercised if National Health Insurance was administered in a similar way?—Exactly.

7312. There is no reason at all why laxity should become apparent?—None whatever.

7313. To what extent do you think the preventive side of medicine should be the work of a National Health Insurance Scheme? You as a Society at the moment are merely concerned with the curative side?—Yes.

7314. You simply attend to the sick member?—Yes.

7315. You cannot possibly devote any moneys or much time to the preventive side of medicine?—None whatever.

7316. Do you think a National Health Insurance Scheme should be one that should cater for that side?—I fully believe that.

7317. And in order that that should be done you think the whole scheme ought to be re-organised on a sort of national basis with, if possible, regional societies, and you think some such scheme as that would be the best to provide that result?—Yes, I do.

7318. (*Mr. Jones*): Mr. Shaw, are you a member of any local authority?—Bolton Town Council.

7319. That Council, along with others throughout the country, receives Government grants in aid of various services?—Yes.

7320. Are these Government grants given in order that they shall exercise economy or by way of encouraging local authorities to undertake certain duties?—I think, generally speaking, the Government in making those grants recognise a responsibility of the local authority in that respect.

7321. The Government so far recognise that the health service is a national service as well as a local one?—Yes.

7322. And in that financial way they show their interest in it?—Yes.

7323. It is rather an encouragement perhaps to the local authority to embark upon schemes of health?—Exactly.

7324. Rather than retard them?—I feel that many schemes that are now operative would not be undertaken if it were just left to the Council themselves. Some might do it, others would not.

7325. Have you any knowledge of the working of the Old Age Pensions Committee?—Yes.

7326. You are a member of one?—Yes.

7327. Where are your funds drawn from?—From the State.

7328. Because you get your funds from that source does it lead to lax administration in the work of the Old Age Pensions Committee?—No, but I believe it does certainly tend to sympathetic consideration for the aged people, having regard to the penalising conditions which operate in connection with the Act, and which I hold very strongly, ought not to be there.

7329. I do not want to discuss the terms of the Old Age Pensions Act. Is it your view that although you get your money from that central fund that does not necessarily involve lax administration?—I do not think it does. After all the average citizen recognises that, in addition to being a ratepayer, he has to bear his share of the cost of Imperial taxes.

7330. He exercises a reasonable discretion in the trust that is reposed in him?—Yes.

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7331. Do not you get somewhat the same thing in connection with the military pensions?—I have had no experience.

7332. The War Pensions Committees?—I have had no experience of that.

7333. It is the case that they also get their funds from Imperial sources?—Yes.

7334. In order that that sympathy shall be extended that you speak about, considerable provision is made for the representation of ex-service men on these committees?—Yes.

7335. Have you ever heard it suggested that these War Pensions Committees abuse the public funds?—No, I have never heard that suggested. I have heard it suggested, on the other hand, that there has been considerable hardship experienced by ex-service men throughout the country because they have been deprived of pensions, or have been paid inadequate pensions.

7336. So that these two bodies exercise reasonable discretion, even although the moneys are not raised locally?—Yes, I believe so.

7337. Insurance as at present administered is divorced from the work of the local authority?—Yes, except so far as the Insurance Committee is concerned.

7338. I am thinking of the local health authority. There is no association between the two at the moment?—None whatever.

7339. Nevertheless, there must be a very great volume of health information available?—Yes.

7340. There is a great mass of information which could be made use of as far as health is concerned?—Yes.

7341. In the case of an outbreak of any infectious disease, your local medical officer follows it down to the closest possible point?—Yes.

7342. That cannot be done under present conditions with the information that is available under National Health Insurance?—No.

7343. At any rate it is not done?—It is not done.

7344. It might not be impossible, but it is impracticable?—Yes.

7345. On a territorial basis would it not be possible to gather that enormous volume of information?—Yes, I believe it would.

7346. Would it become possible for some local official, the medical officer of health, or some other, to pursue these general diseases that affect insured persons down to their causes?—Yes.

7347. It might follow as a result that improvements could be suggested and effected if that information was available?—Yes.

7348. On these grounds you might be able to effect economy in administration?—Exactly.

7349. It has been suggested to-day that lack of supervision, lack of close touch, might lead to extravagance in the administration of benefits. Would not the provision of that information alone afford an excellent basis of control? Supposing the sickness of Bolton compared very badly with that in some adjoining area, what would be the immediate consequence?—If there was a link with the public health officer an inquiry as to the conditions, I feel satisfied, would take place.

7350. Somebody at any rate would want to know the reasons for it?—Yes.

7351. If there was lax administration that would very soon become obvious?—Yes.

7352. And it could be dealt with in the same manner as lax administration of a society is dealt with at the moment?—Yes.

7353. And it would have this added advantage that it would point directly to any cause of maladministration, to causes of ill-health?—Yes.

7354. And in that way would become a very valuable asset?—Yes.

7355. There is no such information with regard to any of the health workings under the National Insurance Act?—That is so.

7356. Are your members dissatisfied because of the discrimination in the rates of benefit at the moment?—I think the particulars I gave of transfers out is an indication. The fact that we are not recruiting new members from the field which was ours up to a certain point indicates that our adverse experience is being made known by the agents of those societies which are in a more favourable position; and, as I point out in my Statement, that is, of course, due to the fact that the knowledge is being conveyed to our members that other societies are receiving additional benefits. I receive numerous enquiries regarding dental and optical treatment, and arrangements for sending men away to convalescent homes, and that sort of thing, and, of course, I have always to turn them down. Once that happens you can see there must result a state of dissatisfaction in the mind of the persons concerned.

7357. The miner, in common with other people, in 1911 was promised 9d. for 4d.?—Yes.

7358. The miner is not sufficiently an actuary to follow why he is not getting the same fourpenny worth as other people are getting?—Exactly.

7359. Your suggestion regarding pooling extends, I think, to a national valuation?—Yes.

7360. Your suggestion is a national valuation?—Yes.

7361. Do you concur in my suggestion that control over excessive expenditure would be exercised by means of these local enquiries and local valuations?—Yes.

7362. So perhaps we need not have so much fear after all of the possible over-spending in local areas?—I do not think so.

7363. (*Professor Gray*): There is only one point upon which your evidence, Mr. Shaw, has left me a little obscure. You agree that in the event of a general pooling scheme there would in fact be no place for Approved Societies ultimately?—Yes.

7364. Therefore, you suggest that there might be some sort of local administration. Can you tell me why you suggest there would be any need for a local committee?—I feel that in cases of dispute where members think they have reason to complain against the suspension of benefits, the local committee would be useful in considering those complaints. I feel also that if there was a tendency on the part of the official to be somewhat harsh the existence of the committee would have a real deterrent value.

7365. You do not suggest, do you, the creation of what we may call local societies—a society for Bolton to include all the people in Bolton with perhaps additional benefits for Bolton, or with perhaps an additional contribution from Bolton?—No.

7366. It is simply a local committee to govern for that area?—Yes.

7367. Is there not a big difference between a case like that, where there is a local committee appointed with responsibility for administration, and the kind of case which Mr. Jones put to you, the case of old age pensions or military pensions. Are not old age pensions and military pensions administered directly under the eye of the Central Department?—Yes.

7368. The person who is administering is merely a limb of the Minister?—Yes.

7369. In that case responsibility to the House of Commons rests with the Minister?—Exactly.

7370. In the other case it was suggested you had a local committee appointed with a certain amount of responsibility to the electors?—Yes.

7371. Is there not a difference, to this extent, that in the case of a local body responsible to the electors there will be a tendency for that body to try to look after the interests of their constituents as

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[Continued.]

against the rest of the community, whereas in the case of a person acting on behalf of the Minister he will act merely under instructions from the Minister who will survey the whole scene, having in view his responsibility to Parliament? It not that so?—Exactly. I feel, however, that a committee composed on those lines would certainly have regard to the rules, and they would be advised by the chief officer regarding those rules, and they would not seek to arrive at decisions which were contrary to those rules. If the local administrator felt that there was a breach of the regulations, he would have the right to appeal against the decision of the committee to the central department as in the case of Old Age Pensions.

7372. What function has this committee to fulfil? In the case where the Minister is definitely responsible to Parliament and runs the thing by his instructions to his own officers, you may have an advisory committee appointed locally?—Yes.

7373. In the case of soldiers' pensions you have advisory committees everywhere?—Yes.

7374. But there is no election, there is no responsibility on their part to certain electors in the area; they are merely selected to advise on the work of administration there?—Yes.

7375. All the responsibility all the time rests with the Minister who is responsible to Parliament?—Yes. Of course I do not hold hard and fast to that particular view. I think it would be a practical thing to have a committee something similar to that which operates in connection with Unemployment Insurance.

7376. Which is not elected by the electors?—No.

7377. (Mr. Cook): Mr. Shaw, your Society membership is composed exclusively of miners, I think?—Yes.

7378. Can you tell me if there are many or any of your members who have any other insurance for sickness purposes?—Yes, a goodly number are insured with Friendly Societies.

7379. You could not say what the proportion is?—No, I could not say that.

7380. At any rate, while a certain proportion, as you suggest, are members of Friendly Societies, at the same time there will be a fairly large proportion that in sickness are dependent exclusively on National Health Insurance benefits?—Yes, that is the only support they have.

7381. Is it your opinion that the amount they get from that source is adequate to meet their requirements in sickness and the requirements of their family?—By no means is it adequate; it is altogether too low to meet the needs of the home, having regard to the fact that when a man is sick he requires more money, not less, for the purpose of obtaining nourishment.

7382. It follows, therefore, that in your opinion there ought to be some increase in the amount payable during sickness?—Yes, I am definitely of that opinion. I know it is a question of financial difficulty, but I feel definitely that if a man receives what he does for compensation because of injury received while following his employment, he ought, if he is laid aside through sickness, to be paid a similar amount.

7383. I take it that is one reason why you are of opinion that the present system of administering National Health Insurance is unsatisfactory?—Yes.

7384. That is the reason why I think you are an advocate of what we may term nationalisation?—Yes.

7385. With regard to the sickness that is peculiar to your membership, that arises by reason of their occupation, I take it?—Yes.

7386. Your men travel long distances, their work is arduous, and they are exposed to extremes of temperature every day?—That is so.

7387. Are you of opinion that it would tend to improve the health of miners generally if we had a

system of pithead baths so that men could bathe themselves properly and change their clothes and go home comfortably attired in all sorts of weathers?—Yes, I hold very definite views. It would be a great advantage to the miners if we had pithead baths, and it would appreciably improve their health.

7388. From a health point of view alone it is a desirable thing, I suppose?—Exactly.

7389. (Mrs. Harrison Bell): Is there any expressed objection to pithead baths on the part of the miners themselves?—I do not think so. Our experience in Lancashire when pithead baths were established in connection with the Atherton Collieries, shows very clearly that they are very much appreciated, and, of course, it means that the dirt is left at the colliery instead of being taken into the homes of the miners.

7390. (Mr. Cook): And the men are able to go home in dry, comfortable clothing?—Exactly. They leave their pit clothes at the colliery. They go to work in their ordinary clothes, they strip in the place provided in connection with the baths, those clothes are hung up, the place is well warmed, and then, when they return, they wash and change and they leave the pit clothes behind. I may say that where there is no such provision, in fact it has been my own experience repeatedly, the men have to travel long distances, wet through, go down below ground, leave their clothes there, and put them on again after an exhausting day's toil in a very cold and clammy condition.

7391. (Sir Arthur Worley): Are you aware that they have those things in Africa for the gold miners, the natives?—I could not say that.

7392. I have seen them. Every man coming out is obliged to take a bath before he leaves?—It would be a tremendous advantage to the miners in this country if such provision was made at the different collieries.

7393. (Chairman): We are obliged to you, Mr. Shaw.—On the question of our administrative expenditure, the following is the information which I think you desire to have:—

- (1) Expenditure on administration was £3,440 2s. 11d. for the year 1924.
- (2) The cost per head of the 16,100 membership was 4s. 3·2d.
- (3) The cost is increasing. The total expenditure for the year 1923 was £3,163 6s. 7d. Average cost, 3s. 10·8d.
- (4) The chief items of expenditure in 1924 were wages and salaries, postage, stationery, rent and travelling.

	£	s.	d.
Salaries and wages ... ..	2,870	0	8
Printing, stationery and postage	204	10	0
Rent, rates, etc. ... ..	50	10	6
Travelling expenses ... ..	98	13	7
Regional medical officers ... ..	56	0	0
Accrued interest on purchase of investments ... ..	57	4	7
Sundries ... ..	61	12	3
Bank commission ... ..	41	11	4
Total ... ..	£3,440	2	11

- (5) The agents are paid 1s. 8d. per year per member and stationery is supplied. We pay 2s. 6d. for new members.
- (6) Number of staff is eight. Four adult clerks, two junior clerks, sick visitor and secretary. Also 110 district agents or secretaries.

	£	s.	d.
Secretary ... ..	7	2	10
Chief clerk ... ..	4	10	0
Three clerks ... ..	3	12	6
1st junior ... ..	2	1	6
2nd „ ... ..	18	6	
Sick visitor ... ..	4	0	0
Travelling expenses are paid.			

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[Continued.]

(7) President, General Secretary and Treasurer receive £21 each, a total of £63. Sub-Committee appointed by the Executive Committee consisting of eight persons, paid 10s. for each meeting. When Executive Committee confirm minutes paid 2s. each.

Held seven Sub-Committee meetings in 1924.  
Held four Executive Committee meetings in 1924.

Held eight Sub-Committee meetings in 1923. Four Executive Committee meetings. Only two paid for. Two not paid being for appointment of members of Sub-Committee.

(8) I cannot see where any reduction could be brought about without impairing the efficiency of administration.

(The Witness withdrew.)

## FIFTEENTH DAY.

Thursday, 29th January, 1925.

PRESENT:

SIR ANDREW DUNCAN IN THE CHAIR; (LATER LORD LAWRENCE OF KINGSGATE).

The Rt. Hon. Sir JOHN ANDERSON, G.C.B.  
Sir HUMPHRY ROLLESTON, Bart., K.C.B.,  
M.D., P.R.C.P.  
Sir ALFRED WATSON, K.C.B.  
Sir ARTHUR WORLEY, C.B.E.  
Mr. A. D. BESANT, F.I.A.  
Mr. JAMES COOK, J.P.

Mr. JOHN EVANS.  
Professor ALEXANDER GRAY.  
Mr. WILLIAM JONES.  
Miss GERTRUDE TUCKWELL.

Mr. E. HACKFORTH (*Secretary*).  
Mr. J. W. PECK, C.B. (*Assistant Secretary*).

Mr. J. P. Lewis, recalled and further examined. (*See Appendix IV.*)

7394. (*Sir Alfred Watson*): In the evidence you gave recently\* certain questions were put to you with regard to your changes of investments. Attention was drawn to the fact that you realised £50,000 by a change of investment and you were asked whether, in fact, you got any greater interest income by that change of investment. You indicated, in reply to Question 3673, that you did, and we understand that you now desire in certain respects to modify that answer?—Yes, that is true. I am exceedingly sorry if I in any way misled the Commission. When I answered that question I was thinking entirely of the present position and not of the original change from short-dated securities into longer-dated securities. It was very foolish of me, but that had slipped my memory. From a statement which I have put in I think you will see that from the recent changes of investments, besides having a capital appreciation on realisation of securities, we made a small gain of interest. Of course, the principal reason for the change was the capital gain we were making, but as well as that, I think in every case, even if it was small, there was a little gain in interest as well.

7395. I gather that on balance you have sold and re-invested to the amount of about £1,900,000 and so far you have got £50,000 or £60,000 capital appreciation; but on the other hand, you have got a loss of annual interest of £1,162?—The total amount I cannot say, but certainly the figure you give as to interest is correct.

7396. When you sold those securities in the first place you sold short-dated securities. As you say, you obtained a profit on the price you paid for them. Did you get any materially higher price than you would have got had you held those investments to maturity?—No, if we had held them to

maturity I think we would have got a little more than we did by selling when we did. But our purpose was to get into longer-dated securities.

7397. I can quite see that that might be better, but the so-called profit on the change of investments in the circumstances was a little bit illusory, was it not?—I hardly agree, if you take a long view. If you take a short view, yes; but if you take a long view, I think it was advantageous to the Society. That is only my opinion.

7398. It was advantageous to the Society in this respect, that you secured a substantial income for a long period?—That is so.

7399. But the capital appreciation brought into the accounts, swelling the assets is, I take it, rather illusory, so far as that part of the transaction is concerned?—We got that actual profit of between £50,000 and £60,000. By waiting we would have got a profit; I admit that.

7400. If you had waited you would have got quite as much profit, and you would have had, perhaps, a little more risk as to whether or not you could keep up your interest income?—That is the point. We were told that the shorter-dated securities would rise relatively higher than the long-dated securities.

7401. I see the money issued to you for investment by the Ministry up to September, 1924, was £1,800,000. The amount of stock that you seem to have sold from January, 1922, to September, 1924, realised £1,902,670?—Yes.

7402. It looks as though you have been indulging in Stock Exchange transactions, turning the same block of money over and over again?—That is quite probable.

7403. This is very important, because you are asking us to recommend that the Act should be amended to give you control of the whole of your

\* See Questions 3667-3710, Eighth Day.



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[Continued.]

funds instead of one half of them for investment purposes?—Yes.

7404. Is there anybody on your Board who is competent to advise his colleagues with authority on these large Stock Exchange transactions?—Not on our Board, but in any transactions of any magnitude at all our broker is always in attendance on our Committee.

7405. Take a transaction like this: on the 19th December, 1923, you sold  $4\frac{1}{2}$  per cent. Treasury Bonds, 1932, realising the small sum of £2,322, and placed the money in Conversion Loan. The investment had got nine years to run when you sold it. The annual interest profit on the change was £1 17s. I cannot understand what prompted your Board to indulge in a transaction yielding such a trumpery profit in interest?—I think you have selected part only of one transaction. I am not certain, but I think you have. The transaction, as far as I recollect it, was to change from Conversion Loan into certain short-dated stocks and then to go back into Conversion Loan when it had fallen; and speaking from memory, I think we made a fairly appreciable amount of profit in doing so. That stock has since risen and the Conversion Loan we got by doing that really has come into our hands for nothing.

7406. I understand, to turn to another case, that in November, between the 7th and the 13th you sold £250,000 of Conversion Loan and purchased War Loan and Treasury Bonds and other things. On December 19th you seem to have sold all these securities and re-invested in Conversion Loan?—That is so.

7407. Do you really think that that is the kind of transaction that Parliament thought Approved Societies would indulge in when it gave them authority to invest half of their own accumulations?—I am not competent to say what Parliament would think when it gave these powers, but I consider that we are more than justified in doing that if we can make profits for our members.

7408. Yes, up to now you have made a paper profit; but, in fact, your interest income is less that it would have been if you had done nothing?—That is true.

7409. It seems to me that it is rather necessary for you to justify more fully than you have done the proposal you made to us, in view of the facts that you have not anybody on the Board who is himself competent to guide his colleagues in these transactions and that you are entirely dependent on the advice of the broker who is to be employed in carrying out these transactions?—You are not to take it from me that our people are absolutely incompetent to deal with these matters. I intended to say that we had no expert on the Committee. Our broker gives his advice, and I think it is obvious from what we have done that we have ended up with more Conversion Loan than we started with, and that looking at this from a long point of view—and personally that is the one I think should be taken in matters of National Health Insurance—we have made a considerable profit in stock, which is bound to be beneficial to us in the end, because of the period it will run.

7410. I can quite understand that if you can sell certain securities and invest in Conversion Loan which was not available when you originally made the investment you are probably doing a very wise thing. But when I see that several times you sold enormous amounts of stock and re-invested the money in something else, and then you have realised that something else a few weeks later and put it back into the original thing, it seems to me that you are indulging in a process of Stock Exchange dabbling which is outside the true functions of Approved Societies.

7411. (Sir Arthur Worley): You are snatching profits?—We are taking profits.

7412. (Sir Alfred Watson): I should like to have your views on that suggestion?—Do you mean my views as to whether it is wrong or not?

7413. Your views as to whether it is sound policy for an Approved Society which has no financial

expert on its own Board to be going in for these enormous financial transactions on the advice simply of a broker?—Yes, I think it is perfectly safe.

7414. (Sir Arthur Worley): What it really means is that your stockbroker comes to you, and says: "If you were to sell these things and invest the money in certain securities—Conversion Loan—as a stockbroker I think the Conversion Loan is going up." It is a speculation, and at the time most of these transactions were carried through nearly all Government securities went up, as a matter of fact. In some cases you have made profits by doing it. What really happens is, is it not, that he says: "If you sell this and buy Conversion Loan at  $74\frac{1}{2}$ , I think it is going up to 76"?—Yes, roughly speaking, that is what happens, but the suggestion does not always come from him.

7415. It is quite possible that it will not always come off, because there are people who are selling Conversion Loan. It is a difference of view; it is a speculation?—It is a difference of view.

7416. And on the difference between the two prices you have got the double commission and stamps to pay for?—It is true that you have the double commission. Of course, the stamps on Government securities are a negligible amount.

7417. But not on others?—Not on others.

7418. It is a common thing for a broker to tell you such a thing as I have suggested, and he may induce you to do it and it may come off, but there is a risk that you may lose on it. Suppose, instead of making money, you had actually lost, as you may have done in some of the transactions as far as I know; that is a possibility, is it not?—It is possible, I admit; but even if it were to happen the loss would be a very small one, because what we went into was War Loan. I am speaking from memory, but I think the highest we ever held it at was 100 $\frac{1}{2}$ . If we had held on to maturity, we should only have lost the  $\frac{1}{2}$  per cent.

7419. War Loan did go up higher than that, did it not?—It did.

7420. Suppose in one of these transactions you had been advised that it was a good thing to buy at its highest point; then you would have lost more?—Yes.

7421. These transactions are that you are taking one stock and converting it into another in order to make a profit?—Yes.

7422. That is the idea, and you recognise that it is quite an even chance that you may make a loss?—I am not prepared to admit that.

7423. You would have done but for the foresight of your particular broker?—Yes, we have to have foresight.

7424. Whatever you gain somebody else has lost?—Not necessarily.

7425. In the long run?—I cannot agree with that.

7426. There is only so much money and you cannot make it any more?—That is true, but it may be advantageous to both parties.

7427. I want you to recognise that you were taking a risk and that you might have lost £50,000 on your transactions as well as made it?—No, I cannot admit that we might have lost anything like as much as that.

7428. (Sir John Anderson): I have before me a note of some of your transactions. I see, for example, that you sold £500,000, nominal value, 5 per cent. War Loan, 1929-1947, and you purchased with the proceeds Conversion Loan, local loans stock and various other stocks, and you made a loss in interest on that transaction of £1,830. Do you regard that as a good transaction?—In the long run, yes.

7429. At the moment it was not good?—No.

7430. But on the long view it was a sound transaction?—I think so.

7431. You contend that it was sound because the high rate of interest that you were getting was temporary?—That is so.

7432. But is there not all the difference in the world between that sort of transaction, which is dictated by considerations of prudence and foresight,

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[Continued.]

and the sort of transaction that I find on the next page, where you sold nearly £250,000 Funding Loan and £300,000 3½ per cent. Conversion Loan and bought 5 per cent. War Loan and Treasury Bonds? You were turning the clock back there?—Yes.

7433. Three months later you sold that 5 per cent. War Loan again and you sold those Treasury Bonds and purchased Funding and Conversion Loan. On the whole thing it is perfectly true you gained in interest £258 per annum; but I put it to you that transactions of that sort, which depend upon the weekly fluctuations of the market, are of an entirely different character from the long-sighted sale of short-dated securities and their conversion at a favourable moment into long-dated securities. Those two transactions are entirely different. The one is backing your broker's notion of the immediate course of the markets against other people's ideas and the other is statesmanlike finance. Do you recognise the difference between the two?—I quite recognise it.

7434. Do you recognise that there are strong arguments which could be advanced against—I do not want to use an unpleasant word—but I was going to say playing with the interests of your insured members by turning over your investments merely on the chance of making a little?—I think we look at it from a rather different point of view. Personally, I take the view that if we believe we can better our funds in the interests of our members, it is our duty to do so, even if we have to take some risk in doing so. We are entitled to take an ordinary business risk, provided, of course, that we keep within the category of securities in which we are allowed to invest.

7435. When you sold your short-dated securities and bought long-dated securities it was not a matter of speculation; you knew that in the long run you stood to gain?—Yes.

7436. When you engaged in this latter transaction in 1923 your broker advised you that he thought it would be worth your while, but there was very little certainty about it?—I do not know about that.

7437. Can there be any certainty as regards what is going to happen on the Stock Exchange within a period of three months?—No.

7438. You switched off and you switched back again in three months?—We did.

7439. That transaction is labelled "speculative" I suggest. There was no tremendous risk, I agree, but it was speculative?—Well, we will say that; I do not know.

7440. But was it not?—No, I do not agree.

7441. Then you and I understand the word "speculative" differently?—Perhaps you attach an objectionable meaning to the word, but I do not. I think if you look back over a fairly long period you will find that at certain times money becomes dearer, and that has a greater effect upon long-

dated securities than it has upon short-dated securities. I know that pretty well the same thing has happened year after year in the relative values of long and short-dated securities. Therefore we went out of the long-dated securities, which in all probability would have a fall with money becoming dearer, and they had a fall. We went into the shorter-dated securities which were least affected by the price of money. That security was more steady. When the long-dated ones had fallen we bought back, and frankly I cannot see that we were to blame in doing so.

7442. What did you stand to gain or lose? In the first transaction that I referred to you were taking a long view and you considered on competent advice that though you stood to lose in the first instance, you would gain in the long run; but in the second transaction you were really dealing in margins. The amount at issue was trivial. You did, in fact, gain in interest £258, and that gain might stimulate your Society or some other society to make a regular practice of this. I put it to you that there is no reasonable certainty that transactions of that kind will result in a profit?—I hardly agree with you; I think there is a reasonable likelihood that such transactions would result in a profit, and the statements I have submitted to you are proofs of it.

7443. (Sir Arthur Worley): They are proof of what one transaction resulted in a profit?

7444. (Sir John Anderson): I will not carry it further than to ask you this: you recognise that there is a fundamental difference between the first type of transaction and the second?—Yes.

7445. (Sir Arthur Worley): One of the strong points you put was that from the figures before you at certain times in the year money became dearer or cheaper?—Yes.

7446. I think you will recognise that the question of money becoming dearer is not a mathematical process or governed by time. It may be affected very materially by political events or war, or by all sorts of things?—Yes.

7447. Therefore, all those questions enter into the price of stock between one date and another. You are taking it that none of these will occur, or that if they do they will operate in your favour; so that the result of it all is that the only justification for the operations you have carried out is the success of them?—Certainly.

7448. If they were not successful there would be no justification for them?—Obviously the thing is done for success.

7449. (Sir Andrew Duncan): Is it the case that you deal with your State side funds in the same way as you do with your private side funds?—As a matter of fact, we do far more on the private side than we do on the State side.

(Sir Andrew Duncan): Thank you very much.

(The Witness withdrew.)

Mr. ALBAN GORDON, called and examined. (See Appendix XIII.)

7450. (Sir Andrew Duncan): Mr. Alban Gordon, you are giving evidence as a private individual and not as representing any of the bodies with which you are or have been associated in Health Insurance administration?—That is so.

7451. We have read with considerable interest the proposals you have made for the fundamental reconstruction of the Health Insurance system. The first and perhaps the most important of these would seem to be that you propose to reconstitute the Approved Society system on a territorial basis for the administration of cash benefits only, and to take medical benefit and allied additional benefits out of the Insurance Scheme and incorporate them in a universal locally administered and comprehensive health service. Is that so?—That is so. I should like to preface any evidence I may give on this point by saying that that scheme can of course be considered

entirely from a health insurance point of view; but I think, if I may say so, it has a double value from the general social insurance point of view.

7452. Leaving aside for the moment the question of Approved Societies as they are now, we would like you to develop a little more fully for us the structure, scope and form of government of these proposed Territorial Societies?—In the first place, I would base them on suitable local areas, and in interpreting that one must bear in mind the fact that a Royal Commission on Local Government Areas is now sitting. In all cases the existing local government areas are not the most satisfactory on which to base such a system of societies. But taking in general the county or county borough as the unit, I think that an Approved Society—if you care to retain the term—or a society should be constituted for every such unit and, looking at it entirely from a health insurance

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[Continued.]

point of view, as I presume you would wish me to do, that local Territorial Society would absorb the functions of all Approved Societies having members within the area. It would in fact take a transfer of the members of all Approved Societies functioning within that area, the existing Approved Societies being in all cases wound up. That Approved Society would then take charge of and administer cash benefits, and cash benefits alone. At the same time a coterminous organisation, which one might term the Health Committee, would be set up similarly to take a transfer of the functions of the present Insurance Committee, and of all other local medical and sanitary authorities; and to administer a comprehensive medical service parallel but unconnected with the cash insurance service carried on by the local society.

7453. Taking the cash insurance service first, you say the society would be set up. Would it set itself up or would some other body set it up?—It would be set up under statutory authority.

7454. Would it be a derivative of the local authority? What would be the form of government?—If you look at it entirely from the health insurance point of view, it would not be a derivative of the local authority, but would be more or less *ejusdem generis* with the present Approved Societies.

7455. What would be the preliminary procedure in setting it up?—Under Statutory Rules and Orders it would take a transfer of engagements of all members of Approved Societies in its area.

7456. But who would take the initiative in constituting the society?—The question of initiative is almost a matter of detail. Probably, I should think, in the very first instance the Local Authority would take the initiative in providing the office and getting the first body together. But from a health insurance point of view it would not be a derivative of the Health Authority. I am handicapped in explaining the merit of these health proposals, because the merit, I think, lies in the co-ordination of them with many other things.

7457. You may explain them just as you please.—If I may go a little further into it, the type of body I have in mind would replace the Board of Guardians entirely. The Board of Guardians would be abolished and by Act of Parliament a new local elective authority would be set up by a municipal franchise exactly in the same way as if you were constituting the Board of Guardians. The statute would enact that on a given day the elections were to take place on the present Municipal Register for setting up a new body. That body would also take over mothers' pensions and unemployment insurance.

7458. Would that be a preliminary to the constitution of your Territorial Society?—That would be the Territorial Society. The Territorial Approved Society which I was describing is merely a more limited aspect of my local authority.

7459. Would the constitution of this new local body be a preliminary to the constitution of the Territorial Approved Society?—No, they would be one and the same. The greater would include the less. If you were going to set up an all-inclusive body you would not need the smaller body.

7460. Would not you require under your scheme that the greater body which is to include the lesser should be set up first?—No; the lesser could be set up first and grow to be the greater.

7461. Assuming that the lesser were set up first, I suppose they would have a body of rules to govern the society?—Yes.

7462. Would the form of government be on the democratic basis, say, of the present societies?—It would be very similar.

7463. Would there be rights of appeal?—Yes.

7464. Would there be a right of expulsion?—No, obviously not, because there is no other body to whom you could transfer your member.

7465. Do you suggest that side by side with this Territorial General Society there might be in a given district a local occupational society?—That is not a suggestion of mine, but I think that is a possibility

that might be considered, although I do not advocate it. There are strong advocates of insurance by industry, and it is contended that in the interests of industrial peace, in order to bring employers and employed more closely together, it would be a very excellent thing to have some such system. If there were such a scheme I do not see any strong reason why there should not be local insurance by industry by contracting out in large bodies in a trade or in some occupation. Your safeguard would be that it must be a large body, and, as the price of such contracting out, such a society would have undoubtedly either to pay a subsidy to the principal society or to pool to some degree its profits.

7466. Would the creation of such societies not perpetuate the segregation difficulties which you criticise?—No, because you would make it an essential factor of the scheme that in effect the society paid for the advantage of taking the good lives out and segregating them. You would skim the cream off to such an extent that there would be no financial benefit attaching to such segregation, the only benefit being that the industry might gain on the side of industrial peace.

7467. Is it definitely clear in your mind that the creation of a Territorial Society, such as you have described, would afford the best form of linking-up or co-ordination of all forms of social insurance?—Undoubtedly. I can see no other satisfactory way of unifying social insurance. All other forms of insurance seem to require two organisations, which I think is undesirable and unnecessary.

7468. Would it be true to say that co-ordination depends upon the creation of a Territorial Society of this kind and that there is no other means of co-ordination?—I do not think I would go quite so far as to say that. A large measure of co-ordination might be obtained in some other way, but I do not think to such a satisfactory degree.

7469. Does the feasibility of your Territorial Society depend upon the complete separation of medical benefits and the restriction of the operations of the society merely to cash benefits?—Yes, I think so.

7470. Do you suggest that the Territorial Societies should be self-contained financial units as under the present system, or do you contemplate a scheme of pooling, either partial or complete?—They would, I think, be entirely self-contained financial units, subject only to this degree of pooling that the State grant might be considered as not necessarily a fixed quantity, but might afford some degree of pooling, if necessary, following to some extent the policy of the Metropolitan Rates Equalisation Fund. In that case a rich borough might come to the aid of a poor borough by some degree of pooling. I think, however, that such a local society would be sufficient of a microcosm in itself to form a perfect section of the insured population, and you would get every such society naturally approximating much more closely to the average. I think it would do so to such an extent that there would be little need for any pooling in the ordinary accepted sense.

7471. What would be the incentive to good management in such a scheme as yours?—Without going into any tangible one, I will put first and foremost one which I think this scheme would encourage—civic patriotism—which, if I might enlarge upon it, seems to me to be the thing to be sought for in this generation, as much as what was called the friendly society spirit was sought for in the past generation.

7472. Would the loss of competition between societies not be a serious thing?—I think the present existence of competition between Approved Societies is a fatal thing. It is most disastrous to good government and economical administration.

7473. On what ground?—On many grounds. First of all, it is extravagant. Take the case of the Society with which I am connected. We spent hundreds of pounds on advertisements, Press and otherwise. We have spent thousands of pounds on

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procuration fees to members; we have spent thousands of pounds on internal expenditure, merely for the sake of counteracting the veiled attacks made on our Society to capture our members, and in our turn to do a little capturing of our own. Again, there is no co-ordination possible between Approved Societies, because there is no real unity of interest. There is this element of competition, and in practice there is no possibility of co-operation in things like visiting each other's members. Every society is at war with every other society, and that leads to expense and lack of mutual help.

7474. Is there no incentive within the Society to out-rival in benefits and good management its competitors?—There is that amount of incentive certainly, but I think that incentive would exist in any case.

7475. Would that incentive exist in the Territorial Society?—Undoubtedly.

7476. Suppose an insured person were to remove from one area to another. How would the transfer be arranged?—In the first place, let me point out that in many cases to-day a change of residence from one area to another entails a transfer of membership.

7477. In this case it certainly would?—In this case it would, in the case of a permanent change, after a lapse of time. For instance, you might easily arrange that transfer of membership on account of change of address should only be carried out once a year. Suppose a person moved from Manchester to Plymouth in August. You might arrange that that person did not transfer his membership to Plymouth until the following January, so that if the person changed from Plymouth to Norwich in the interval he would not be required to make the transfer to Plymouth, but it would be direct to Norwich. The first fund would carry him.

7478. So that the first fund might often carry persons who ultimately became a transfer away from that fund?—Yes.

7479. Assume a transfer from Manchester to Plymouth and that, some months prior to the date when the transfer would take place, the person falls ill at Plymouth. The Plymouth Territorial Society under that scheme, I take it, would carry that individual?—No; it would pay the benefit as the agent of the Manchester Society.

7480. And recover it from Manchester?—Yes. That is the practice in Friendly Societies to-day.

7481. What would be the manner of the notification of a transfer there—merely a report I suppose?—I do not quite follow.

7482. Suppose an insured person transferred from Manchester to Plymouth, how would the transfer be carried out?—It would be the member's duty to notify either his late area or his new area. It would be made as easy as possible. If that failed, you would have this overwhelming assistance that under my system the insurance cards would bear the name and address of the society printed on them, which is impossible under the present system. That accounts for half your troubles in regard to change of address, because if a member has lost his insurance card, or even if he has a card and he is in a muddle about it, you do not have the name of the society.

7483. Take Dundee, where you say there are 217 separate societies. Would you tell us how you think things would work under your new scheme as compared with the way in which they work at present; that is to say, as to the cost of officials and administrations costs and things of that kind?—I think it is impossible to answer that question. It is too closely detailed for me to answer.

7484. You say in your evidence that it is very costly that there should be 217 societies operating in one town?—I think that is fairly clear, especially when you remember that practically half of them have a ludicrously small number of members. When you have 100 societies with 1, 2, 3, 4 or 5 members in the town it must be very costly.

7485. You have not worked out in detail the cost of a Territorial Society, have you?—I have worked it out in some detail in my book.

7486. If societies were reorganised on a territorial basis, do you think that a section similar to section 63 of the 1911 Act could be more effectively operated?—Undoubtedly; that is one of the great advantages. At the present time the section is a dead letter, and it is impossible for a society to keep track of the health of its members locally, whereas the Territorial Society would be in the closest touch with local conditions and could operate that section undoubtedly.

7487. Have you considered at all how the transition difficulties of transferring from the old system to the new could be overcome?—I do not think it would be any more difficult from the administrative point of view than, shall we say, the process of taking a valuation. There would be a large volume of work to be done, but it would be perfectly straightforward departmental work—work of the nature which goes on to-day when one society transfers its engagements to another.

7488. But it would be on a wholesale scale?—Yes, it would be on a wholesale scale, but there is no novel feature in the operation.

7489. I suppose we would require to accept it that a territorial scheme such as you suggest would divorce the State insurance entirely from the old Friendly Society organisation?—Yes.

7490. Would not that create, to a greater extent than we have at the present time, a dual system?—No; because, in the first place, not more than probably one-fifth or one-quarter of the State-insured members to-day are also members of Friendly Societies for benefit purposes. Therefore, at the worst, your dual overlapping would only apply to 20 per cent. of your members. But still more to the point, I would add that sickness benefit should be brought up to a higher level in order to avoid the necessity for dual sickness benefit.

7491. So far as medical attention is concerned, you do not have it under your territorial scheme?—It would be entirely a thing apart.

7492. (Sir Arthur Worley): I take it that the three main points you have been suggesting in this territorial scheme as against the present scheme are that it would invoke civic pride; it would reduce expenses; and it would give a certain measure of equalisation of benefits?—Yes.

7493. On the question of expenses you have said that large sums are spent in advertising and various other things. Could not that difficulty be met by making a reduction in the amount allowed to Approved Societies for administration, with the result that they would not have the money to spend on advertising? I mean, you could only make so many suits out of a given quantity of cloth?—Yes; but it is astonishing the varied number of suits that are made to-day out of that cloth. In the case of my society we manage to pay these thousands of pounds in advertising out of the administration allowance; but there are many societies which not only have nothing to spend in that way, but actually have to levy their members to provide for day to day administration.

7494. Are there many societies of that nature?—I think there are a certain number. Probably Sir Alfred Watson could give you figures more closely than I am able to do.

7495. But it is quite certain that a frugally administered society is able to exist on less than it is getting now. I agree there are certain Approved Societies which have got private sides where there is an arbitrary arrangement with regard to the division of expenses between the two sides which can make the figure come to anything. But starting really from your knowledge of conducting a society, a society which is very expensive in its advertisements, as you say, and in its procuration fee, which I think is 2s. 6d., and sundry other things, it is obvious that if you were relieved of that money you could still exist?—Yes; but would that be fair to those societies which have not got the possibility of the juggling that you have described?

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7496. But by cutting down their allowance they would not have so much to juggle with?—It is very much more difficult than that, I think.

7497. There are methods by which that high expenditure can now be dealt with. You may have this evil existing, but, in your opinion, an Approved Society could be administered at less expense than it is now, generally speaking?—No, I do not think I would like to be taken to accede to that as a general proposition.

7498. In the society of which you have knowledge it could be done?—We could administer for less than we are doing now, but if we did, we should be defunct in ten years.

7499. If the other people were equally limited, they would not have the money to spend on these things?—Provided you could enforce such a limitation.

7500. I want to come now to the equalisation of benefits. As I understand it, you would put up a territorial scheme in a given county, taking that as an area, and it would be more or less self-contained, at least for the cash benefits. Therefore, there would be equality within the area. There would not be complete equality, because it would naturally follow, taking a county like Buckinghamshire and putting it up against Lanarkshire, for instance, that Buckinghamshire would have less sickness than Lanarkshire, and therefore you would be perpetuating the evil of one body of men getting more benefits than another?—No, because I suggest a variable State grant—an equalisation fund. The State grant would be, in effect, an equalisation fund.

7501. So that you get a pooling there?—Yes, by the State fund.

7502. Could not you carry that out even with the existing Approved Societies? Suppose all the additional benefits were pooled—I am only giving this as a wild scheme—but suppose there was a deduction from the contributions paid into a fund, and out of that fund all additional benefits were paid. Would not you get then in essence your pooling scheme?—No, because you are dealing with a different fund. At the present moment, as a member of this Commission has pointed out, it is very necessary that the authority which allows the benefit shall be the one to meet the cost of that payment. If you relieve officials of an Approved Society from any fear of deficiency, you are left without guarantees at all for efficient or economical administration; whereas in the case of a territorial society you have plenty of such guarantees—not only civic pride, but also the close scrutiny which would be exercised by the local electors.

7503. But probably you would be able to find some means of overcoming that difficulty? At the present time medical benefit is not administered by the Approved Societies; it is administered by the Insurance Committee. I am only trying to find out where I stand with you. If all those additional benefits were dealt with through some similar body you would overcome that difficulty?—That would be better than the present system.

7504. It is coming very near your own system except as regards the civic pride?—I think that it is worlds away.

7505. I have nothing to say about civic pride except to say that there is a certain pride amongst the Friendly Societies. In the old established societies like the Rechabites there is a strong body of pride which would all be destroyed?—I should like to say that I personally am a member of a Friendly Society and a very strong lover of Friendly Societies. Until recently I was a member of the Executive of the National Conference of Friendly Societies, and I should dislike nothing more than to injure the Friendly Societies in any way. But in spite of that, I feel that what is popularly called the Friendly Society spirit to-day is growing to be a definite hindrance in National Insurance administration and definitely contrary to the good both of Friendly Societies and of National Social Insurance.

7506. I will not ask you any questions on that because I am not a member of a Friendly Society, and I do not know what the feeling is or how it is growing and developing.—I hope some other member of the Commission will carry it further.

7507. (Sir John Anderson): I am not quite clear in the first place what you have in mind when you say that the territorial area should be a suitable one. Let us distinguish between counties and urban areas. Do you contemplate within the administrative county, apart from urban areas, any subdivision?—In that I should be guided very much by the report of the Royal Commission now sitting as to the nature of the sanitary authorities. I should follow very closely the sanitary authorities.

7508. I was thinking of what you said about stability and equality of benefits. I wondered what you had in your mind as to the size of the area. Are you thinking in terms of county boroughs and counties?—Yes, county boroughs and counties, and the possibility of groups of large boroughs or parishes.

7509. You are thinking of large groups?—Yes.

7510. Some of which would be predominantly urban and others predominantly rural?—Yes.

7511. As regards the constitution of these societies, would they be societies in the sense of being associations of insured persons?—No, not as I ultimately see them.

7512. Ultimately or proximately, what is your first idea before you get into your larger scheme?—That is where I am in such a difficulty, because I see the complete thing and if you ask me to describe an intermediate stage I am in a difficulty. My complete thing is a local authority of the type of the Board of Guardians. It will supersede the Board of Guardians and half a dozen other bodies as well.

7513. It will be an elected local authority?—Yes.

7514. Where the electorate would be different from the body of beneficiaries?—To some extent, yes.

7515. Substantially different, I suppose?—Different substantially, it may be, from beneficiaries, but not substantially different from contributors, because the majority of the electors would be contributors either as employers or as employed.

7516. But there is all the difference in the world, is there not, between a society which is an association of beneficiaries and an elected authority constituted on a local government franchise?—Yes.

7517. You told me quite clearly that you have reasoned this thing out in terms of an elected authority, or a committee of an elected authority?—Yes.

7518. If we might look for a moment at the half-way house—the territorial society—do you think such a thing would work?—I do.

7519. With a committee of management elected by the members and controlled, theoretically at any rate, by the members?—Yes.

7520. Do not you think you have perhaps understated the extent to which in practice differences in financial results would emerge in the course of time as between one such society and another?—I do not think I have committed myself to any degree.

7521. I thought you expressed the view that if suitable areas were chosen the differences would be small by comparison with what they are now?—Yes. That is, of course, an indefinite way of putting it. I do think the differences would be relatively small if the areas were chosen suitably.

7522. That is my difficulty. Would not the differences between Surrey and one of the big industrial towns in the Midlands or the North of England be about as great as any difference we get now?—I do not think it would exceed the limits of the State grant. I am calculating on that degree of difference in any case.

7523. Do you remember a table that was printed in the Government Actuary's Report on Valuation, giving the sickness experience of men classified according to counties?—No, I am afraid I do not.

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7524. In big areas, without the complication of the predominantly urban, city or town areas, there is a range from 70 per cent. actual to expected in a county like Surrey to 109 per cent. in Northumberland and Durham?—Is that sickness alone?

7525. Yes.—Could you combine that with maternity and see what effect that has on your figures?

7526. It would make it worse, I would, say. Northumberland and Durham would be the sort of place where you would expect a heavy maternity experience.—How many counties fall within the big bulk round about the average? How many "Surreys" are there and how many "Northumberlands"?

7527. It is on page 31 of the Report. You will see they are pretty well spread out (*copy of Report handed to Witness*).—I think the great bulk of them fall between 70 and 90; in fact, the vast bulk fall between 72 and 89. I see this refers to men. What about women? I do not think there will be the same discrepancy with regard to women, will there? Can you refer me to women?

7528. I do not think there is a table for women. I do not want to dwell on it, but there is a wide range of variation?—I think, averaging men's and women's sickness together, the range will not exceed the proportion of the State grant; at any rate, if so, it would be in very few cases. You will always have your "Poplars" and "West Hams" in any local system. You will always have to make special provision for those special cases.

7529. I thought at first, when you were developing your argument, that you contemplated that each area should be a self-contained financial unit?—Yes.

7530. Then you spoke of some measure of pooling and I am not quite clear where you finished. Do you contemplate in effect complete uniformity, or do you contemplate local differences?—I think there might be a certain degree of local difference, in the way of choice of benefits, for instance. One society might prefer to give one type of benefit rather than another. One district might prefer to give heavier maternity benefit and another district might prefer to give heavier sickness benefit. Subject to that, I would arrange the degree of pooling according to the financial resources of each society in the direction of the benefits being uniform.

7531. The financial resources would be uniform though the benefits might vary?—Yes.

7532. Would uniformity of financial resources between area and area be, in your view, essential to the working of such a scheme as you contemplate?—No, not necessarily.

7533. Under that scheme the insured person would have no option as to the society or body through which he received his benefits?—That is so.

7534. He would pay the same contribution compulsorily?—Yes.

7535. Is it conceivable under such a system that you should have a variation in the types of benefit?—No, I do not think it is desirable, and that is why I suggest the benefits should be uniform unless by a definite vote, shall I say, of the district, some alternative benefit was chosen.

7536. But apart from the question of variation in the nature of the benefit, so far as the resources available to provide benefits are concerned, I asked you if you thought uniformity was an essential feature?—I think it would be desirable, but I do not think it would necessarily upset the scheme if it were not so.

7537. That was the point of my subsequent question. Is it conceivable, I say, under a scheme by which every insured person is compelled to pay at a uniform rate and has no option in regard to the society or body through which he receives his benefits, that there should be a variation of benefits depending upon the experience as disclosed by a valuation of the particular locality in which he happens to be?—I think it is quite conceivable. It is what you have to-day, in effect.

7538. No, you have not got that to-day, because you have the element of choice.—Not in reality; not in substance. Take two societies now, one paying greater benefits than the other. You can say it is quite possible for the man in the worse society to transfer to the other society; but if he does he loses his rights to additional benefits for nearly six years.

7539. That was not the position at the beginning. He chose then in what society he would be insured.—At the beginning; and it would be just the same under this other system.

7540. No, because he would not be able to choose?—But it would be perfect equality.

7541. Yes; the inequality results on valuation.—I contemplate that inequalities resulting would be a very unlikely possibility. I say it would be quite possible to have those inequalities coupled with compulsion, because to-day you have those inequalities coupled with virtual compulsion, though not legal compulsion. The insured person is already under the same disadvantages as he would be under the unlikely possibility you are putting.

7542. Why do you think it unlikely?—You have put before me some figures which I have not seen before, and it is possible that there may be some difference between Lanarkshire and Surrey.

7543. Merely because the State grant would not provide sufficient margin?—Yes. I must ask the Commission to remember that such defects as may show themselves in considering my "halfway house" will disappear in considering the final goal.

7544. Of course, the inequalities might tend in the same direction in the different forms of insurance, might they not? They might be cumulative; but that does not matter. The point of my question is: Do you or do you not regard it as defensible, under a national scheme of insurance organised on a territorial basis where the insured persons, as such, have no control, theoretical or actual, over the administration of the affairs of the units to which they belong and have no option as to the units to which they shall belong, to have different scales of benefit?—I think it might be defensible in the unlikely event of it ever happening.

7545. If it did happen, do you think it would survive criticism?—Yes.

7546. How could it be defended in your view?—In exactly the same way as you defend the present system.

7547. Not exactly in the same way, because all sorts of arguments are used now which would not in that case be available?—You would use the same arguments that had been brought before this Commission; that is to say, every person is receiving the same benefit.

7548. Is that argument used?—I understood it had been used from my study of the evidence given before the Commission.

7549. Is it a true argument?—Actuarially I should imagine so.

7550. Surely not. Surely there is no application to the individual at all; it applies to the body?—Yes, to the actuarial average member; that is what I said.

7551. Surely when you are considering a national scheme, it does make all the difference in the world whether you allow some element of choice to the beneficiaries or whether you determine for them where they are to go and with whom they shall be grouped. Surely you do not dispose of it by saying that that is merely a paper argument. It does in essence surely affect the position?—I do not think that it would very much; but remember the whole of this is, as I keep trying to say, to my mind such an unlikely contingency as not to be worth discussion, because if the worst came to the worst, if you are pooling the State grant, if any area became a "Poplar" or a "West Ham," it would merely be a question of a loan, just as a loan is now made to make good deficiencies in the Poor Rate.

7552. I do not agree with your statement that the contingency is so unlikely as not to be worth discussing, because if a scheme were formulated on these

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lines it would have to be complete and the contingency of differences arising on valuation, which you regard as extremely remote, would have to be provided for in the statute?—Differences in excess of the State grant.

7553. Do you propose that there should be a quite automatic adjustment of the State grant with a view to securing uniformity?—Yes. Then, further, if there was any reason to fear any further inequalities it might be necessary to set up some additional equalisation fund.

7554. You really do not contemplate as a practical matter inequalities as between area and area?—No, not as a practical matter, though, as I say, should they arise they can be dealt with without upsetting the scheme. But I do not contemplate their arising, because of the automatic action of the financial structure.

7555. Do you contemplate periodical valuations?—Yes.

7556. For what purpose?—For the purpose of deciding whether the fund is solvent, whether the assets exceed or are less than the liabilities, to determine whether the contributions are adequate, and to determine whether the State grant is adequate, and so forth.

7557. Do you contemplate valuing your areas separately?—Yes, as Approved Societies are now valued.

7558. Would there be any need for that?—No, perhaps there would not. I am afraid I have not thought that out. Probably there would be no need for separate valuation by areas. However, that is a point to which I confess I have not given attention.

7559. Then as regards administration, assuming that the administration in the area was entrusted to a local authority, as we understand a local authority—a committee of a local authority—do you contemplate that any part of the funds to be administered in the area should be derived from the rates?—There we have the two schemes again.

7560. I have gone to your fuller scheme. I am looking at the health insurance aspect of your fuller scheme.—Under the fuller scheme, yes. Part of what we have been discussing under the head of "State grants" would be a local grant from local rates.

7561. You accept the principle, which as far as I know has been universally applied in this country, that administrative responsibility should be linked up in some way with financial responsibility?—Yes.

7562. To go back to the question of areas for a moment, have you thought of the position of London?—No. In my book I have expressly reserved London.

7563. And you have not thought about it since?—I have thought about it very much since, but I have no definite detailed scheme which would apply to London.

7564. The territorial organisation of London opens up very many difficult considerations, does it not?—Yes, it does. Without wanting to render myself liable to cross-examination upon it, I would suggest that in London, at any rate, the possibility of local occupational societies is quite open. You might, for instance, have a London Clerks' Society, and you would also have the Metropolitan Borough as an available unit if you decided to follow the provincial precedent to the same degree in London.

7565. Then, of course, the problem of transfers would be enormously complicated?—It would probably be a more difficult one in London.

7566. Do you think that occupational units are really consistent with any conception of a territorial organisation?—No, as a general rule, I do not.

7567. (Sir Alfred Watson): I gather from your very interesting suggestions that you would have practically a uniform rate of benefit over the whole country, the uniformity being secured by treating the State grant as a lump sum available to be poured

into where it was wanted to maintain the benefits?—Yes.

7568. Take two contiguous areas, which I suppose under your scheme would have different territorial organisations, namely, the North Riding of Yorkshire and the County of Durham. In the North Riding there is a sickness experience of men, and let us say of women, too, just for argument, of 77 per cent. of the standard, and in Durham, taken with Northumberland, it is 109 per cent. of the standard. Does not that mean, broadly, that the North Riding's share of the State grant would be given to Durham?—In the first place you have lumped Northumberland and Durham together, have you not?

7569. I have. Let us assume that there is no real difference between them. If there is a difference, I think perhaps Northumberland is lighter than Durham.—Then that would mean that Durham was getting a larger share of the State grant than the North Riding.

7570. It might be that Durham was getting a much larger share of the State grant than the normal, and the North Riding was getting nothing because the contributions in the North Riding were sufficient to support the benefits?—Yes.

7571. Do you think a position of that kind is practicable?—Have not you got that to-day? The Durham and Northumberland Miners' Societies are paying out more in benefit.

7572. But they are not getting more State grant?—The State grant is paid on everything that is paid out, so that a society in Northumberland and Durham is getting more from the State than a society in the North Riding.

7573. Surely additional benefits are paid by a society which saves on the normal benefits?—The additional benefits are not always paid out.

7574. They are in principle?—They are in theory.

7575. Why in theory?—Take the case of my own Society. Five years are nearly up and we have not expended 30 per cent. of the money we have allowed for additional benefits.

7576. And your expectation is now that you will presently have a very large extension of your scheme of additional benefits?—Yes, in the future; but for the last ten years it has not been so.

7577. However, you ask us to advise a departure from the present system, and to contemplate a new scheme under which Parliament says: "We will give a State grant—let us say two-ninths of all the benefits expended—but if in a particular area there has been a low rate of experience so that the contributions alone will support the claims, the State grant should be withheld from that district and given to some other district." Do you think a system of that kind could possibly survive?—I think a system of that kind is magnificent. Surely that is exactly what is wanted for the prevention and cure of illness.

7578. You have been a Parliamentary candidate, have you not?—Yes.

7579. Suppose you are a Parliamentary candidate for a division which has had no State grant in the last five years. Do not you think that you would be very strongly pressed to pledge yourself that when you got into the House you would use every means in your power to see that the district got that grant?—Not the least in the world. I think the district would consider itself as fortunate because its sickness rate was so light.

7580. I think you said that you would make the benefits of National Health Insurance sufficiently high to be adequate, and that you would consequently make the Friendly Society benefit unnecessary?—Yes.

7581. What would happen to the existing Friendly Societies under that plan?—The existing Friendly Societies are still carrying on the same business that they did when they were formed 50, 60 or 70 years ago. The needs of the world have changed so greatly in that time that it seems to me that the present work of Friendly Societies is obsolescent, as regards

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sickness benefit at any rate. They for many years have been leading the way; they have been far in advance of the rest of the community, but since 1911 the State has caught them up, and the weekly allowance for illness, which they were at one time the only people to provide, the State is now providing. That being so, the old work of Friendly Societies seems to me to be done, and it is not for them now to try and stand in the way and say: "This is our sphere, and nothing else must be done in this sphere." I think it is for the Friendly Society vanguard, having been caught up by the main army now, to move on into other spheres.

7582. In other words, you would supersede their present sickness benefits and tell them that if they want to go on getting their contributions they had better apply their activities to some other branches of public utility?—I would suggest that to them. There would be no question of compulsory winding-up by statute.

7583. It would be gentle pressure. You would put State contributions, compulsorily exacted, so high that the Friendly Society member would be no longer able to pay his lodge contribution?—I would prefer to put it that I would make it unnecessary for any person to pay a society for the benefit which he would get under a national scheme.

7584. And also make it impossible to find the money?—I would not say that.

7585. Does not your scheme for increasing benefits involve increasing the contributions?—Certainly.

7586. Then it does come to that?—No, because the contribution does not absorb the whole of the man's income.

7587. He has other things to do with his income than to provide himself with Health Insurance?—Yes, and some of those he might do through his Friendly Society in future—housing, for example.

7588. At any rate, his contribution to the Friendly Society for the present purpose would go?—Yes.

7589. Would you continue to require half the contribution to be paid by the employer?—Yes.

7590. And would you agree that so far as production is for internal consumption the community really pays the employer's contribution?—Yes.

7591. Does it not mean then that you would use this instrument of indirect taxation to throw upon the community the cost of destroying the personal thrift that is at present exercised by members of the Friendly Societies?—Not the least in the world. That might seem the effect of it; but I think it is a very unfair way to state the case.

7592. If you agree that that is the effect of it, I think you have conceded the point I put to you?—My point is that it would be putting upon the funds of the State the entire cost of preventing and curing sickness. If as the result of the prevention and cure of sickness you necessarily wind up any other activities, I think that is a cause for national rejoicing rather than sorrow.

7593. Of course, the payment of sickness benefit is neither for the prevention nor for the cure of sickness; it is the maintenance of the sick person and his family during the period of his enforced absence from work?—Which is a very necessary feature of the cure.

7594. It is there all the time while the cure is proceeding. It may indeed be a part of the cure, but it is not directly part of the cure.—I differ. I think it is very directly a part of the cure.

7595. I see you are an advocate of rest and leisure rather than of the intensive application of medicines?—I would rather give proper feeding in sickness.

7596. (Miss Tuckwell): What do you feel is the influence of a private side which is objectionable in a Friendly Society? Would you expand that a little?—I think it is objectionable in that it necessarily leads the Friendly Societies themselves to look at a thing like National Insurance, not from the point of view of its effect upon the community and the insured persons, but from the point of view

of its effect upon themselves and their funds and their future. So that, for example, you find to-day the Friendly Societies practically unanimous, not only against any extension of the present sickness benefit, but in favour of a reduction of the present sickness benefit. I think you have already had a case put before you that additional benefits should not be given in cash but in kind. That is the argument of the Friendly Societies, because every increase in sickness benefit tends to diminish the corresponding amount of their own business.

7597. I think they have been most honest in admitting that any raising of National Health benefits would be detrimental to their interests. That is what you mean by this being an old-fashioned influence?—Yes.

7598. You said, I think, that you were in favour of increasing contributions; is that so?—That is not part of my proposals with regard to these localised societies. That was put to me in a question as to whether I should be in favour of extra sickness benefit and therefore of extra contributions; but that is not part of my proposal for local societies.

7599. In view of the fact that the present Health Insurance and Unemployment Insurance contributions are about 2s. a week for women and 2s. 6d. for men, do not you see a danger in increasing the contributions, which might have the effect of injuring the members' health?—Then I would increase the State grant.

7600. You would prefer that way?—I regard the State grant as the proper form of contribution.

7601. When you said that the choice of a society at present did not exist, what were you thinking of? Were you only thinking of the disadvantage of sacrificing additional benefits?—Yes. That, of course, is an overwhelming thing. You cannot go to a person to-day and say: "Transfer to my society; it is the best," and he says, "Right, I will," when you know that that man is going to lose his additional benefits for the next five years.

7602. It really means that it is a theoretical advantage which does not exist in fact?—Yes.

7603. In paragraph 15 you allude to the Friendly Societies and the interest which is taken or not taken by their members. You say that even in Friendly Societies and Trade Unions the members take very little interest in Health Insurance?—Yes.

7604. Do you think there is any real incentive to conserve the funds of the society?—Not upon the members themselves, because the members themselves have nothing to do with the administration of societies to-day.

7605. There is no incentive on the part of insured persons generally?—Not from the point of view of administration.

7606. Do you consider that the system of segregating insured persons would result in heavier claims being made on the fund?—I do not think it would have any effect on it one way or the other.

7607. You were asked several questions about the difficulty of removals. Suppose the system included a national valuation or national equalisation as part of the scheme, that difficulty would pass away, would it not?—Yes, I suppose it would.

7608. With regard to your occupational societies, I want to put again that surely these occupational societies would produce exactly the same inequalities which exist to-day with, say, domestic servants and miners, and so on?—No, because you would make them pay for the advantage of their segregation. Suppose the domestic servants wanted to withdraw themselves from the usual run of women, you would say: "Very good; you may pool your own contributions because you are such good lives, but you are not going to pool the State grant among you." I think there is a good case for saying that they must not even pool the employers' share of the contributions among them. The State grant and the employers' contributions ought to be on a national basis. They are both fixed for the benefit of the people as a whole, and the only possible segregation claim can, I think,



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be to the individual person's own contribution. No segregation advantage should be granted beyond what they derive from their own share of the contribution. Let me make it clear that I have no use for occupational societies. I do not want them the least bit in the world. I simply say that if there is any demand—I do not know that there is nowadays—for insurance by industry on the ground that it leads to industrial peace for employers and employed to meet together and manage their own concerns, then it is possible to do it in this way though I do not advocate it myself.

7609. (*Mr. Evans*): You have told us that your scheme is really a big comprehensive scheme. It is an all-in insurance, is it not?—Yes.

7610. And Health Insurance would be merely a part of that?—Yes.

7611. You think there might be some difficulty in fitting in things here and there and you might concede something when you think it would fit into this big scheme of yours?—I think so.

7612. A question has been put regarding the transfer of members. Do you really think that is a difficulty? Suppose you had a territorial scheme and a member went across the border, there would not be very much difficulty in that, would there?—I do not think there would be any difficulty at all.

7613. Would there be any greater difficulty than there is now with the Parliamentary franchise? If a man moves from one Parliamentary area to another, there is no difficulty at all in getting his name placed on the register of the new area. Would there be any more difficulty in this case?—I do not think the difficulties of transfer would be as great as under the present system.

7614. With regard to Friendly Societies, you told us that Friendly Societies have played a very big part in the past and they have filled a very important niche in our civilisation?—Yes.

7615. But you also suggest that they may have played their part?—I suggest that the value of their activities is now ceasing to lie in those particular subjects.

7616. And that inevitably that work will be taken away from them and done by some other agencies?—I think it is inevitable, and I think also that it is very desirable that the fine Friendly Society spirit should continue, but in some other sphere of activity.

7617. Can you tell us whether membership of Friendly Societies has kept pace with, say, the increase in population, or whether it has declined since the introduction of the Insurance Acts?—I am afraid I have not got the figures in my head.

7618. What about the big industrial areas where State insurance plays a big part? Has the Friendly Society's side kept pace or has there been a decline? I think there has been a decline.—I think you are right, but I must not hold myself out as an authority.

7619. Sir John Anderson rather emphasised the point that an insured person could choose his own society when the Act came into force?—Yes.

7620. But it is a fact that everything was more or less in a state of chaos and that usually the insured person knew nothing about it and he simply fell a victim to the first agent who came along?—Yes.

7621. So that there was not much choice?—That is so.

7622. And having become a member of that society he is tied to it now?—Yes.

7623. (*Mr. Jones*): With regard to these local administrative units which you propose, would it be correct to describe them as something in anticipation of the machinery intended ultimately to be set up by the Maclean Report. You remember that Committee, do you not?—Yes.

7624. That is what you have in view in suggesting this territorial committee?—I think that is a fair statement.

7625. Its ultimate method of election is a matter for consideration perhaps when its duties are determined?—Undoubtedly.

7626. They might be altered from time to time?—Yes.

7627. I think at the moment the main advantages of the present Approved Societies have been described by witnesses as free choice of membership and democratic government?—Yes.

7628. And that the reward of good government is to be found in additional benefits. Can you recall how many persons were insured by the several Friendly Societies in 1911 prior to the Insurance Act? Was it something like six millions?—I fancy that was about the figure.

7629. Under National Insurance, in addition to those, about nine or ten millions more were added?—Eight millions.

7630. Most of those new members found themselves in newly-created Approved Societies?—Yes.

7631. In regard to the latter class of society, is it your opinion that they are under democratic government?—Absolutely not.

7632. Is the sole interest of the members in the question of the payment of benefits?—Yes.

7633. They have little or no interest in the management of the society?—None whatever.

7634. One could not say the fraternal spirit is strong amongst that huge number of people, if it exists at all?—That is so.

7635. So the transfer from these particular bodies to some other form of administration would not be likely to tend to create any great upheaval at all?—No.

7636. They would accept the new machine just as readily as they accepted the present machine?—Provided they draw benefits when necessary, I do not think they have any interest at all as to what the type of machine is.

7637. Circumstances are different in connection with Friendly Societies?—Yes.

7638. But even if the machine for National Insurance were amended, they would have their courts and lodges in which they could carry on their fraternal work?—I hope so.

7639. They might expand it a great deal?—Yes.

7640. You suggested this morning that probably 20 per cent. of national insured persons were doubly insured?—Yes, that was a rough figure.

7641. Do you think that a transfer to a territorial organisation is less likely to lead to duplication of insurance than at the present time?—Yes.

7642. Supposing National Insurance is placed on a territorial basis, is it less likely to induce more double insurance than exists at present, assuming similar rates of benefit?—I think it would be less likely to lead to that than any other society system of which you can think.

7643. It would not in your opinion lead to an increase?—No.

7644. The suggestion of increase of double insurance and its alleged consequences is probably considerably exaggerated?—I think so.

7645. It has been put before us that competition between societies is healthy. You do not agree with that?—No.

7646. You have only found it costly?—Yes.

7647. If you substituted territorial areas for the present administrative units, what number of units would you expect to have?—A matter of hundreds, 200 or 300.

7648. Approximately the same number as Insurance Committee areas?—Yes.

7649. Do you know how many of those there are in England?—I have forgotten the exact number.

7650. 100 or 200?—That is so.

7651. You drew attention this morning to the freedom with which certain previous witnesses had said that they opposed any reconstruction of Approved Societies on purely selfish grounds, i.e., that it might affect recruitment on the private side?—Yes.

7652. You regard that as one of the root objections of the societies to any change?—There are two objections. One is the personal objection of the Approved Society official, the natural fear of losing

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his livelihood, and the other is the objection of the vested interests of the society to having their preserves encroached upon.

7653. It is an objection analogous, one might say, to that under which they object to increase of benefits?—Yes.

7654. Because it might tend to a diminution of double insurance?—Yes.

7655. Besides the reduction of numbers referred to, what other administrative advantages do you think would follow from a territorial scheme of administration?—Far and away the greatest advantage is the possibility of co-ordination with other forms of insurance. That is the overwhelming advantage, to my mind. No other system lends itself so readily to combination with other forms of insurance. But apart from that, I think, it would have many direct administrative advantages of its own, such as the speeding up of verification of claims for benefits which could be done more quickly if the records of all the members are kept in one area; there would be no question of referring to the head office in London; and the possibilities of investigating claims by sickness visitation would be very much greater. At present a society such as my own, which has members scattered all over the country, has literally no means of visiting sickness benefit claimants in the country, whereas if members such as those were combined in a territorial society, it would be possible to supervise the claims and see that the members got their benefits promptly.

7656. You would have a concrete local organisation capable of giving local supervision in every respect?—Yes.

7657. You would also effect economy centrally. It would make a material difference in central administration if you only had to deal with 150 points compared with 8,400 at the moment?—That would be a great advantage.

7658. Along with the major object which we have in view, do you think the economy that might follow from this reorganisation would be a justification for its introduction? Do you think the reorganisation is likely to be followed by considerable economies in administration?—I do.

7659. We could at least get rid of advertisements?—Yes, and many other items as well.

7660. Do you think your local health organisation could become a useful adjunct of the health administration? I do not want to go into your suggested ideas as to health which come up later.—I think its value with regard to things like excessive sickness under section 63 of the old Act would be most important.

7661. It would be possible to get, in a way that we have not now, some idea of the incidence of general sickness territorially?—Yes, and the influence of local conditions.

7662. That would be a valuable result?—Tremendously valuable.

7663. I am not very clear in my mind as to your scheme of equalisation. Would the whole object not be met, segregation avoided, and the difficulty of transfers avoided, by the creation of national pools, one for England and one for Scotland? What would be the defect in that? Do you see any?—No, I personally do not see any particular defect in that. I think defects have been urged, but, as I think I said this morning, bearing in mind the fact that the employer's share of the contribution, and the State's share of the contribution, should, in any respect, be on a national basis, and that those two contributions together account for the greater part of the total contribution, I think there should be no objection at all to a national pool in respect of those contributions.

7664. But you would meet inequalities in charges in various areas by unequal distribution of the Government contribution?—That first.

7665. Would it not be simpler if we had one pool for England and one for Scotland?—Yes; it would be simpler, undoubtedly. I have not very strong

opinions as to the relative merits of the two. I may mention that I gave the system that appealed to me, but I should not be prepared to argue a case strongly against any alternative system, such as the one just suggested.

7666. It would make simpler the question of transfers?—Yes.

7667. In fact they would become as simple as the transfers of medical benefit?—Yes.

7668. The man's whole record would be transferred on production of his voucher?—Yes.

7669. Just as he presents his medical card?—Yes.

7670. And the allocation of funds might be arrived at as the allocation of funds for medical benefit is arrived at?—Yes.

7671. There may be other complications, but some simple machinery for transfers might be evolved in that way?—Yes. You must understand that I am accepting all these points without full consideration. My consideration up to now has been devoted to the particular suggestions which I made. I agree to all these suggestions with just this reservation, that I have not had time to think them out in detail. I can see no obvious reason for disagreeing with the questions asked me. It seems to me it is only a slightly different way of putting my point of view.

7672. I am not seeking to criticise the suggestions you have put forward. What I wish to ascertain is, if those were put forward as alternatives, would you regard them as substitutions?—My only scheme is a definite scheme of equalisation.

7673. Do you view with any apprehension the suggestions which have been put forward here by various people, that spending from a central pool of this description, however it may be arrived at, is likely to be attended with risk of extravagance?—I think it would be attended with risk of extravagance on the Approved Society system as at present constituted; but I do not think there would be the corresponding disadvantages in the case of territorial societies of the kind we are envisaging.

7674. Can you suggest any system of control? Assume that certain districts did become extravagant, does any method of control arise readily to your mind?—Yes, the type of control now exercised over municipal authorities.

7675. We would have it definitely in the local returns of health?—Yes.

7676. Those would serve a dual purpose. They would serve most valuable health purposes, and they would serve equally as an indication of the amount of money spent in any one area?—Yes, as a means of financial control.

7677. Do you recognise that this scheme does not deal with expulsion?—Yes.

7678. How would you propose to meet the case of a member who might be regarded as a danger to his colleagues?—Such a member must be dealt with by various pains and penalties.

7679. You think such a case would be met by a suitable system of penalties?—Certainly.

7680. (*Miss Tuckwell*): Would not you absorb a good many of the best men into the new system of territorial societies, supposing it were adopted? We have had it put to us that there would be a great deal of discontent owing to people losing their jobs?—You mean officials?

7681. Yes, of whom there is a great army.—I think you would necessarily require most of them in the administration of the new societies. I think all the best officials would be required.

7682. (*Prof. Gray*): You told us, no doubt rightly, that at the outset when this thing was begun the Government had to use the Friendly Societies and the Trade Unions because they were there, and it was the only way of covering the ground?—Yes.

7683. In view of your general criticism made this morning, do you think the societies have or have not done the job as well as could be expected?—I think they have done the job amazingly well.

7684. That is doubtless because it has been done by people interested in the matter?—I should not go

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quite as far as that. I think it is due to many causes, not by any means the least of which is the very tactful, careful and effective supervision by the Department.

7685. You mentioned incentives to good management. What do you regard as good management? What do you regard as efficient supervision of sickness claims by societies?—It is difficult to summarise: first of all, efficient office arrangements and efficient administrative arrangements; secondly, the effective use of sickness visitors, and the appropriate employment of medical officers.

7686. You would not suggest that efficiency is another word for strictness?—I would not suggest that, but a great many people hold that view.

7687. There is room for economy which is not harshness?—Yes.

7688. Referring to these local societies, you mention incentive to good management. I am not very clear which of three things is involved in local societies. I think throughout you have rather put the idea of local societies pure and simple, like an existing society left to be run on its own with such additional benefits as might be given. You do not want an Approved Society for Birmingham run on its own with additional benefits for Birmingham?—I want local societies to be governed by a measure of equalisation, leaving a certain amount of autonomy as to possible variations in benefits.

7689. The next main thing you suggested was that the Act should be administered by a kind of local authority appointed by the franchise. That would not be a society, would it?—No.

7690. That would be run like the Education Act, or something of that sort?—Yes.

7691. Under that, especially with your scheme for equalisation, where would the stimulus come in? You mentioned stimulus to good government. Can you tell us what civic patriotism is? How does that apply to this case?—Civic patriotism consists of the spirit which I am anxious to enlist in these societies, the kind of spirit that animated Birmingham in becoming one of the finest cities of the Empire. In Birmingham civic patriotism has been carried to an extreme degree. Birmingham is proud of more municipal enterprise than any other town of its kind in England. That spirit can be carried out through insurance societies.

7692. Do you think that spirit can be invoked readily with regard to the administration of the Act?—I think it might be just as readily as the Friendly Society spirit, and even more so.

7693. The Friendly Society spirit was linked up with a body which had funds of its own. Here you have to develop a kind of spirit. How would it show itself? Take two towns both administering the Health Insurance Act under local authorities, how would they in fact show their civic patriotism? Would the one that spent most money show greater patriotism or less?—I do not think the actual spending is the criterion, but the way in which it is spent—the extra payments under section 21 and similar kinds. Furthermore, the whole of your members being concentrated on the spot they would have the administration of the society right under their eye, and would be quick to realise any defects in administration.

7694. There is one point Miss Tuckwell touched upon, the absorption of the existing staff. Would no difficulty arise there?—A certain amount.

7695. One does not want to turn adrift people who have had employment under the Act?—Undoubtedly, it would be necessary to carry out the usual principle of alternative occupation or compensation of some kind.

7696. As this would be taken over by the State, the local authority would not be very much an integral part of the scheme?—I rather object to the word "State," because it frightens people.

7697. Let us take another word?—Municipality.

7698. The Central Government?—It is not taken over by the Central Government, is it?

7699. If you equalise to the extent you suggest, so that the same benefit is got, it does become a thing which transcends a municipality. It becomes a matter for the Central Government. I put it to you that on your scheme you would almost inevitably find yourself pushed to something much more run from Whitehall than from a local town hall?—I do not agree. In the final thing, as I envisage it, I would indicate the national minimum rate of contribution and benefits, but empower the municipal authority to increase both its contributions and benefits if desired.

7700. You think that Birmingham might screw up the contributions and give additional benefits?—If it so desired.

7701. That might have an attraction for people to come to Birmingham?—It might. "High rates and a healthy city" was always the cry of Birmingham.

7702. On the question of staff a point has troubled me. If these local societies are effective, you would have, would you not, to take all the people who are working the Act now, and distribute them over the country?—Yes.

7703. You would have centres of administration in the county town of Surrey, and of Sussex, and so on. Each county town would be a centre of administration. You would have to have the people with the skill and knowledge; you could not make a violent break?—That is so.

7704. You would have to take the people with skill and knowledge and move them about the country?—To a certain extent.

7705. Would not that be a rather difficult matter. At present the great bulk of expert knowledge on these matters is concentrated in Manchester and London?—No, I do not agree.

7706. A large proportion of it is?—A certain proportion is.

7707. Is not Manchester the headquarters of a great deal of this?—Probably you would find many Approved Societies very annoyed if you suggested that.

7708. A considerable proportion of it is?—Yes.

7709. You would take those people from Manchester and put them in Caithness or Argyll?—Why go as far as that? I would exchange my job in London for one in Brighton.

7710. We cannot all go to Brighton?—There are many similar cases.

7711. You speak about the small societies, and the difficulty that arises from the fact that there are so many small societies. In paragraph 5 you mention 1,000 as being the minimum. Assuming that the scheme remains as at present, and criticising it as it stands, would you apply the same idea of 1,000 to the branches of the Affiliated Orders?—I think so. Without tying myself to the figure of 1,000, I think it most undesirable to carry on with branches of 12 strong and so on.

7712. You realise that those branches are not independent; they are linked together?—Yes.

7713. They are linked together through the Contingencies Fund?—Yes.

7714. So there is a kind of reinsurance amongst branches of Affiliated Orders which makes the smallness of the number not so appalling?—In the case of large Orders I do not think the argument applies quite so strongly.

7715. (Mr. Cook): With regard to territorial societies, the composition of the territorial societies would be on a purely democratic basis?—Yes.

7716. That is to say, just as we in Scotland have a parish council by the vote of the community, your members who would form a territorial society would be appointed in that way?—Yes.

7717. There would be nothing of the principle of representation on that body in proportion to taxation. The employer would not be entitled to representation?—Are you referring to the Health Insurance scheme or the final authority?

7718. To the scheme which you have been putting forward. In each territorial area you would have a body of management?—Yes.

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7719. I think you mentioned that that body would be appointed in much the same way as Boards of Guardians are appointed in England?—Yes. In the case of the Insurance Authority it would be elected in much the same way as the Parish Council.

7720. As far as the average insured person is concerned, I suppose we may assume that his interest will be practically nil unless at election time. He would vote for the man who approximates to his own point of view?—Yes, as they do now with Boards of Guardians.

7721. He would not have the same interest that you might expect the member to have in his Approved Society at the moment?—He could not have less interest than the members of Approved Societies have now.

7722. That is your view?—There may be exceptions.

7723. I know of a large proportion of members who take a very lively interest in the work of the society to which they belong?—Even in that case, is it not because it affects their private branch as well?

7724. Not necessarily. In the case I have in mind they are not necessarily members of the private side. They are members for purely National Health Insurance purposes. They take an interest in all that appertains to the work of the society.—I would quote the Grand Master of the Manchester Unity on that point.

7725. (Sir Andrew Duncan): In paragraph 21 you say that the continued existence of Insurance Committees with their present limitations is, apart from the work of the Medical Service Sub-Committees, a pure farce. I see that you have had experience as clerk to one Insurance Committee, and have been a member of two other committees. Did you find that those committees served no useful purpose except in connection with the hearing of complaints?—The only real work that I have known them to do in the last good many years has been the preparation of evidence for this Commission.

7726. Assuming that the Insurance Committees are continued in their present form, you suggest that those benefits which are in the nature of medical benefits should be administered by them? You see no difficulty, do you, in the Insurance Committees administering, say, dental benefit, ophthalmic benefit and the like, on much the same lines as they at present administer medical benefit?—I see no difficulty whatever in it, except that, as I think I pointed out this morning, you would be taking from one authority and giving it to another. It is easy for Insurance Committees to do it; but it would upset, to a very great extent, the machinery of Approved Societies.

7727. In paragraph 24 you suggest that if the wider reform which you propose is not carried into effect, dentistry should take its place as a universal benefit. Have you made any estimate of the cost of this benefit, either as a full service or as a partial service?—Yes. I estimate that the total cost of a 100 per cent. service of dentistry would be between 5s. and 5s. 6d. per member per annum, on the assumption that you had a qualifying waiting period of 26 weeks and 26 weekly contributions. Those figures are based on an analysis of 10 years' results of my own Society.

7728. In paragraph 25 and following you draw attention to the very wide differences in the scope of the additional treatment benefits as at present administered. Have you reason to believe that this has caused substantial dissatisfaction amongst society members?—Yes, it is causing very great dissatisfaction, and will cause a great deal more as far as I can see.

7729. Have you had actual experience of this within your own Society?—Not from our own members, because we give every additional benefit that it is possible to give; but in correspondence from persons applying for membership that is frequently given as a reason.

7730. Might it not be argued that these differences are simply another result of segregation, and, therefore, a justifiable advantage to the good lives who

have paid the flat rate of contribution?—That we have already dealt with. It is undoubtedly the result of segregation; but I think it is wrong, because I do not think the State grant or the employers' contribution should be allowed to be segregated.

7731. In paragraph 28 you say that the dental service administered by your Society has steadily deteriorated in the last few years. Would you amplify a little the causes of this? Does it, in your opinion, result from the utilisation of the services of dentists who first obtained recognition under the 1921 Dentists Act?—I think the cause is due to our having abandoned the L.D.S. and substituted therefor free choice among all the dentists on the register.

7732. Do you consider that this might be a phase which time will rectify, or is it inherent in the method of administration or in the nature of the qualifications recognised under that Act?—In the main the drawback is inherent in the present method of administration, because we have no control in any way over the manner in which the service is carried out. I think the drawback will persist until there are agreed terms of service and remuneration and appeal tribunals.

7733. I observe from paragraph 30 that you consider that the provisions of section 26 of the Act should be retained on the ground that some latitude for dealing rapidly with the difficult and exceptional cases is always desirable in a strictly regulated State system. You suggest that the financial criticisms might be met by making payments subject to the approval of the Ministry. Do you mean specific approval of each individual payment; or that after each valuation the Ministry should sanction the expenditure of a suitable sum during the next five years for these purposes?—I must not be taken as asking for any amendment of the section; but I suggest that an amendment which would not be unacceptable would be to require the Approved Society to submit any proposed donations in excess of, say, 6d. per member in any one year to the Ministry of Health for approval, the Ministry to have the right of rejection or reduction in any case where it had ground for believing that the proposed payment was likely to prejudice the solvency of the society's benefit funds, or to be used in a way contrary to the spirit of the Act, or to be administered by a body which declined to allow access to its balance sheet or accounts by the Treasury Auditor.

7734. (Sir Alfred Watson): In paragraph 29 you deal with the question of members being entitled to additional benefits. Have you anything to say with regard to the loss of the right to additional benefits over a period of five years on a person transferring from one society to another?—I think that is most undesirable. It may be, and doubtless is, actuarially or financially justifiable; but in the interests of the prevention of sickness I think it most undesirable to withhold for so long a time benefits which are mainly of a preventive character.

7735. In the case of a transfer from one society to another, I do not know that it is either actuarially or financially necessary. Was not the present provision introduced by the Act of 1918 purely on administrative grounds?—I was not here in 1918, so I do not know the grounds; but I think it is a mistaken provision.

7736. It was said Approved Societies might have different scales and different kinds of additional benefits. The argument was that a person going from one society to another, if he took with him his right to additional benefit in his own society, would impose upon the new society an obligation to administer something to him which it was not administering to its members generally; and that in the course of time, as a large number of persons transferred, that society would find itself in an almost impossible position in having to administer a wide variety of additional benefits to members. It has always seemed to me that societies have it in their own hands to avoid that kind of complication by refusing to accept persons as members who are entitled to additional

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benefits different from those which the new society was itself paying. Do you yourself see any objection to a member carrying with him the right to have the additional benefits of his old society after he has joined his new society, providing he takes with him the necessary transfer value?—No, I see no objection at all.

7737. As a matter of administration, could you as a society administrator handle the payment of, it may be, half a dozen different kinds or scales of additional benefits to members, the difference arising from transfers?—Yes, but I think even the necessity for that could be overcome.

7738. You could do it?—Yes. After all there are not so many kinds of additional benefits. Cash benefit is quite an easy matter. One pays half-a-dozen different rates now because of the number of arrears or new entrants. With arrears or new entrants there are various rates of benefit paid. It is a matter of verifying the status of the individual member.

7739. You pay one rate of cash additional benefit? Your members are entitled to cash additional benefits at a given rate, or not at all?—Yes.

7740. I suppose you have some other members who are also entitled to cash, but to different rates of cash from your standard rates?—I had that, as a matter of fact, for a period of over a year, when we took over the engagements of another society.

7741. That is valuable experience. What happened there?—It was not a great difficulty. We had three different rates of benefit payable in the Society at a given moment, because in one year we took over two different societies paying different rates.

7742. You found no difficulty in administration?—None in particular.

7743. You are of opinion that it would be more satisfactory to allow the member on transfer to carry with him his rights than for him to forfeit them?—Undoubtedly.

7744. (*Sir Arthur Worley*): Do I understand after a period he ceased to have these special benefits and drew benefits from your Society?—Yes, after 12 months. We amended the scheme.

7745. It was only for 12 months or so that this variation troubled you?—That is so.

7746. (*Sir Alfred Watson*): That difference of benefit would extend until after the next valuation?—Yes.

7747. Why did you amend the scheme?—Because it was more convenient. We wanted to give them every kind of benefit to which they were entitled.

7748. You did not amend the scheme because it was such a nuisance that you could not go on?—No. That undoubtedly weighed with us. The fewer rates one has to pay the better; but that grievance in itself was not intolerable, by any means.

7749. (*Mr. Besant*): With regard to paragraph 28, I gather you are in favour of including dentistry as a normal benefit?—Yes.

7750. You gave us the figures in regard to your own Society as being 5s. to 5s. 6d. per member per annum?—Yes.

7751. Is your membership entirely limited to women?—Yes.

7752. In other words, that figure is limited to the dental cost of women alone?—That is so.

7753. Have you any figures, or have you any idea whether dental cost per woman is higher or lower than in the case of a man?—I cannot tell you that; but in the case of our own Society, when this scheme was first talked of in 1914, we made as extensive professional inquiries as we could, and the conclusion we came to was that the state of the mouths of our members was distinctly worse than the average for the whole population, largely due to dietetics. The domestic servant has the habit of drinking cups of tea and eating pieces of bread and butter at odd times. They are subject both to bad teeth and bad digestion. That was definitely the evidence that we went upon in 1914.

7754. On the other hand, I take it your members would have more opportunity of going to the dentist

than the ordinary workman?—Yes; but no more funds.

7755. The facilities would be given to them, would they not? My own way of summing it up would be that women have more chances of having their teeth looked after, especially in the case of domestic servants, than ordinary workmen.—A little, perhaps.

7756. We can imagine that your members would have a certain amount of supervision, shall I say, or perhaps inducement to have their teeth looked after and have their dental bill paid?—That is the prevailing view; but in actual practice less of that goes on than one would think. A certain extent of course goes on. There are employers who provide everything the servant requires; but, averaging it up, that does not prevail to anything like the degree commonly thought.

7757. As far as your knowledge goes, you have no information that would indicate that there is a marked divergence between men and women in the cost of dental benefit?—I do not think there would be very much. I am not prepared to say there is not some. All I can say is, from many years' study and observation, I am convinced that the experience of our Society does not differ from the average very much, if at all, as regards dentistry.

7758. (*Miss Tuckwell*): Does the 5s. to 5s. 6d. include dentures?—Yes. I am glad to be able to amplify that. The part applicable to dentures is 3s. 6d. to 3s. 10d.

7759. Are you satisfied with the dentures provided?—As regards our own central clinic, undoubtedly; as regards our former provincial system, undoubtedly; but I am bound to say there have been more complaints lately. On the whole, though, I must say the dentures are distinctly satisfactory.

7760. (*Mr. Evans*): You referred to the difference in benefits paid and you particularly referred to the additional benefits; and you told us that the next valuation will show that the surpluses are very much bigger than they were in 1918. If the surpluses are very much bigger, then I take it those anomalies will be accentuated?—I think so.

7761. Because the better placed societies will be able to give still greater additional benefits?—Yes.

7762. That, you think, will be rather a bad thing?—I do.

7763. A question was put to you just now by Professor Gray with regard to small societies. You answered, I think, that with regard to small societies the evil is more apparent than real, because they are linked up in one society?—In a large Order, yes.

7764. We have had evidence from one Order, the Foresters, where the branch is the unit. There are differences between branches in some societies. That is a bad thing, and an anomaly which should not exist, in your opinion?—That is so.

7765. With regard to the loss of benefit on transfer, what do you think of that, that a man, simply because he transfers from one society to another, has to remain five years before he is entitled to additional benefits? That is a very unfair thing, is it not?—I think it is very unfair, or rather, shall I say, very unwise.

7766. (*Mr. Jones*): You were Clerk to the Coventry Insurance Committee in 1912?—Yes.

7767. During that period you were in the happy position of having little to do?—I was.

7768. The work came after?—I had to do other things as well.

7769. Do you regard the present method of election of those committees as democratic?—I regard it as perfectly ludicrous.

7770. Do you regard it as representative of the insured person?—Not in the least degree.

7771. When a vacancy arises how is the appointment usually made?—In the office of a large Approved Society, over the telephone or in personal conversation.

7772. The insured persons themselves neither know of the vacancy nor of the appointment?—That is so

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7773. In fact, the whole procedure is the antithesis of popular government?—To such an extent that I have actually in words been offered a bargain for blocks of votes. I myself, without reference to my Committee, and without reference to any Approved Societies, have definitely several times been asked will I give a block of votes to such and such a member, if he undertakes to give a block of votes to somebody I nominate.

7774. The machine is at work all the time?—Yes.

7775. You were a member of the London Insurance Committee for a considerable time?—Yes.

7776. That Committee has the largest responsibility of any in the whole country?—Yes.

7777. Was the work of that Committee of a routine nature?—Yes, overwhelmingly so. Of course, in London obviously problems arise which do not arise elsewhere; but even so the work was of a routine nature.

7778. This feature is even more marked in the Brighton Committee?—Yes.

7779. Would it be fair to say that the only thing that is left to the committee to exercise its discretion about is in the matter of complaints?—Yes.

7780. As a member of the committee, were you ever informed of the health prevailing among the insured persons in your district?—Never.

7781. Had the committee any means of judging the health conditions of the insured persons in your area?—None whatever.

7782. How does that compare with your experience as a member of a Town Council?—It is very different. There, through our Medical Officer of Health and Committee, we are kept in close touch with the conditions affecting the health of the people.

7783. Not only of infectious diseases?—No, of the general health and conditions of the people.

7784. Would it be a proper summary of your view to say that the Insurance Committees have never functioned at all as Health Committees?—Never at all, to the best of my knowledge.

7785. They have never realised in any way the expectation held in regard to them in 1911?—That is so.

7786. I think you expressed this morning, in speaking about additional benefits, the view that you regard the present system as inequitable?—Additional benefits?

7787. Paying those only out of surplus?—I would rather use the words "unwise" and "injudicious."

7788. Is it your view that the societies of the lighter risks should bear part of the burden of those with the heavier risks?—Yes.

7789. The people in a fortunate position should regard themselves as lucky, and help to contribute to those not so lucky?—It is not even as strong as that. It is that the fortunate people should cease to take the State grant which was provided for the National Health.

7790. Most of this discussion has been round dental benefit. That, I think, is merely because it is the most prominent one at the moment?—Yes.

7791. The point applies equally to all other additional benefits?—Yes.

7792. (*Professor Gray*): You have just said in answer to Mr. Jones that the Insurance Committees have never realised the high ideals formed at the outset. How has that come about?—They have never had any opportunity of realising those ideals.

7793. Perhaps the ideals were too high?—Very likely.

7794. Would you say perhaps that the removal of the sanatorium benefit had a bad effect on Insurance Committees in taking away the interesting part of the work?—I do not think so. It is true there was more scope in sanatorium benefit than in medical benefit; but even in those days sanatorium benefit was very largely a matter of routine.

7795. Would you attribute this failure first to the absence of funds?—No.

7796. Or secondly to the method of election, upon which you have commented?—That has something to do with it.

7797. So far as you can get down to one cause for the unsatisfactory position of the Insurance Committees, you would say it was to a certain extent the result of the method of election?—To some extent, though not to a very great extent.

7798. The only pleasing prospect which remains is with regard to complaints. Do you find the Medical Service Sub-committee does operate quite well?—No. The personal element comes in to a large extent there. The system is right, although I do not say the details are. I think the Medical Service Sub-committees very often work in a very erratic and capricious fashion; but the system is right.

7799. Could you give us some idea how the Approved Societies regard the Medical Service Sub-committees? Have they confidence in them?—On the whole, I think so.

7800. More than they once had?—Yes, I think so.

7801. You mentioned with regard to Insurance Committees and Approved Societies that the transfer of additional benefits to Insurance Committees would take away an important part of the functions of the Approved Societies?—Yes.

7802. Do you think that additional benefits are in fact an important part of their functions?—Speaking from my own point of view, yes. There again all other benefits have got very much into a matter of routine.

7803. Your Society is rather peculiar, is it not?—I think it is typical of many.

7804. Have you not specialised more than most in treatment?—Perhaps we have.

7805. Is it not the case that although we speak about treatment benefits in actual fact in most cases they are cash benefits in respect of treatment?—Yes, that is so.

7806. Has that any reaction on the nature of the work done by the societies?—Yes.

7807. Although we speak of treatment benefits, they are cash benefits in respect of treatment?—Yes.

7808. What I mean is that the societies are not really administering dental benefit or optical benefit: they are making payments in respect of treatment received?—Yes, but they are conducting negotiations with dentists and opticians.

7809. You contend that those benefits ought to be standardised in various ways?—Yes.

7810. Is it your view that if they were standardised, the Approved Societies are hardly the bodies to deal with them?—I do not think they are.

7811. If they were standardised, there would be a common kind of benefit for the whole of the country?—Yes.

7812. And therefore some body outside the Approved Societies should do it?—My idea is that a lay body cannot exercise any measure of control over a professional one.

7813. With regard to section 26 of the 1924 Act, you realise, I gather, that that section has certain dangers in the hands of imprudent people?—I am told so.

7814. I think you say so, or at least words to that effect. Is not the danger in substance this: If the actuary is right then the amount expended under section 26 is in a way an anticipation of the next surplus?—Yes, it is, I dare say.

7815. You suggest that if an amendment were made in the section, there ought to be some sort of reserve power to meet special cases. You mention minor hardship and distress cases. What have you in view?—The practice of my Society is, of course, to use this section for a variety of purposes foreign to the strict letter of the Act. I think it is generally known that most societies who use this section use it in ways that do not necessarily come within the four corners of the Act. We feel that if a member requires, shall we say, teeth very badly, and is neither qualified under the additional benefit scheme nor possesses the money to pay her own share, it is

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for her good that she should have the teeth, and, therefore, we pay for them under this section.

7816. Would it not meet your point, instead of asking permission to do this under section 26, which as I say is out of the next surplus, to put aside a certain amount out of the last surplus for payments in respect of distress, which is an additional benefit?—No, I do not think that would be equally good.

7817. Why not? Distress is a wide phrase. It covers teeth. It would cover any conceivable thing, if you defined it widely enough.—If I may say so, I would respectfully suggest that these questions had better be asked when evidence is being given on behalf of my Society.

7818. Very well.—You appreciate I am in a difficult position.

7819. (Sir Humphry Rolleston): As regards dental benefit, on which you lay stress, you provide dentures and yet the cost only comes to 5s. to 5s. 6d. per insured person per annum?—That is so.

7820. Do you think as a preventive measure that is properly administered; or do you think, in order to keep down the cost, and to make the maximum use of its functions as a preventive measure, each member ought to be obliged to visit the dentist twice a year? Would not that minimise cost?—I think that would be desirable, but quite impracticable from an administrative point of view. I do not see how you can devise machinery for carrying it out.

7821. You do not think that dentists might take the view, that in order to keep their work within the proper limits they should make that a *sine qua non*?—I do not think they could possibly, nor do I think they would.

7822. Or that societies would agree to enforce that?—I do not think they could enforce it. It is impossible to devise machinery for it, apart from the obvious political dangers of the suggestion.

7823. If you think that is impossible, do you think the value of the dental benefit is great?—I do. I am in a position to prove that it is.

7824. People only go to the dentist when their teeth are pretty bad?—No. In the case of our Society, ever since the benefit started, we have conducted a campaign impressing upon our members the necessity of going in case of sickness. The member is sent a circular asking if her teeth are bad, and saying that we will foot the bill subject to her contribution. Then we communicate with doctors, and we even advertise in the Press. We do everything, not only to give members the benefit, but almost compel them to take advantage of it. In the result we now estimate we are, even after ten years, saving money at the rate of over £3,400 a year in sickness benefit.

7825. (Sir Arthur Worley): How do you arrive at that sum?—The United Women's Insurance Society hopes to give evidence, and has printed a memorandum on the subject, which I have already placed in your Secretary's hands, which sets out those particulars in full.

7826. (Mr. Besant): In connection with cost of dentures, I think you said the cost was 3s. 6d. to 3s. 10d. out of 5s. to 5s. 6d. That seems to me quite a small amount for looking after teeth in the ordinary way; for stopping, cleaning, and so on. Can you tell us more or less about the average age of your members?—With regard to the age grouping of those who apply for dentistry, I have not brought the figure with me; I got it out the other day. They are comparatively young.

7827. That points to early neglect?—No. I should rather think it points to the beginning of the effect of the Dental Clinics, that the young people are beginning to realise the importance of teeth.

7828. Does that mean the elder members are not paying the same attention to their teeth?—We have been doing it for ten years. The older members are beginning to be complete with false teeth.

7829. I take it you have not many members in your Society of middle age?—Yes, I think our average age is, if anything, higher than other

societies. We started with a lot of old members, elderly servants, and so forth.

7830. We cannot get much from that?—It is one of the factors which makes me say the average in our experience must be nearly the average of the whole.

(At this point Lord Lawrence of Kingsgate took the Chair.)

7831. (Chairman): In paragraph 31 you put forward a proposition (somewhat surprising at first sight) that medical benefit is not a fit subject for insurance, and you illustrate this by saying that every insured person sees his doctor on the average seven times in two years. But is there not a very wide variation in the extent to which different persons have need of the services of a doctor? Surely the annual expenditure of people on doctors' bills varies enormously?—That may be so, but it is only a comparatively small number of persons who call for the services of a doctor either frequently or not at all and the overwhelming majority of persons see a doctor at an average interval of one year or two years, averaging up to seven times in two years.

7832. I have heard it said that medical benefit is the most popular benefit under the Act. Does this not conflict with your view that it is not a proper matter for insurance?—Not at all. If the Insurance Act gave free rent or free holidays that would be a most popular benefit, but it would not be insurance.

7833. With regard to paragraph 32, we should be glad to hear whether you think there is anything in the statement that one sometimes hears that the services given by doctors to their insured patients are inferior to those given to their private patients. Your wide experiences of committee and society administration must have led you to consider this question?—I am not in a position to offer evidence as to whether the services actually given by panel doctors are inferior to those given to private persons; but it is undoubtedly far more difficult for an insured person to obtain access to those services than it is for the private patient.

7834. In paragraph 33 you remark that the present system for medical benefit is unduly expensive. Do you think that this is because the doctors are receiving too high a capitation fee, or is it inherent in the organisation of the present system?—Both, but mainly the latter. I think the present system which is in effect a payment to the doctor on a part-time basis is bound to be either unjust to those who have too little work or unduly generous to those who have a great deal. In present circumstances, particularly in the case of an urban practitioner with a large panel, the payment is undoubtedly high.

7835. A very important part of your evidence is directed towards the institution of a local co-ordinated medical service. It would interest us if you would give us your views on this in some detail. In the first place you would have the service administered by a Local Health Committee of the Municipal or County Authority?—Yes; and that Committee would supersede the existing Insurance Committee and would also incorporate the medical functions of the Boards of Guardians.

7836. Then you would have a Chief Medical Officer for the service whose duties would be administrative as well as medical?—Yes.

7837. Under him you would have two sets of medical men, the salaried people and those paid on some system analogous to that of the present panel service—assuming that the whole of the service is not to be given by full-time salaried municipal servants?—Yes.

7838. In the former class would be, I assume, Public Health Doctors, Maternity and Child Welfare Doctors, Tuberculosis Doctors, School Doctors, Poor Law Doctors and Factory Surgeons and any other types which in the present state of opinion are regarded as appropriately employed on a salaried basis?—Yes.

7839. Then you would have the general practitioners and the specialists and consultants, the former

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paid by capitation fees, the latter by service fees?—The fund from which the doctors are paid would be built up by capitation fees or subsidies, distributed among them in whatever way they themselves thought best.

7840. I assume that the Municipal Hospitals of the various types and the Poor Law Hospitals would be co-ordinated with this scheme under the direction of the Chief Medical Officer, and that the Voluntary Hospitals in the area would also be brought into relationship with the unified scheme. Would you develop this?—I think that the Poor Law Infirmary should be taken over by the municipalities in the same way in which the Bradford Poor Law Infirmary has already been taken over as a municipal general hospital and that such newly constituted municipal hospitals should be administered under the Chief Medical Administrative Officer in full co-ordination with existing voluntary hospitals. The existing voluntary hospitals should retain voluntary control but would be financed to a large extent from the medical fund in substitution for the donations now made by Approved Societies as part of an additional benefit scheme.

7841. The Chief Medical Officer would be responsible for organising the general practitioners into groups as far as possible, so that they might economise in travelling and be in a position to pool their skill and experience?—Yes. That is essential. That was the Dawson scheme which suggested that primary health centres should be brought into existence in replacement of the inefficient and often insanitary surgery waiting-room accommodation.

7842. Would you retain free choice of a doctor for the patient?—In the face of circumstances, yes, although I cannot help regarding that as a survival of the superstitious side of medicine.

7843. I gather that you would bring the local dentists and nursing services into close relations with the unified scheme?—Yes.

7844. I gather from paragraph 44 that you are averse to the extending of medical benefit as at present administered to dependants, but that if your reformed scheme were in operation you would apply it to the whole population of the area—insured persons, dependants and the small residue of about a million or two persons within certain income limits who are neither insured nor dependants?—That is my suggestion.

7845. In the present state of national finances you see the advisability of retaining the contribution system as a method of raising part of the funds for your reformed medical service. I do not suppose you have attempted to estimate how much would be required from (1) the Exchequer; (2) local rates, and (3) insurance funds, for the purpose of providing this service which you contemplate; but do you think that there would be an increase of the present cost, even when you had gathered together the large sums now provided from various sources?—It is true that I have not attempted to estimate in any detail the cost of such service, because I think it would be unprofitable or impossible for a private person to do so, but I am convinced that the total cost of an all-inclusive system of this kind would not differ very greatly from the present sum total of the isolated headings of expenditure of various branches of medical service. It might even be a little more than we are spending now, but, on the other hand, we should be getting far more return for that expenditure than we are getting now, and ultimately the cost would be actually less.

7846. In the first place, you think it might be slightly more?—I prefer to say that it would be of the same order as the present expenditure with the possibility of it being a little more.

7847. In paragraph 55 I gather that you regard your scheme as a first step towards the solution of the difficult problem of the Poor Law; in other words, you think that with the medical service unified, the remaining questions of Poor Law would be considerably simplified. Perhaps you would amplify this?—For the last 15 years, ever since the Royal

Commission on Poor Law, the Poor Law has been in the position of just being about to be abolished, and never has been. It seems to have settled down to that position. It needs some such scheme as this to crystallise at last all the proposals of the last 15 years for the reformation of the Poor Law. It would relieve Boards of Guardians of their functions in respect of the destitute poor as regards sickness. That would at once open an avenue for a forward movement along the lines of the Maclean Report.

7848. From paragraph 56 I gather that, if the present scheme in its main outline is retained, you would definitely place the extension of the scope of medical benefit in priority to extension to the dependants?—Most definitely.

7849. (Sir Humphry Rolleston): With regard to paragraph 33 there is the difficult question of expense. That, I take it, is payment to the doctors. Do you think the doctors are receiving too much, that their fees have gone up out of proportion to the general cost of living, or is your point this, that where there is a large panel the doctor receives too much in bulk?—My main point is that you are paying on a part-time basis a large number of medical men who are very nearly, if not quite, full-time men. As everybody knows, it is more expensive to pay on a part-time basis than on a full-time basis. The result is that an urban practitioner with a large panel is getting rather more than I think is advisable; and, in any case, he is having to expend part of that payment in establishment and overhead charges, such as dispensers, secretaries, and so forth, which are duplicated between doctor and doctor, and should be eliminated.

7850. That is an argument for making the doctors whole-time doctors, is it not?—Not necessarily. That, of course, is my view. I make no secret of it. But that is not the only conclusion.

7851. With regard to the special departments to which you refer for tuberculosis and so on, would you include among them the treatment of venereal disease as a special whole-time department?—It would come within the scope of the same organisation. I do not say whether the officer would be a whole-time officer or not; it would depend on the locality, but it would come within the scope of the service.

7852. You do not think that branch is so specialised that it is highly desirable in the interests of the patient that the doctor should be a whole-time doctor?—Well, I will take that from you. I would not put forward my own opinion against the medical opinion on that point.

7853. You have a great deal of experience generally. You can look at it from the broad point of view. I take it you have no strong opinion on that point?—No, not on that point.

7854. Then there is a valuable suggestion about the utilisation of Poor Law hospitals in connection with voluntary hospitals?—Yes.

7855. Would there not be a considerable expense involved in that?—There would be a considerable expense.

7856. What do you propose to do with the medical officers attached to the voluntary hospitals whose services are largely utilised in the treatment of patients? Would they be salaried officers?—That is the tendency at the present time. That is the demand of the profession practically.

7857. You are prepared to meet that demand?—I do not think one can deny it.

7858. Then there is the question of free choice of doctor. You do not attach very much importance to that as I understand you? I would put it to you both from the point of view of the patient and from the point of view of the doctor that it is highly desirable that the patient should have free choice?—I agree in the present state of public opinion, but I do not agree intrinsically.

7859. You spoke of it as being a superstition. Is it not rather a superstition as regards the future?—Not to the extent to which it is to-day.



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7860. Why not?—Because I hope both the profession and the public will become better educated.

7861. In paragraph 44 you deal with dependants?—Yes, I hope I have made it clear that my own personal predilection is strongly in favour of a State medical service, but from my dealings with the medical profession and elsewhere I recognise that there is a strong prejudice against such a service. That being so, I am not prepared to say it should be that or nothing. There is definitely an intermediary stage—what I call a national medical service, not based entirely upon full-time salaried officials. I think myself that a full-time salaried service would be the best.

7862. There you have taken a hint from the medical profession and have gilded the pill?—Yes, many years ago.

7863. (Sir Andrew Duncan): Will you place for us your new territorial approved society in the general local scheme of things, taking a place such as Brighton as an example?—The first half of the argument is the abolition of the Approved Society and setting up in Brighton a Brighton Insurance Authority. Parallel with that you would also set up a Brighton Health Committee which would consist of the present Health Committee of the Corporation magnified and swollen by the inclusion of representatives of doctors, dentists and nurses and other interests involved, which would parallel, with regard to area, the cash insurance administration of the Insurance Authority. The new Brighton Health Committee would take over the medical functions of the Brighton Board of Guardians and the Brighton Poor Law Infirmary, and link up with the Royal County Hospital, and so cover the whole of Brighton for health purposes whilst the Insurance Authority would cover the whole area for cash insurance purposes.

7864. Would it be consistent with a scheme of that kind that the Insurance Authority should be a committee of the General Health Authority, in other words, that there should be one central authority for both health and cash?—No. I think that would be fatal. You must separate cash insurance from medicine. That is what I complain of. It is fatal to mix up in the same scheme cash insurance and medical science, preventive medicine and all the rest of it. You must have two self-contained authorities in liaison but independent.

7865. Would it be consistent with your scheme that the Health Authority and the Insurance Authority should be branches of one central authority?—It would not necessarily be inconsistent.

7866. Would it be the best means of getting complete co-ordination?—I do not think that would be practicable, would it?

7867. I am asking for your views. I have no views on the matter.—I do not think it would be practicable, because the Insurance Authority which is going to take over such a lot is going to make itself an authority distinctly comparable with the present Board of Guardians, even if not more important; and therefore I think the interests of public administration would demand that that authority handling so much public money should be an independent elective body. If it were simply a committee of another body it would not do. It would be handling more money than the parent body. In some ways it would be more important.

7868. (Professor Gray): With regard to paragraph 40 you look forward to two or three doctors working together in a group?—Yes.

7869. I suppose you know there have been some instances of that?—Yes, I believe there is one notable instance in the East End of London.

7870. Do you think that kind of thing can come from pressure outside or must it be rather an actual development among the doctors?—It must be a development amongst the doctors themselves, but it can be—I think the phrase was used this morning—"gently assisted" from without.

7871. Your suggestion later on with regard to national medical service is to abolish medical benefit,

taking it out of the Insurance scheme and leaving the contributions there, financing the medical service out of taxation, nationally and locally. Would you elaborate that? Your contention is that the incidence of taxation would be very much the same. It is not obvious on the face of it.—I regard the insurance contribution, partly paid by the employer and partly paid by the employee, as one which is finally passed on to the taxpayer in the form of the price of the commodity, and that ultimately therefore it forms a quite capricious form of indirect taxation on the community in general; whereas I regard the financing of the scheme through, shall we say, income tax, as a very much more equitable way of imposing the burden upon the taxpayer. To my mind the Insurance Act contribution is a vague form of indirect taxation.

7872. At the present time the great bulk of national taxation is income tax and super-tax?—Yes.

7873. What you are saying is that you cannot determine the incidence of the tax?—Yes. You cannot say where it is falling.

7874. It hardly follows that the incidence will be the same?—No, I see your point. It is not actually identical, but it is identical in that it falls on the same body although in a different way.

7875. You follow that up by suggesting, having transferred this part from Insurance Finance to National Revenue, that it might be unwise to hand back the money. Do you mean you include the double taxation, but rather than remit taxation supply new benefits?—No. My point is I would prefer to see the national medical service financed without any regard whatever to the Insurance Act, taken clean away and financed like education or any other service. That being so, that would leave you so much of the Insurance Fund for using in the way of extra cash benefits or reducing contributions. I regard this, however, as a counsel of perfection, because I cannot see any Chancellor of the Exchequer throwing away all the millions raised from contributions. I have in mind, therefore, what is the best scheme for the moment.

7876. (Mr. Jones): To follow up the question put by Sir Andrew Duncan with regard to one central authority for each area, the specific provision in your Statement is for two separate authorities?—Yes.

7877. How would you propose to link up the matter of certification in regard to payment of benefits?—What linking up is required? I have noticed that phrase used before. I do not quite see the necessity for linking up. You would have a definite liaison committee between the two, as an appeal tribunal if a doctor should give a false certificate; but apart from that, here you would have a medical service whose duty it is to give certificates, and you would have an appeal tribunal to go into any dereliction of that duty.

7878. At the beginning certificates were given with too much freedom?—Yes.

7879. It was necessary to exercise control?—Yes.

7880. Would not that ultimate control vanish?—It would be exercised by the Health Committee on the representation if necessary made from one committee to another.

7881. There is need for co-ordination of some sort between the two separate bodies?—Yes, there must always be what I call liaison.

7882. You say you do not regard medical benefit as a benefit that can be assessed actuarially?—I did not quite use those words.

7883. Perhaps not. It was something to that effect. Has this benefit ever been assessed on an actuarial basis?—The cost of it was estimated originally by actuaries. My point was not that it could not be assessed on a basis. My point was it was not a fit subject for insurance.

7884. Has it ever been assessed at all on an actuarial basis. Was not the original payment for medical benefit fixed at a round sum of 6s.?—Yes. Presumably that was arrived at after some investigation.

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7885. (Sir Alfred Watson): May I explode that at once. The actuaries consulted by the Government in 1911 put into the finance of this scheme a sum which they were instructed by the Government to put in for the cost of medical benefit. The liability was not actuarially calculated.—The Government must have been advised in some way.

7886. (Mr. Jones): The actuaries had to find ways and means of raising that sum through contributions at a later date. Was not the original sum underestimated?—Yes.

7887. And an additional 2s. 6d. had to be got from other sources altogether?—That is so.

7888. Has not the same position repeated itself in recent years?—Yes.

7889. Other funds had to be raised in order to make it up?—That is so.

7890. That disposes for the moment of the question of any actuarial valuation in respect of medical benefit?—Yes.

7891. A certain sum has been provided for the benefit?—Yes.

7892. Up to the present the only provision which has been made has been for general medical practitioner treatment?—That is so.

7893. That form of treatment has exhausted the whole sum available. What in your view is the principal criticism of the medical benefit arrangements at the present time?—Do you mean from the point of view of their functioning or in general?

7894. In general, not in quality?—The principal criticism is the narrow scope of the service.

7895. The narrowness of the whole scheme?—Yes, and its lack of co-ordination with other schemes.

7896. Under the present financial arrangement it is quite impossible to expand that scheme in accordance with the extension of medical and surgical science?—That is so.

7897. It is limited to that narrow basis?—Yes.

7898. If you compare the Insurance Scheme with the Health Service do you find any similar limitation there?—No.

7899. Your scheme of placing the whole cost of medical benefit would provide the same measure of elasticity that exists at present in connection with Health Service?—Yes.

7900. It can be expanded day to day to meet things considered desirable or necessary?—Yes.

7901. Whether by way of improvement in medical service or additional benefits?—Yes.

7902. This would readily be provided under, let me say, the Health Scheme in the wider sense of public health?—Yes.

7903. Would you propose in regard to that scheme that it should be supplemented by Government grants?—Yes.

7904. That is a well-established policy in regard to a variety of matters?—That is so; grants-in-aid.

7905. There are grants-in-aid for Police and Education?—Yes.

7906. And tuberculosis?—Yes.

7907. What is the object of giving those grants?—To prevent the Health Service being limited by anything but the needs of the particular department of public life affected.

7908. Will you explain that a little more?—Under the Insurance Act the limitation of the service is one of money. In a public health department the limitation of the service is the needs of the people.

7909. Does that indicate a recognition of the value of the Health Service?—Yes.

7910. It is also a method of encouraging a local authority to undertake a fairly comprehensive scheme of Health Service?—Yes.

7911. Now let me go to the question of hospitals. You do not propose at present any complete scheme of municipalisation or nationalisation of the hospital service?—I have accepted the compromise of the epoch-making Conference last April.

7912. As a first step towards that compromise your suggestion is that the Poor Law hospitals should be taken over?—Yes.

7913. What immediate advantages might follow from that?—The first advantage would be that the use of those hospitals would be freed from any connection with pauperism which is still a very great stigma in the eyes of the people and prevents those hospitals being used to the fullest advantage.

7914. Are the voluntary hospitals at the present time able to undertake all the demands upon them?—No, nothing like it. The number of hospitals, the equipment, and the conveniences generally, are inadequate.

7915. Is there any difficulty in obtaining treatment for urgent cases?—I think there is little difficulty in getting emergency treatment.

7916. The primary consideration of the present voluntary system is where life is at stake?—Yes.

7917. What other classes of case are not provided for?—What I may call the uninteresting cases, cases not needing exceptional treatment.

7918. Minor and chronic cases?—Yes.

7919. Would the throwing open of the Poor Law hospitals meet these new requirements, do you think?—I do not say all, but it would go a long way in that direction.

7920. Do you think voluntary associations and organisations would be able to make up the residue?—In course of time they would probably need to be supplemented. I think our existing hospital accommodation, even counting the infirmaries, will fall short of the national demand.

7921. What do you propose? Do you propose that the local authorities themselves, the existing Health Authorities, should make up that deficiency?—That is a question which I submit goes a little beyond the scope of my evidence, but as a matter of principle I should say that at any rate part of the cost should be met from national resources. The whole burden should not be cast on the locality.

7922. Are you aware that they have statutory power to enable them to do so?—Yes.

7923. Bradford is an illustration of that?—Yes.

7924. Bradford has exercised that power and has taken over the Poor Law hospitals?—Yes. I am not quite clear whether that power is general and unfettered at present.

7925. I can inform you that it is. It is in section 131 of the Public Health Act of 1875.—I have heard of it.

7926. I want to go into the history of that provision with you. I assume you know of it. That is the provision under which local authorities at present provide hospitals for infectious diseases?—Yes.

7927. The terms of the section, if I may read them, are: "Any local authority may provide for the use of the inhabitants of their district hospitals or temporary places for the reception of the sick." That is the definition. It is not infectious sick, but the whole of the sick?—Quite. My point was that a doubt has been raised as to the power of taking over institutions already provided by the Poor Law Authorities which is covered by a different section. However, the facts are as you have stated them.

7928. My view on reading this section is that that is provided for in further sections which I do not wish to read. Can you think why, up to the present, local authorities have not undertaken the duty of providing general institutions?—Because they need a little outside stimulus, a little more compulsion than there is at present.

7929. This provision was made so long ago as 1875 for England and for Scotland in 1867. Was it not the case that the voluntary hospitals treated the general sick and also the infectious sick?—Yes. I expect that was the case.

7930. Was it not likely, in fact, that that provision was put in the Public Health Act in order to relieve this congestion of the voluntary hospitals?—I can only suppose that that is so.

7931. That was the history. The voluntary hospitals treated the ordinary sick and the infectious sick. Have we not reached the stage when the local authorities should relieve the congestion by a reversal of the process?—Undoubtedly, that time has arrived.

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7932. We have got back to the position that existed 50 years ago, when at that time the method of relieving the congestion was by building hospitals for the infectious sick. The method of relieving the present congestion is by local authorities building hospitals for the general sick?—Yes.

7933. I am scarcely putting that in the form of a question, but do you agree with the method I have described, that that is a reasonable method of solving the difficulty?—I think that is the line of advance.

7934. The existence of that statutory authority would make it a relatively simple matter to graft the treatment of the general sick by the local authorities on the treatment of the infectious sick?—Yes.

7935. It would not require any new legislation?—No.

7936. The machinery exists if it were put into force?—That is so.

7937. It has been put into force in Bradford as a matter of fact?—As you say.

7938. (Mr. Evans): In paragraph 48 you refer to the educational system, and you give us an analogy. You suggest that the stages of education might be applied to medicine; just as elementary education is free so the medical service now given by medical practitioners should be free?—Yes.

7939. That secondary education is not free, and therefore higher medicine should not be free. Do you think such a division as that ought to be a permanent one?—No, no more than I think the corresponding division in education will be a permanent one. The tendency is in favour of opening the avenues of learning more widely to secondary education as well. I only take that as a temporary analogy.

7940. In paragraph 56 you say: "There probably exist already within the financial structure of the National Insurance Act sufficient funds to finance a complete medical service including specialist, consultant and institutional treatment, if the existing surpluses are fully pooled and devoted to the purpose." So you really think that the best of medicine might be used and might be free to everybody?—I think so.

7941. If we pooled our resources you think every man, woman and child would be able to get the best medicine?—I think it is possible under the scheme.

7942. (Miss Tuckwell): We have had a good deal of evidence with regard to dependants. Do I understand that your real feeling about the inclusion of dependants in insurance is that it would put off perhaps for a long time such a medical scheme as you have in view?—It would postpone it indefinitely. There is such a thing as vested interests in medical arrangements at the present time. Any alterations in the system are bound to be met with a certain measure of opposition. If you are going to doubly increase it you are going to intensify any difficulties which now exist in the way of a co-ordinated service, and it seems to me the cost would be so colossal that it would be an impossible thing to propose on the present basis.

7943. It occurs to you no doubt that there are a great many people who in the interest of national health are really not able to contribute to a scheme without taking away from the money they really need for maintenance. You have brought up the question of contribution and non-contribution. Is that with an eye on the Chancellor of the Exchequer?—I am afraid it is. My personal predilection is for a scheme which is non-contributory, analogous to public education, and I should be delighted to learn that that was practicable. I fear it is not.

7944. Without going as far as to upset the basis on which the scheme has been established, would not you think it would be desirable to lower the contributions if you cannot have a non-contributory scheme. Is there not a great deal to be said for increasing the range over which people now get benefit without contributing?—What is that number now, except those who receive from the Poor Law?

7945. I was thinking of the low wage earner.—That is a new suggestion. I do not like it very much at first sight. I do not think the possibilities of extension in that way are very good. Are not you only going to subsidise low wages in that way?

7946. No. I suggest that you do not put a further tax on them?—I do not think that would give a permanent solution of the matter. I confess I should like further time to think it over.

7947. But theoretically you are not in favour of a contributory scheme?—No.

7948. (Mr. Besant): Will you turn to paragraph 31. I am now dealing with the subject of the number of attendances being seven in two years. There you say: "Scarcely any element of uncertainty enters into its financial side other than the mild risk of epidemics and other unusual calls upon the service which may affect the individual doctor." Would you modify that at all, after taking into consideration the figures of sickness which were discussed this morning, where the standard of sickness was 70 per cent. minimum, and, I think, 109 per cent. maximum. I should have thought myself that a considerable element of financial uncertainty did enter into the question?—Not on the basis of these figures.

7949. What is the difference?—These figures are sickness claims. Sickness claims do not bear much relation to attendances on doctors; you may have a person calling in the doctor six times every year and not making a claim once in 10 years.

7950. I should have thought that if you had a variation of 70 per cent. to 109 per cent., i.e., an increase of more than 50 per cent. on the minimum, something analogous would have occurred in the case of visits to the doctor?—I do not think that interferes with my point. My only point is roughly speaking everybody sees the doctor 7 times in two years.

7951. As long as you agree to that?—I do not put that forward as an actuarial point. I merely consider that the question of medical attendance should not be looked at from the insurance point of view at all, but looked at as a necessity like education. That is how I put it.

7952. You were asked about the panel service, and I think you hesitated to give a definite opinion as to whether the panel service was as good as for paying patients. You went on to say that you were sure that access to the panel doctor was not so easy as in the case of a private patient. Would you like to expand that a little?—On the question of the actual treatment of the person by the doctor once he gets before the doctor, I do not propose to offer evidence; but I do strongly say that it is much more difficult for a panel patient to get that attendance from his doctor than it is for the corresponding private patient. I say that from very large experience.

7953. You have had cases of it?—Innumerable cases. My Society must not be taken as representative, but in the case of my Society I would almost hazard the statement that there are more members who do not place their names on panel doctors' lists than do. That must not be taken as representative, but from my general experience of insurance I know for a fact that that is the difficulty. It means more waiting to get the doctors' services in the case of a panel patient than in the case of a paying patient, but once those services are obtained I do not think there are any shortcomings.

7954. As far as your own experience goes you do not qualify that statement at all? You say it is more difficult for a panel patient to get to the doctor than it is for a paying patient?—I make that statement in general, for all societies. I said in the case of our Society it goes further than that. To put it roughly the panel service is of little use to my members. That is quite exceptional I agree. In the case of insured persons in general it is more difficult to get access to the doctor.

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7955. You go so far as to say it is useless in the case of your society?—Because the conditions are peculiar. But for that I should have put before you concrete figures and cases. It would be useless to do so, because our conditions are peculiar.

7956. The statement you make is a startling one?—You must discount that by remembering the class I represent.

7957. How do your people get the medical service they need?—In a certain number of cases the mistress pays for it, though not in such a large number as is thought, and in other cases the member definitely chooses her own doctor and pays him.

7958. That is the case of a large percentage?—I cannot say what the percentage is, but it is a large percentage. It is mainly due to prejudice.

7959. In paragraphs 34 and 35 you give us particulars of a very sad case, and you speak of it as being so typical as to deserve attention. May I ask you whether you consider that it is a typical case? I venture to say it is a most exceptional case.—It is typical of the cases which come under my observation. Of course it is exaggerated a little because it happens to be in the north of Scotland, but if the Commission wanted it I could submit many other cases like that.

7960. You think you are right in using the word "typical"?—I use that word quite advisedly.

7961. (Sir Alfred Watson): With regard to paragraph 57, you indicate that you desire to bring to the notice of the Commission the subject of reserve values. Is it not the fact that the particular piece of machinery which we call reserve values was a consequence of the working of the system through the instrumentality of the Approved Societies?—Yes, that is so.

7962. The age distribution of every approved society is something special to itself; but inasmuch as contributions are charged in all cases at a flat rate for the age of 16, every society must have reserves?—So long as they are maintained on the present basis, probably it is essential.

7963. Do you say that if Approved Societies were abolished, we could do without reserves?—Yes, I should say so; but, of course, I do not arrogate to myself any claim to actuarial qualification; and that being so, I content myself with bringing this point formally to the notice of the Commission.

7964. If I were to tell you that the prospect in a few years' time, allowing for the rising cost of medical benefit which has to be borne on the funds and for any extension that the Royal Commission may recommend, and for the presumed enlargement of additional benefits that will be payable by Approved Societies, is that the outgoings will absorb all the contributions and a considerable part of the income from the reserves, would that affect your opinion?—I should give that statement the serious consideration which it deserves, considering the source from which it comes.

7965. You say it would mean releasing an accumulated sum of approximately £9,000,000 and an annual contribution of £1,500,000. What are those sums of money?—I do not identify them. They are round figures. The £9,000,000 I understood was that portion of the reserve values which have been converted into cash. The £1,500,000 represents the amount which is held for sinking fund purposes at the present time, put into round figures.

7966. I do not know about the amount which has been redeemed, I cannot recall it; but surely the sinking fund is very much more than £1,500,000 a year?—Those two figures were taken from the evidence of Mr. Strohmenger.

7967. I thought it was something like £4,500,000. Do you draw a distinction between that part of the reserves which represents increase of the funds and that part which represents redemption of reserve values?—If the figure is to be altered from £1,500,000 to £4,500,000, I accept the correction with pleasure, because it strengthens my case.

7968. The reserve values do attract interest?—Yes.

7969. I cannot visualise an arrangement under which we cease to redeem reserve values and continue to provide cash interest.—That proportion of the sinking fund deduction which is used for interest is simply taken from the contributions and put back to the benefit fund; and, therefore, I have singled out the deduction from the contributions put to the Capital Redemption Fund. I suggest two halves. In one case it is taken out of one pocket and put into the other, and in the other case it is taken out of one pocket and put into the bank.

7970. The whole of it is taken out of one pocket?—It is in the long run, taking the long view; but it remains as a capital accumulation.

7971. Do I understand that you accept the accumulation of the fund so far as it proceeds directly out of the surplus of contributions over outgoings; but you object to the redemption of reserve values?—No, I object to the basis of valuation which treats this as a necessary accumulation before it goes into the question of disposable surplus.

7972. But what is it you object to? Do you object simply to the provision for the redemption of reserve values, or do you object to any accumulation of funds?—Within limits, to any accumulation of funds.

7973. That is very different from what you have given us to-day—the £9,000,000—because we understand that the accumulation of funds, so far as the Approved Societies are concerned, is something like £80,000,000.—Yes; but a large portion of that is certified as disposable. It is the accumulation of funds certified as non-disposable that I am thinking of.

7974. I should say that by far the larger portion of those funds are reserves which are required to meet the statutory liabilities?—That, as I say, is a point on which I am not competent to set up my opinion in opposition to that of an authority.

7975. What you really object to is the accumulation of any reserves out of contributions?—The accumulation of what I call unnecessary reserves out of contributions.

7976. But what do you call unnecessary reserves?—Of that I can only give a layman's definition. I should say more than is sufficient to meet the anticipated outgoings of the next year or two years; in other words, that the scheme should be on an annual basis.

7977. That is, of course, without reserves?—The reserves surely are sufficient to meet the estimated outgoings for an indefinite number of years?

7978. In a sense they are, but I just suggested to you that the time is coming when if the resources of the existing scheme are fully applied under the existing machinery we shall come to a point where we must look largely to the annual interest income from the reserves to meet the normal outgo. Surely when that time arrives the reserves will be, even from your own point of view, fulfilling a very useful purpose?—No, surely not, because that period simply envisages using a portion of the deduction from the weekly contributions. You have still got the untouched reserves and you are still putting by your redemption account.

7979. The interest on reserve values at that time will be nothing like the total amount of interest coming in. The so-called interest on reserve values is not even now one half of the total interest. The £80,000,000 which is the actual balance invested, at an average of over 4½ per cent. produces much more interest than the interest on the reserve values that is created out of contributions?—I quite appreciate that.

7980. That interest may, as I say, be drawn upon to quite a large extent if the scheme is worked to its fullest possible extent in a few years' time. Surely when that time arrives the reserves which are invested and are yielding interest will be fulfilling what from your point of view is a very valuable function, namely, providing money for expenditure

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on benefits?—At the expense of locking up contributions which could in the meantime have been conferring benefits.

7981. That may be so, but it will nevertheless be the case that interest is being employed to pay benefits?—I am not contending that there will not be some advantage to be derived from reserve values. I think there will be many advantages.

7982. Let me put it to you in another way. If we consumed all our funds as they arose in payment of benefits, which I understand is what you would advocate, then as the cost of benefits rises and as new extensions are brought into operation we should have to keep on increasing the contribution?—Yes, if you constantly increase the rate of benefit you would have to increase constantly the rate of contribution.

7983. Not only constantly increase the rate of benefit, but if the benefits which you are granting are increasing in cost, say, for instance, as the people get older?—But what about your corresponding influx of young lives? Surely if your original calculations are anything like correct the young lives which are coming compulsorily into insurance should keep the thing level.

7984. Have you considered the ultimate financial effects in that direction of the falling birth-rate?—No, I confess I had not taken that into consideration. That is why I suggest that the Commission should take evidence from someone who knows about these things.

7985. I think I may say that you put in evidence this extremely interesting book of yours, entitled, "Social Insurance: What it is and what it might be"?—Yes.

7986. May I call your attention to page 120? You say there: "The present degree of solvency of the Health Insurance Fund is such that Sir Alfred Watson, the Government Actuary, estimates the total surplus at 31st December, 1923, to exceed £37,000,000." Might I ask your authority for that statement?—I do not feel I am in a position to give it.

7987. I am not conscious of having estimated the surplus at 31st December, 1923, and naturally I should like to know your authority. As this book is mentioned in your Statement of evidence, I think it is proper to raise the question here.—I can only reply by saying that the statement is public property. I understand it was made on the Consultative Council, and it has been repeated in conversation between members of the Consultative Council. It is further reported by the members of the Consultative Council that the surplus is now in the neighbourhood of £50,000,000.

7988. Would you accept it from me if I were to say that I have never made a specific estimate of what the surplus on 31st December, 1923, was going to be, and I have never given such an estimate to the Consultative Council?—If you say so I must accept it unreservedly. I can only assure you that on each of the occasions I speak of it was currently reported by the members of the Council.

7989. Neither you nor I are members of the Consultative Council, and we are not responsible for what the members say?—Quite so.

7990. Taking the same page of this book, I realise now for the first time that in suggesting, as you did this morning, that the Approved Societies should be abolished and the whole thing re-started on a territorial basis you propose to take away from the members of the present Approved Societies their actual realised surpluses?—No, only by way of investment. You will see it refers to it as a borrowing.

7991. So thoroughly do you propose to take away from the members of the Approved Societies, as Approved Societies, their surpluses, that you propose to pay out of the surpluses the present debt of the Unemployment Fund?—Will you look at page 122? "The effect will merely be that instead of the Unemployment Fund borrowing from the Treasury (as

now), it will borrow from the Health Fund. The debtor is a person of substance and his security ample. The investment is therefore a good one from the point of view of the Health Fund." It is only a question of one side of the scheme acting as banker to the other.

7992. There seems to be an inconsistency between the two pages, because you raise the question, "Whether it would be proper to pool the two funds, paying off the overdraft of the one from the surplus of the other, and allow the new scheme the use of the net surplus"?—As I also point out, the Unemployment Fund is even now recovering from this state of deficiency, or it was at the time I wrote this book, whereas Health Insurance was realising an enormous profit. Had not the last Unemployment Act been passed it was estimated that the whole deficiency would have been wiped out by the 1st April. It is merely a question of a temporary lending by one branch to the other.

7993. Is it a consequence of your scheme that the members of a little branch, we will say, of an Approved Society, who have a surplus at the present time, would lose the use of that surplus, which would go into the assets of the territorial society or fund to which they happened to be transferred?—The whole of their funds, assets and liabilities would be transferred to that society.

7994. Last week we had before us a witness who quite triumphantly said that he was paying sickness benefit to his members in circumstances that amounted to a violation of the Act of Parliament, and he pointed to that as one of the reasons why his financial position was much inferior to that of other societies. There are undoubtedly, as I am sure you will admit, many little societies, and many big societies—but I am thinking of little societies and little branches—who are very carefully administering their affairs and thereby acquiring surpluses in regard to which they have a Parliamentary pledge that they, and they alone, shall have the use of those surpluses. Would not your scheme involve the taking away of the rights of some members who possess those surpluses and confer rights over them on the members of that society which is in a rather weak financial condition for the reason which I have just indicated to you?—In the first place I do not recognise the Parliamentary pledge. I am unaware of it.

7995. Are you not aware that over and over again in 1911 when the Insurance Bill was before the House of Commons, the most solemn pledges were given on behalf of the Government of the day that Societies would be able to use their own funds for their own members and administer them in their own way?—Yes; but I have yet to learn that the statements in Parliament of the Government of the day can bind their successors for all time.

7996. Let us take the Act of Parliament. Is the National Health Insurance Act not perfectly clear that the surplus of each Approved Society and branch is its own property to be used, within the limits of the Schedule of Additional Benefits, for the exclusive advantage of its own members?—Certainly, so long as the financial structure of the Act is maintained.

7997. Is not that a Parliamentary pledge?—As to its not being altered? No, by no means.

7998. You would not agree that when people have a surplus which an Act of Parliament quite clearly says is their own property, to be used by them for their own advantage, there is not a Parliamentary pledge in regard to that surplus?—Not indefinitely for all time. Would you have me believe, for example, that in virtue of that the State grant must always be maintained at the present level and must never be altered? Surely the State has power to alter its grant? If the State can withdraw its grant that will answer the purpose.

7999. We must agree that Parliament is omnipotent and can make any changes it thinks fit; but is it not the fact that Parliament when it makes a change affecting the financial rights of individuals, especially in funds of this kind, always puts in

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Mr. ALBAN GORDON.

[Continued.]

provisions to save existing rights?—Yes, and I think similar provisions would probably apply in this instance. You have yet to prove any case in which this proposed transfer would operate to the prejudice of any individual society.

8000. But if you have surpluses of uneven amount as between one society and another, and if you have cases where you have no surpluses at all and you are going to pool all the surpluses and apply them at a more or less uniform rate to the advantage of the whole insured population, surely you are taking away from some people that which is, under the existing Act of Parliament, their own and giving the benefit of it to other people?—No, because you might make that change prospectively instead of retrospectively by encashing, so to speak, the present value of the future State grants to societies. That is to say, you could make up a deficit of one society, not by the accumulated surplus of another, but by the present value of the future State grants to that rich society. In other words, you could make the poor society richer not by taking away the savings of the rich society but by taking away the future "unearned increments" of the rich society.

8001. If that be so, do you mean that so far as the present realised surpluses are concerned you would let those who own them enjoy the benefit of them until they are worked out and exhausted?—I think so.

8002. Because that is something rather different from what your scheme has outlined so far?—No, I do not see any difference in it at all.

8003. You have not, so far, given any indication that any insured persons residing in a particular territorial area would get any more benefits than other persons residing in that area; but if the one group of residents has got a surplus that the others have not got, and if they are to enjoy the advantage of that surplus until it is exhausted, in order to save their existing rights surely they are going for the time being to get more than the other persons in the area?—I do not suggest that the existing funds should be earmarked for existing members and worked out by those members only. All I suggest,

in general at any rate, is that the present levels of benefit possessed by certain societies should be maintained; that is to say, the new territorial societies should start with a higher rate of benefit than the statutory rate of benefit at the present day.

8004. That is confiscation of the surplus for the advantage of all the persons in the area?—Let us be candid about it. I do not call that confiscation at all. I call it altering their future prospects under the Act of Parliament. The State is now giving them 2d. a week, but is the State to give them 2d. a week for all time?

8005. Suppose you have a little society that is in a position at the present moment to pay, we will say, 10s. a week extra sickness benefit, and under the Act of Parliament its surplus is absolutely its own property. The general average of societies in the area in which that society works is such that they can only pay 5s. a week additional sickness benefit. You would take what you call the redundant surplus of the society which can pay 10s. and put it into the pool and spread it over all the people in the area?—In other words: Am I in favour of partial pooling of surpluses? Yes.

8006. (Sir Arthur Worley): On the question of pooling, this is a big complete scheme which you have projected. I think you will agree that there may be considerable difficulties in carrying it through; in fact, you expect that yourself?—Yes.

8007. Do I take it that you are in favour of a system of pooling as far as such a thing is possible?—Yes; I regard pooling as having obvious drawbacks, but as unavoidable in the present state of affairs.

8008. Let me go to the extreme. Suppose you pool everything except cash benefits. If you do that you would in effect get 90 per cent. of the advantages that you would get on an equalisation, taking that one point alone?—Yes.

8009. So that anything you can get by pooling either the whole of the additional benefits or a goodly portion of them is all towards the end which you have in your mind and which you think is a desirable end?—Yes.

(The Chairman): Thank you very much.

(The Witness withdrew.)

## SIXTEENTH DAY.

Thursday, 5th February, 1925.

PRESENT:

LORD LAWRENCE OF KINGSGATE, in the Chair.

THE RT. HON. SIR JOHN ANDERSON, G.C.B.  
SIR HUMPHRY ROLLESTON, BART., K.C.B., M.D.,  
P.R.C.P.  
SIR ALFRED WATSON, K.C.B.  
SIR ARTHUR WORLEY, C.B.E.  
SIR ANDREW DUNCAN.  
MR. A. D. BESANT, F.I.A.

MR. JAMES COOK, J.P.  
MR. JOHN EVANS.  
PROFESSOR ALEXANDER GRAY.  
MR. WILLIAM JONES.  
MRS. HARRISON BELL.

MR. E. HACKFORTH (Secretary).  
MR. J. W. PECK, C.B. (Assistant Secretary).

Mr. F. W. DANIELS and Mr. P. ROCKLIFF, called and examined. (See Appendix XIV.)

8010. (Chairman): You are Mr. Daniels, Chairman of the Joint Committee of Approved Societies?—(Mr. Daniels): Yes.

8011. Could you indicate to us briefly what has been your connection with Friendly Society work and National Health Insurance?—Practically life long with Friendly Societies, and probably I did more in

the Midlands to initiate the National Health Insurance Scheme than any single individual.

8012. And you are Mr. Rockliff, Honorary Secretary of the Committee?—(Mr. Rockliff): Yes.

8013. Would you give us similar information?—For 35 years I have been associated with Friendly Society work, and since 1910 with National Health Insurance.

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[Continued.]

I do not think it is necessary to trouble you with anything further.

8014. I think it is desirable to let you know that the Commission have decided as a general principle that they cannot admit evidence which purports to attribute views or opinions to individual members of the Commission, or to draw deductions from questions that have been asked by members in the examination of other witnesses. The Commission have examined the Statements submitted by you and in accordance with the general principle which I have just referred to, they have decided that some modifications must be made before the Statements are accepted as evidence and published in the proceedings of the Commission. I understand that the Secretary has already intimated to you the modifications in question?—(Mr. Rockliff): That is so.

8015. Would you indicate to us how the Joint Committee of Approved Societies is constituted, and to what extent it is representative of Approved Societies of various types?—The Joint Committee consists of the executives or persons appointed by the executives of the following Associations of a specialised type: the Association of Deposit Friendly Societies, the National Union of Holloway Friendly Societies, the National Federation of Dividing Friendly Societies, the General Federation of Trade Unions, the Group of Co-operative Approved Societies, the Group of Catholic Approved Societies, and Associations of small societies.

8016. We have read the Statement which you have submitted, and, whilst our questions may relate mainly to the big problems of the scheme, you may take it that we shall consider carefully the various lesser matters to which you direct attention. In paragraph 1 of your Statement I observe that you do not recommend that dependants should be included amongst those entitled to medical benefit. You say that there is no clear demand from the medical profession for this extension of contract practice. As to this we shall no doubt receive in due course the considered views of the profession. You say also that there is no clear demand on the part of insured persons or their dependants. How would you expect any such demand to find means of expression?—The wives of insured men have for some years formed a part of the electorate. Those who possess the franchise have their own means at local or general elections of giving expression to their views. If it is said that wives are tongue-tied their husbands at any rate are usually vociferous. The Press also are sometimes in front of and sometimes behind a national demand. And, lastly, one might have expected to find pressure put upon societies and their officials if there were in the minds of the insured generally a desire that their dependants should be brought within the scope of medical benefit. May I say, Sir, that paragraphs 1 to 4 of our Statement are in effect a reply to a proposal which emanated at the National Conference of Friendly Societies held at Oxford last year and that, therefore, those particular four paragraphs hang together upon that Oxford Resolution.

8017. Will you tell us briefly what provision already exists for the wives and children of insured persons receiving medical attention when they need it?—I do not know whether I can give an inclusive list, but briefly there is a medical service for the destitute sick, a public health service for the prevention of epidemics, a system of treatment, institutional and domiciliary, for consumption, a hospital service for infectious diseases, a universal system of medical inspection, with or without treatment, of elementary school children, a medical service for maternity and infant welfare, and there are in addition the voluntary hospitals and the smaller provision in the shape of factory surgeons, &c.

8018. But what provision is there for ordinary illness?—For ordinary illness there is no provision apart from that which exists for the general community, namely, the service of the general medical practitioner on payment of a fee, as well as those provisions I have just mentioned.

8019. Do you consider that the present arrangements are entirely satisfactory and that, speaking generally, the dependants of insured persons are in as good a position as the insured persons themselves in the matter?—Entirely satisfactory, possibly no, Sir. This is an imperfect world. Is not the only difference between them this, that one is entitled to medical benefit of a domiciliary character under a contract system for which the insured person pays partly out of wages and partly as a taxpayer, while his dependants can procure the same service on a per attendance basis of fees.

8020. Are you then of opinion that neither in the interest of the individuals immediately concerned, nor in that of the general health of the country, is there any need for any change to be made?—I should say, Sir, there is no crying need. I would not go so far as to say there was no need to meet the point that dependants may not be able because of the cost to secure as much medical attention as was desirable. A new earth is possibly desirable, but the financial problem involved would at present at any rate prove a difficulty. Better complete and make perfect the present scheme for insured persons than embark upon another.

8021. You say that the psychological effect, upon women especially, of any attempt at regimentation in regard to medical attendance would be bad; but do you in fact think that this undesirable result has appeared in the case of the very large number of insured women who have been compulsorily insured for 12 years? I should like to hear a little more as to what you mean by regimentation and its effects?—So far as women are concerned they have not in the past had an absolutely free choice of doctor. Panels are in many areas limited in number. From personal observation I should say that among those insured persons who have not chosen a panel doctor, women largely predominate. Official evidence given before you has been to the effect that women sent to the regional medical officer have declared off benefit rather than submit to examination by him. The Oxford Resolution involves a medical service of a whole-time character, in short State doctoring, which in our judgment would involve allocation. The mental attitude of women as regards medical attendance and submission to examination is, we submit, widely different from that of men.

8022. You say that as to children medical attention is already in some measure provided. I assume you mean by the school medical service? Surely this is not very extensive under present conditions and, as a general measure, runs more to inspection than to treatment?—That may be so, Sir. We are not disputing the desirability of something more, but we cannot visualise the practicability of an increased contribution purely for Health Insurance purposes.

8023. In paragraph 3 of your statement you refer to "The Oxford Resolution of the National Conference of Friendly Societies." As we have not, up to the present time, had any evidence relating to that resolution, perhaps you would give us its terms or their substance?—The Oxford Resolution is a long one.

8024. Will you give us the substance?—Briefly it is summed up in the Report of the National Conference Committee thus: The merger of all existing forms of public medical service, including medical benefit under National Health Insurance, into one national medical service, thereby creating one unified organisation for the prevention and cure of disease. Under this system the service would be provided for all persons below a given income limit, and to give full effect to it the medical service should be of a whole-time character.

8025. In paragraphs 3 and 4 you indicate that the extension of medical benefits to which you have just referred might give the impression that it was of the nature of a Poor Law medical service, and, as regards drugs, of the "stock pot" variety. Is

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[Continued.]

there such an impression in regard to the present medical service under the Act and, if not, what is the special feature of the suggested extension which would, in your opinion, create this impression?—Under the Oxford proposal the present medical service for the destitute sick is to be linked up with the general medical practitioner service for insured persons. Whole-time State doctoring would, in our view, result in, and be associated with, State drugging.

8026. Have you any substantial evidence to support your view that in the minds of no inconsiderable section of the insured there are misgivings as to the value of the present insurance medical service?—Before I deal with that question may I just indicate the position in which we are here to-day before you? We are representing the Joint Committee of Approved Societies, a fairly large body of persons having lights and shades of opinion upon the many aspects of National Health Insurance. We are presenting to you, therefore to-day, not an individual view, but a representative view, and I want to make it clear that we may not wholly as individuals subscribe to all that we are presenting as a representative view. Replying to your question, I should say that as regards the provinces the representative view we submit is that the present medical service, whilst not perfect, is reasonably efficient. As regards London, which contains two millions of insured persons, one-sixth of the English total, we say unhesitatingly that there are such misgivings in the minds of the insured. As to the evidence upon which we arrive at that view, one of the subscribers to the Statement before you is a colleague of ours, Mr. Frank Harris, who has been Chairman of the London Insurance Committee. I, too, have held the Chairs of every Sub-Committee of that Committee, and have been Vice-Chairman and Chairman of the Committee, and I have also for many years been a member of the Medical Service Sub-Committee in London. Both of us are associated officially with societies not of so extensive a membership as to keep us apart from actual contact with insured persons. Consequently, of our own knowledge, we know that in the minds of the insured in London these misgivings exist. On the occasion of the last General Election but one I attended many political meetings in London, because at that time medical benefit was a matter which was introduced into the political field by reason of the suggestion that the surpluses of Approved Societies should be indented upon for medical benefit, and personally I was astonished to find the resentment felt in the minds of those present at those meetings at what they regarded as the difference in the treatment which they were receiving under the panel system in London from that which they would have expected to receive as private patients. Then, Sir, I wish also to indicate that in my judgment the attitude of the Panel Committee in London has not been helpful to the proper administration of medical benefit in London. I have said that for a number of years I have been a member of the Medical Service Sub-Committee here. I have sat with different medical colleagues. I have found that from time to time the Panel Committee in London have changed their representation upon the Medical Service Sub-Committee in London, and the explanation given to me and to others by those whose services have been dispensed with by the Panel Committee has been that their services were so dispensed with because they gave an independent judgment upon the cases which came before them. It is a practice which has subsisted in London for many years, and which, so far as my investigations go, I have not found to exist in other areas, namely for the Panel Committee to sit in judgment month by month upon the action and decisions arrived at by their medical colleagues on the Medical Service Sub-Committee. I have here in my bag just a few prints—and I have seen many of them during the past years—of the proceedings of the Panel Committee when sitting in judgment upon the action of their colleagues on the Medical Service Sub-Committee

in London. In other words, the Panel Committee in London seek to protect the scallywag, who, I have no doubt it will be said, will be found in all professions, but they carry it to extremes in London in changing their representation upon the Committee and in seeking to deprive the Medical Service Sub-Committee of the judgment of an independent Chairman. Within the last three months the new medical representatives on the London Medical Service Sub-Committee have been instructed by the Panel Committee not to sit under the chairmanship of a neutral Chairman of that Committee.

8027. Of any neutral chairman?—Of a neutral chairman who has been selected by all the neutral members of the London Insurance Committee.

8028. (Sir Arthur Worley): Of a particular individual?—Selected, as I say, Sir, by all the other neutral members of that Committee.

8029. (Chairman): Do you consider that there is anything in the statement we sometimes hear that the service given by the doctors under the Insurance Act, or the quality of the drugs, is of a lower standard than that existing in private practice?—As regards drugs, miserable petty surcharges have been made upon doctors because in their discretion, which would be unchallenged when dealing with a private patient, they prescribed a 5-grain pill and it was alleged—I am speaking from personal knowledge—that a 3- or 4-grain pill would have been as efficacious. It is a sin too for a flavouring essence to be put into an insured person's medicine. Insurance bandages too—I think it is altered now, but previously it was so—were to be drab or grey, not white as for a private patient. That the impression as regards drugs began to be widespread was really the reason for a recent alteration of the system under which pressure upon a doctor can be privately exercised without the public pressure of surcharging him. I might add, Sir, speaking again upon the question of the difference in treatment, and speaking again of London; that the medical fraternity refuse to give up the arrangement which permits an insured patient of Dr. A from being treated as a private patient of Dr. B, although Dr. B, too, is on the panel. What other impression can that arrangement create than that as the private patient of one doctor a better medical service is obtained than as an insured patient of either.

8030. Do you consider that the panel service marks an advance in quality on the old Friendly Society contract arrangements?—In quality, I should find it difficult to say that the nature of the doctor's advice to-day was any better than the advice given to his Friendly Society patients in pre-1912 days. The latter, Sir, did not have to consider whether his attainments were within the professional competence of his professional brethren; if he had the ability he exercised it; and I certainly do not think that his mental attitude towards his patients to-day is any better than it was then.

8031. (Sir Arthur Worley): With regard to this Joint Committee of Approved Societies, what are the numbers of insured person represented? In other words, you gentlemen are representing certain views. What numbers do those views represent?—From 1½ to 2 millions is the membership of the associated societies on their State side; it would be larger taking in their private side.

8032. We are only dealing with Approved Societies?—Quite.

8033. You gave instances of surcharging—surcharging by the Ministry of Health, do you mean?—Surcharging by the Panel Committee.

8034. (Mr. Evans): Who appoints the Joint Committee?—The Executives of the organisations that I have named.

8035. You named seven?—About seven.

8036. Those Executives meet and they appoint representatives?—They appoint a representation upon the Joint Committee proportionate to their membership.



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[Continued.]

8037. The opinions you are giving to-day are not necessarily the opinions of the members of the societies?—Only in so far as those opinions can be gauged from the fact that the representatives of those societies on the Executive are members of the Joint Committee and are able to bring to the Joint Committee the views of their colleagues upon their own Executives.

8038. Could you tell us whether meetings or conferences have been held where these matters have been threshed out?—Meetings are held periodically of the members of the Joint Committee whose reports are considered at the Executive meetings of the different organisations concerned, and also at the Annual Conferences of the different organisations concerned.

8039. You tell us here to-day that on the whole the 1½ million members of these societies do not desire a National Medical Service?—I think we have said, Sir, that there is no strong evidence which comes to us from which we are able to gauge that they do desire it, and I have indicated why we have failed to ascertain that that demand exists.

8040. You are dissatisfied with the present panel service, particularly in London?—I have indicated that as regards the provinces it is reasonably efficient. That is the representative view which I submit. As regards London, I am also submitting a representative view of those members of the Joint Committee who are conversant with London particularly, that it is very far from being wholly satisfactory.

8041. What would be your alternative? Would you scrap the present panel service and go back to the service that prevailed previously?—I am hopeful that it is still possible to improve the panel service.

8042. But you do not think that in that improvement you ought to bring in the dependants of insured persons as well?—No. I have indicated that we would prefer to make the existing service as perfect as it is possible to make it before embarking upon an addition because, as our Statement shows in one of its paragraphs, the doctors in London have as much as they can do at the moment to deal in an adequate way with the number of insured patients they have at present to deal with; and if you were to impose upon them an additional burden in the shape of married women, whose percentage of attendances would be much greater than in the case of insured men, you would get an imperfect service for the women and the children, and you would get a less perfect service than you have to-day in respect of the present insured.

8043. Are not those married women at present being attended to?—As far as they are able to secure medical attendance; but I am prepared to admit that under a contract system of medical attendance the number of attendances increases, and therefore the number of attendances which they at present make as married women uninsured upon the medical men in the locality is no criterion of the number of attendances that they would make under a contract system.

8044. In answer to the Chairman, you said your chief grounds for objecting to bringing in dependants were financial?—There are many things which are desirable, but there are many things which are unattainable, and we as practical men, or trying to be practical men in the administration of this scheme, cannot foresee the possibility of Parliament or the country submitting to an additional contribution for Health Insurance purposes at this juncture.

8045. Do you admit that there is a need for a better medical service for the dependants of insured persons?—I have said that in my judgment there is no crying need. I do not go as far as to say there is not any need.

8046. You said, in answer to the Chairman, too, that the mental attitude of women was such as to make it inadvisable to introduce any extension of the Health Insurance scheme?—I am arguing against the Oxford Resolution, which definitely pre-supposes a whole-time Medical Service involving, as we think,

allocation, and I say that women are the last persons in the world to desire allocation as against free choice.

8047. Even if that allocation did mean a better medical service?—Even if that allocation entitled them to a medical service additional to that which they could provide out of their own pocket.

8048. You do not suggest, do you, that the wife of a labourer, on present-day wages particularly, is able to pay the fees which a man in private practice would probably charge?—No, I recognise the limitation of persons' pockets, and I recognise the same limitation with regard to the question of contributions.

8049. If there was a pooling system to meet that charge?—A pooling of funds?

8050. I am referring to a National Medical Service?—I do not want to misunderstand you, nor do I want you to misunderstand me. Medical benefit at present is provided out of a General Medical Pool. All societies contribute so much per year in respect of each of their members to a General Medical Pool, and thereout the doctor is provided with his fees. If that is the pool you are talking about, I understand it, but if you mean a pool derived from a combination of surpluses or contributions by the insured persons, then I should have to give a different answer.

8051. We are inquiring into a National Health Insurance scheme, and we try to think of the nation all the time?—Just so.

8052. The dependants of insured persons are a part and a big part of the nation?—I agree.

8053. I am wondering whether those dependants are now getting the medical attention that they should get, or whether it would be advisable to bring them into such a scheme as is now operating with insured persons. You tell us it would be better to keep them out than to bring them in?—No, I do not think I have gone that length.

8054. You said financially it was not possible?—Financially, in my judgment, it is impracticable.

8055. If it could be found practicable financially, do not you think it would be better that they should be brought in?—Yes, if money, like manna, dropped down from Heaven, let them come in by all means.

8056. Then it is not so much the mental attitude of the women as the financial point?—The mental attitude of the women relates to the question of allocation and a whole-time State Medical Service, which is inherent in the Resolution we are criticising in paragraphs 1 to 4. If the money, like manna, could drop down from Heaven to provide women with a doctor of their own free choice. I should say by all means let us have them in and let them have their choice of doctor.

8057. (Mr. Jones): Mr. Rockliff, you said certain Public Health Services were already available for women and children?—Yes.

8058. Tuberculosis treatment and fever hospital treatment. Are not these also available to men?—They are.

8059. Then there is a special service, Maternity and Child Welfare, for women and children?—Yes.

8060. You also referred to the School Medical Service, which is available for children?—Yes.

8061. Is there any suggestion of regimentation in connection with these services?—In the case of fever hospitals, for example, there is compulsory segregation of such persons for the general benefit of the community.

8062. You referred also to voluntary hospitals as being available for women and children. Are not they also available for men?—They are.

8063. Is there any regimentation there?—No, that is free choice.

8064. Is there any difference in the mental attitude of a patient seeking admission, compulsory or otherwise, to a fever hospital and to a voluntary hospital?—Yes. In the one case he or she has no choice, and in the other case there is absolute choice as to whether he or she goes to the hospital or not.

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[Continued.]

8065. There is another reason, of course, in connection with fever—the protection of the public—but so far as the medical service is concerned has the individual any free choice of doctor when he goes into a general Institution?—He goes into an Institution knowing that he is putting himself under the care of the medical service attached to that Institution, and therefore he is exercising a choice.

8066. Has he any choice of the doctor whose services he will obtain?—He knows he is entitled to one of a panel and is prepared to exercise the choice and take one of a panel.

8067. As regards actual medical service, do you think there is any real difference in the mental attitude of a person towards the doctor in a fever hospital and towards the unknown doctor in a general Institution?—Yes, I should say there is.

8068. Is it not a matter of general practice, when a person is admitted to a Voluntary Institution, for him or his representative to give an undertaking that they place themselves unreservedly in the hands of the Institution?—I agree when they enter a voluntary hospital they have made a choice so to enter and they exercise a choice to be placed under any of the medical staff at the Institution which they have entered.

8069. How far does the choice of the individual as regards the Institution extend?—My personal view is that a person who enters a hospital does exercise a mental choice as to whether he would prefer to go there or not, and if he exercises a choice in favour of going to the Institution he goes with the knowledge that he is placing himself under the medical staff of that Institution.

8070. Does not he really do the same thing in practice on entering a fever hospital?—No, because he is compelled to go to the fever hospital.

8071. Not necessarily. Does not he in either case go on the recommendation of his doctor?—No, I am afraid sometimes he is taken against the wishes of himself and his family to the fever hospital.

8072. Does not that apply also in the case of a Voluntary Institution sometimes?—He is not bound to go to a Voluntary Institution; it is a matter of choice; there is no compulsion upon him.

8073. Whatever be the conditions under which he obtains admission to the Institution, do you think his treatment is any different in a fever hospital from what it is in a voluntary hospital?—I am inclined personally to think so. I have only been to a fever hospital as a youth, but from my recollection of those days I would certainly prefer to be in a general hospital than in a fever hospital.

8074. Is it quite fair to argue from such a particular case that the one service is not as good as the other?—I can only argue from my own feeling to the feeling of others. It is better to argue from one's own experience than not to argue from one's own experience.

8075. Have you ever been an inmate of a General Institution?—Yes.

8076. Do you think the quality of the medical service is so very much different in one from that in the other?—The mental effect is considerably different.

8077. The mental effect upon a child?—Upon a child who may not be able to reason I am not going to say. Upon a person with reasoning capacity I am quite able to say.

8078. So that I may take it as your view that it would be very unsatisfactory if the municipal system of hospitals was extended to general diseases?—I have no objection to the hospital system being extended, leaving to the insured persons or to the community and every member of the community the right to select the Institution.

8079. I think you will agree they can scarcely select a fever hospital?—They are not allowed to select.

8080. The peculiar conditions of infectious disease preclude selection?—I am not quarrelling with that.

8081. On the question of drugs, I rather think you missed the point of the Chairman's question. You

answered, one might say, quantitatively. What the Chairman asked you was with reference to the quality of the drugs. Have you any experience or any knowledge that the quality of the drug service under the Health Insurance Acts is inferior to that of any other existing drug service?—I tried to deal with quality, and I think I instanced a varying degree in the grains of pills.

8082. That is quantity?—I should have thought it was quality. If a 5-grain pill is prescribed for me and I am told that a 3 or 4-grain pill would have done as well, I should imagine that was quality, not quantity. Surely quantity to some extent affects quality.

8083. In a particular instance you might argue that.—I have also referred to the differentiation in the colour of bandages.

8084. Bandages are not drugs?—They are part of the medical service.

8085. Taking the general question, not an individual case, have you any reason whatever to believe that the general quality of the Insurance pharmaceutical service is less satisfactory than any other drug service you like to put against it?—Speaking generally from the provincial point of view, I think the representative opinion would be that the service is reasonably efficient and without serious cause for cavil. As regards London, I do not agree that there the Insurance doctor is allowed to exercise the same freedom as to the quality or quantity of his drugging as he would if he were dissociated from the panel system.

8086. That is rather apart from my question. I still want to get back to the point. Apart altogether from quantity, is there any evidence whatever that the quality of the drug service, the quality of the actual drugs supplied, is inferior under National Health Insurance to that of any other service?—If a doctor prescribed a particular drug for a private patient and prescribed the same drug for a panel patient there would be no difference in the drug supplied by the chemist, if that is the point.

8087. That is an answer to my question. Has the London Insurance Committee made tests of the quality of drugs without regard to quantity?—I have seen the results of tests not by the London Insurance Committee but by persons acting under the Food and Drugs Act in London.

8088. What were the results?—The results indicated that there were deficiencies in the making up of the prescriptions which were supplied.

8089. Inefficient craftsmanship, let me say?—It may be. I have heard this explanation, that no chemist can exactly make up a particular prescription; that there will always be some variation of the product from the written document.

8090. I daresay that is probable, dealing with small quantities. You have answered my point that the quality of the drugs is as good under the Health Insurance service as under any other?—When the same drug is prescribed by a doctor the chemist will supply the same drug.

8091. Do you not think it is reasonable that the administering body should have some control over prescribing?—Control of a reasonable character, but I have indicated that in my judgment the control in London is of a petty and miserable character.

8092. Was it not the case—I am speaking from memory—that in the earlier years of National Health Insurance there was a very considerable deficit in the London Drug Fund?—I have not got the figures here, and I would not like to pledge myself as to a very considerable deficit.

8093. Speaking from memory, was it not the case that in the first and second years of National Health Insurance the deficit in the London Drug Fund was as much as £90,000?—Without the figures I cannot pledge myself.

8094. Assuming that figure to be correct, did not that show evidence of extravagance?—No. It might have shown that in those days the doctor was prescribing as his conscience directed him, and that it is

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only the process of surcharging which has compelled him to alter his own personal freedom in that matter.

8095. Is not that the opinion of his fellow practitioners?—It is the opinion of the Panel Committee.

8096. They are in the same profession?—Yes.

8097. Is not collective opinion worth something?—It may be.

8098. As regards this Oxford Resolution, have you any idea as to the number of insured persons represented by the Conference there?—I should think about four millions. I may be wrong to half a million, but about that.

8099. I will not trouble about half a million. Is not that a fair indication that there is a reasonable demand for some alteration in the method of administering medical benefit in this country?—It was not a unanimous resolution.

8100. It must have been passed by more than half which would give us two millions?—Yes.

8101. So that there is a majority even over your 1½ millions?—Is that really so?

8102. Looking at it from that point of view, is there not a public expression of opinion for an alteration in the conditions of medical service?—I understand the question put to me is this: assuming four millions were represented, a majority carried the resolution, and assuming the majority represented 2½ million, there were 1½ million against; Is there not from that point of view evidence of a demand? Assuming you concede—which one of your colleagues appeared to question—that the voting of those present at the Conference represents the views of the persons they were there to represent, then I agree you are entitled to assume that two million insured persons supported the resolution.

8103. I am not interpreting you unfairly, am I, if I say that your opinion is that there is a deficiency in the medical service for women and children: that it is not up to the standard that is being given to men under the Health Insurance Act?—There is not the same volume of medical attention received by women, admittedly.

8104. Is it not desirable that women should have a service equivalent to the service to men?—I am back again to the same position as when I commenced, namely, many things are desirable, but many things are unprocurable from a financial point of view.

8105. One of your reasons also was that there might not be a sufficient medical service in the country to cope with the increased demand?—On a contract basis, yes.

8106. Is not that increased demand one of the desirable features of the National Health Insurance Service itself?—Again the question is a question of practicability.

8107. Is it not the case that there are a very large number, especially of young female graduates in medicine, unemployed in the country at the present time?—I cannot say from my own knowledge.

8108. (*Professor Gray*): I should like you to amplify what you have told us about the Joint Committee to enable us to see its position in the scheme of things. You have told us the names of the various bodies which elect delegates or representatives to the Joint Committee. Can you tell us what are its professed objects?—Its professed objects are to consider improvements in the administration of National Health Insurance in the interests of the insured.

8109. You mentioned to us seven groups of societies. I take it that each of these groups is a body which meets separately?—That is so.

8110. And, I suppose, in that capacity they will consider the same things, will they not?—Yes.

8111. They also consider general questions?—Yes.

8112. Over and above that they appoint representatives to the Joint Committee?—Yes, to bring their views round a common table.

8113. To whom is the Joint Committee responsible?—To the whole of the organisations that form the Joint Committee.

8114. When you consider a question do you send back your view to these various bodies?—The representatives of each body take back the decisions and minutes and documents of the Joint Committee to their own executive.

8115. I take it that the Joint Committee has no kind of control or authority over any of these other associations?—No.

8116. Are any of these various associations or societies which go to make up the Joint Committee connected with some other body such, for instance, as the National Conference of Friendly Societies?—No, none of the associations that I have mentioned is connected with any other body that I am aware of. It may be that some individual society is in a union of similar societies.

8117. There may be a society under the Catholic Group of Societies who might be connected with some other association of societies?—Yes.

8118. But there is no overlapping as between the executives?—No.

8119. To return to the question of attendance on women and dependants, I think you rather suggested that there was no urgent and crying need for an extension of medical benefit to women and dependants?—We have been unable ourselves to find that crying need.

8120. (I think you said the difference between the service to men and women was that in the case of men their medical benefit was provided by a capitation fee which came out of wages plus what they also paid by way of general taxation, and in the case of women who are not insured they get medical treatment as the result of payment of fees?—Just so.

8121. Does not that almost go to prove too much? Does not that almost suggest that there is no crying need for medical benefit for the insured?—I do not follow the point.

8122. From the answers you gave it occurred to me that you rather explained away medical benefit by saying that there was not much difference between men and women; that women could get it by paying out of their income or their husband's income; and that men get it also by paying out of their income, out of wages and out of general taxation?—Yes.

8123. Might not men pay in the same way?—It has been contended that inasmuch as men, insured and uninsured, pay general taxation, it was unfair to charge the employed person a contribution for sanatorium benefit. You might argue, therefore, that it is unfair to charge him for medical benefit because he is a member of the general community and is paying out of general taxation.

8124. I am not wanting to put any point to you, but rather to give you a chance of re-stating it, because if you read your answer I think you will find the impression conveyed is that there is no need for medical benefit to insured persons themselves?—That was not the intention of my answer.

8125. Let me take a further point on that. I gather from you now that this reference to regimentation, whatever regimentation means, has special reference to the Oxford Resolution?—Yes.

8126. And that this has no bearing, or would have no bearing, on a system of provision of medical benefit for dependants if it were done under the ordinary panel system?—If there was free choice.

8127. If there was free choice under the panel system?—I will not say "under the panel system," but if there was free choice. The panel system is not perfect, as I have suggested, because it is not absolute free choice.

8128. You suggested that if medical benefit was extended to women there would be so many claims on the doctor, so many attendances, that the doctor would have so much work to do and the system would tend to break down, would become an inferior service,

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Do you think under the panel system there is a tendency for the insured person to ask for too many attendances?—I would rather give a representative answer, if I may consult my colleagues?

8129. Certainly; and you rather implied that women were not so badly off after all, and if you gave them the panel service they would call a doctor so much more often and no particular good would result?—The reason why women would make a much larger call on the doctors than men is because they are women, with complaints peculiar to their sex which do not exist in the case of men. I have heard it stated by the Chairman of the Panel Committee in London that it might be anticipated that a married uninsured woman would make three attendances to one by the insured man.

8130. These complaints which are peculiar to women exist quite irrespective of the nature of the system of medical benefit?—I agree; but I have said that at present, for various reasons, uninsured women are not able to procure as many attendances as would be procurable by them under a contract system.

8131. Would they be better off if they had more attendances?—I would not deny that for a moment.

8132. You mentioned medical referees and you mentioned cases where women have refused to go and have declared off rather than be seen by the medical referee?—I have read the evidence which has been given, and I understood that was the point that was taken by one of the official witnesses.

8133. You have told us how much you are in contact with insured persons and their views. To what extent do you think the question of women doctors bears on this point? Does the woman insured person prefer a woman doctor if she can get one, or does she say: no, I will not have a woman doctor, I will stick to the man doctor?—(Mr. Daniels): They prefer a man in Birmingham.—(Mr. Rockliff): As far as our knowledge goes women prefer to be dealt with by a man rather than a woman.

8134. If that is so, the suggestion that women are afraid to be refereed by a man rather loses some of its force?—The point is they are going to be sent to a person not of their own free choice. That is my point about regimentation. Under a national medical service, where insured persons or uninsured persons are allocated to particular doctors, they lose their choice and they do not care to go. Similarly with the regional medical officer; he is not a person of their choice.

8135. The objection to going to a medical referee is entirely or largely that he is not of their own choice?—I understood that was the suggestion put before the Commission, not by me, but by somebody else.

8136. You have told us about the administration of medical benefit in London and the Medical Service Sub-Committee, and I think you explained that what you have said applies to London alone and not to other areas?—Particularly to London.

8137. With regard to the Panel Committee and the Medical Service Sub-Committee and the Insurance Committee as a whole?—And the Insurance Committee as a whole; and where our Statement talks about "no inconsiderable section" those words are applicable to London, because London contains two million insured persons, one-sixth of the whole of England.

8138. What is wrong with London, if I may ask you that?—Ask the London Panel Committee.

8139. It is the London Panel Committee, is it?—The attitude of the London Panel Committee is at the root of the trouble.

8140. How many of the members of the Insurance Committee are doctors?—Possibly six or eight.

8141. Are you still on the London Insurance Committee?—I am.

8142. Cannot you keep them in order?—I am sorry to say they do not allow the lay members of the

Committee to interfere with the proceedings of the Panel Committee.

8143. The Panel Committee is an outside body, it is not the Insurance Committee?—It is an outside body, but unfortunately I think it rules the question of the type of service which shall be given in London.

8144. Let me take the Insurance Committee first. How many members are there from Approved Societies?—Three-fifths of the whole.

8145. That gives you how many?—Three-fifths of 40.

8146. That gives you 24 out of 40?—Yes.

8147. Surely these 24 Approved Society people have some control over the six or eight doctors?—I am sorry to say they have none. The Insurance Committee cannot interfere with the Panel Committee as a panel committee, nor can they interfere with the judgment of the medical members of the Medical Service Sub-Committee.

8148. Coming to the Medical Service Sub-Committee, how many people are there on that Sub-Committee?—Three doctors, three laymen.

8149. Three doctors and three Approved Society people?—Yes, and one independent chairman.

8150. What is a quorum?—There must be an independent chairman and one at least of the medical members and one at least of the insured persons members.

8151. The reason I ask is that you intimated to us that the doctors had received instructions not to attend?—Yes.

8152. What does that mean?—From the doctors' point of view it estops any action which might bring to book doctors who are not playing the game.

8153. Can one Medical Service Sub-Committee do all the work in London?—It endeavours to do it. It is a Committee which sits for very many hours week by week. It has a very onerous task.

8154. Is it more or less in constant session?—The Committee as a Committee is not in constant session, but if you take the time that is absorbed by its members in reading the documents before they attend the meetings of the Committee, and the hours they sit to hear cases, it is a very onerous undertaking to be a member of the Medical Service Sub-Committee in London, especially having regard to the number of cases which come before it.

8155. You rather alarmed me by what you told us about the Medical Service Sub-Committee. I gather from you that the doctors refuse to sit under, not any impartial person, but one particular impartial person?—They have refused to sit under the chairmanship of an independent chairman elected by the remaining independent members of the London Insurance Committee.

8156. Have they expressed their willingness to sit under somebody else?—Not at present that I am aware of.

8157. The reason I ask is that there was a suggestion of some general evil?—I ought to correct my last answer. I was present at the election or at a meeting when an election was in progress, and every one of the independent members of the London Insurance Committee was in turn proposed by the doctors, including the wife of the particular independent chairman under whom they refused to sit, and each of those independent members declined to act; so that inasmuch as the doctors proposed each of these persons in turn, I presume they would have sat under their chairmanship.

8158. The doctors were willing to sit under anybody but this one man?—Apparently so.

8159. I do not know anything about the question. It is rather a personal matter, is it?—Personal, but quite unjustifiably so.

8160. You were asked about the Oxford Resolution, and whether or not it represented the views of two million insured persons. Would I be wrong in saying that it represented the views of those who were there? What influence had the insured persons on that

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resolution?—Candidly in my judgment the Executive of the National Conference of Friendly Societies, which brought forward that resolution, were stamped by Mr. Gordon, one of their number, who has recently been before you; but I am not going to depart from my view that if Mr. Gordon's argument before the Conference converted a substantial body of opinion to his view those persons who were converted to his view were so converted on behalf of the insured persons who sent them to that Conference.

8161. Mr. Gordon may have converted people there, but he did not convert the two million insured persons in the country?—In converting the people there who were sent by the insured persons, Mr. Gordon converted them to the view that their electorate would be benefited by this change in system, and believing that their electorate would be benefited by this change in system they voted for the resolution.

8162. The insured persons were not consulted?—Not individually.

8163. Nor have they been in your case?—(Mr. Daniels): Oh, yes, in principle.

8164. Each insured person?—Not each insured person, but each society.

8165. (Mr. Cook): Mr. Rockliff, I understand you are speaking on behalf of a considerable body of Trade Unionists?—(Mr. Rockliff): I have on my left the General Secretary of the General Federation of Trade Unions. I have also stated, and I wish it to be clearly understood by everybody in the room, that we are trying to present a representative view of the majority of our colleagues on the Joint Committee, not necessarily the particular individual view of each of the three who sit before you. We are doing our best to present a representative view, sometimes rather difficult if we are not wholly in line as individuals with the view we present.

8166. And you deprecate very strongly the idea that the wives and children of insured persons should come within the four corners of the Act?—Oh, no. I think I have been entirely misunderstood if you say I am deprecating their inclusion. I have said by all means, if these things are practicable, let them come in, but in our judgment they are not practical possibilities at this juncture and, therefore, we are not sent here to advocate them.

8167. They are not practicable from your point of view chiefly on financial grounds, I think?—Undoubtedly.

8168. It is the financial consideration that weighs with you?—Undoubtedly it is the financial consideration that weighs with us, because of the present position of the country and because we feel that it is not practicable to go to Parliament, or for Parliament to go to the country, and ask for increased contributions purely for Health Insurance purposes at this moment.

8169. At any rate, you have made out a very strong case indeed for the inclusion of women within the Act if the difficulties which you see can be surmounted. You have pointed out the special diseases to which women are subject, and you have admitted that if women had the same option that insured men have, the number of attendances which they presently receive would be very considerably increased?—If these things were practicable each of us sitting here would be here, not only as individuals but as representative men, to advocate them and desire them.

8170. It is quite clear even from your own point of view that women to-day are not being adequately attended to medically?—They are not being attended to probably to the extent to which they would be attended to under a contract system.

8171. In other words, they are not being adequately attended to at the moment. You are probably aware that a very large section of insured men are paying in other ways for medical treatment and attendance of their wives and children. I think I may safely say it runs into some millions.—Through Provident Fund contributions?

8172. Take the miners and many other workers: they contribute regularly every week through their pay offices for attendance on their wives and children in addition to the contributions they pay for National Health Insurance?—That may be so.

8173. That being so, would it matter very much if to obtain that service for their dependants they paid a little more for National Health Insurance purposes than they are paying at the moment?—I will take your figure of two millions—

8174. I did not mention two millions.—Any number of millions. You are talking of the most highly paid section of the industrial community, and because of their capability of paying an extra contribution you would impose it upon the whole of the insured community. I do not think that is practicable.

8175. I will not agree with you in the implication underlying your reference to the highest paid class of workers. As a matter of fact the people I am referring to are not by any means the highest paid class of workers in the country, particularly at the present time. What I suggest to you is, the financial difference, as far as I understand it, would be comparatively trifling and would be a burden that even the lowest paid worker could afford to carry to obtain such services as I am referring to?—The insured person to whom you are referring would not pay the whole of the additional contribution. I can imagine it would be claimed by that section of the community to whom you are referring that both the employer and the State—if the State is any different from the employer and the employed—should pay something beyond the employed person's own contribution. All these contributions have to come from somewhere, and in the present state of trade any additional burden upon industry is the last thing we feel called upon to advocate.

8176. As a matter of fact is not this argument you are putting forward, the economic argument, exactly the argument that was used by the opponents of National Health Insurance against the Scheme of National Health Insurance?—National Health Insurance came into existence in far different economic circumstances from the circumstances of to-day, and I do not think you can argue from that analogy.

8177. My question is: is not this exactly the argument that was put forward by the opponents of National Health Insurance?—No.

8178. That it imposed a burden on particularly the lowest paid class of workers in the country which it was unfair to put upon them?—And the answer was that these lower paid workers in the community shall have the advantage given to them of that extra contribution and that extra burden that was imposed upon them, and it is that promise to them that is now sought to be taken away.

8179. You also object to pooling?—Yes, pooling is theft, pure, unadulterated theft.

8180. (Mr. Besant): With regard to the possible inclusion of women and children in a National Health Insurance Scheme, I gather you would be in favour of that if it were not for financial considerations?—If it were not for financial considerations and if there was not the regimentation which allocation would involve.

8181. I am a little puzzled to know how you reconcile that answer on the financial side with your arguments (a), (b), (c) and (d) set out in the first paragraph of your Statement?—That is the regimentation argument, is it not?

8182. It is more than that. Could you amplify a little how far you would put finance first, or how far you would put your (a), (b), (c) and (d) in relative importance?—If there is financial ability to give these things, I do not think we need stop to argue as to whether there is any clear demand for them. If it is desirable let them have it, even though they have not demanded it.

8183. I only wanted to be clear as to which side it was that you came down on, whether it was merely finance or whether you attached great importance

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especially to (a) and (b)?—No, if it is financially possible, then, Sir, even though there be no crying demand on the part of women and children for it we believe it would be good for them and we would give it to them.

8184. Fundamentally, it is based on finance, though you have not put finance in your particular argument for excluding women and children?—I am sorry if we omitted it, but obviously finance was in our minds.

8185. (*Sir Alfred Watson*): Mr. Rockliff, what is this regimentation to which you refer? I always understood people had free choice of doctor?—Yes. As I have endeavoured to explain, the Oxford Resolution, with which paragraphs 1 to 4 deal, involves a national medical service of a whole-time character. That is so stated in the Report upon which the Oxford Resolution was based, and in our judgment that involves allocation of women to particular doctors. That is a regimentation which we do not think women are desirous of or would submit to.

8186. What you are speaking of in paragraph 1 is linked up with the resolution referred to in paragraph 3?—Yes. I tried to explain earlier on that paragraphs 1 to 4 were associated with the Oxford Resolution.

8187. (*Sir Humphry Rolleston*): Might we have some light thrown on the conclusion of the two million members of Approved Societies that a State service necessarily means allocation and absence of free choice of doctor?—In the Report upon which the Oxford Resolution was based it is distinctly stated that to give effect to this resolution the national medical service should be of a whole-time character. We are dealing with the Oxford Resolution as it was passed and, therefore, any variation of that might interfere, of course, with the conclusions in paragraphs 1 to 4 of our statement.

8188. I do not yet understand why, if it is a whole-time service, that necessarily deprives the patients of the free choice of doctors?—I cannot imagine personally that it would be otherwise.

8189. That is an assumption?—Yes, the whole-time medical service.

8190. If it is an assumption without any proof, that argument may be put aside?—That is the basis of the Oxford Resolution that I have read.

8191. I understand the basis of the Oxford Resolution is that it is a whole-time service?—Yes.

8192. Why does that necessitate an allocation to one doctor without any free choice?—Because our view, at any rate, of the whole-time medical service, which they had in mind at Oxford was the appointment of whole-time doctors for particular areas, and that therefore there would be an allocation of the persons included within this new scheme to the particular doctor who was the national doctor for the area, and that they would therefore not have the free choice of medical attendant which they at present have.

8193. (*Mrs. Harrison Bell*): Is your view that the attendance of women would be greater under a panel or national scheme than it is at the private doctor's surgery, based on the experience that you have of your own insured women members?—It is based upon our knowledge of what has happened as regards insured women since 1912, and based also upon medical views, which I have repeated to this Commission in an earlier answer, namely, that under a contract system the attendances of women, like the attendances of men and women since 1912, would naturally increase, because they would be entitled to go as often as necessity required without a call upon their pocket.

8194. Then on the subject of the Conference at which the Oxford Resolution was passed, you reflected just a little on the results of the conversion due to Mr. Gordon's speech or attitude of mind?—I am sorry if I reflected on that.

8195. If the members of a great Conference had their views influenced by Mr. Gordon, I presume

they had to go back and report to the representative meetings that had elected them to go to that Conference and would thereby have to justify the attitude that they had taken up?—I have not the least doubt that they went back to their own societies or other bodies—Friendly Society Councils—and justified the vote they had given.

8196. And so far as your evidence goes there has been no upsetting of the judgment of those delegates that assembled there?—I would rather you put that question to the National Conference of Friendly Societies when they come before you.

8197. I ask for your opinion.—My personal knowledge does not enable me to answer the question, and, therefore, I would not care to give an opinion.

8198. May I ask you also on what grounds you based your opinion that the panel service in London differed from that in the provinces? How many members of your Approved Societies are resident in London to enable you to form this opinion? A few thousands on either side would not matter, but it is a very important state of mind to be evidenced, and I should like to know about what proportion of the membership is presumably suffering in this way?—It is difficult for me to assess the proportion of the 1½ million or 2 million insured persons covered by the Joint Committee of Approved Societies as between London and the provinces; but undoubtedly the number in London is substantial.

8199. Then, to come back again to the free choice under a whole-time medical service, there is a national medical provision for venereal diseases. The choice of doctor is so free in that case that a patient may actually go to another town than his own. Does it in your opinion therefore follow of necessity that, under a general medical service, freedom of choice could not be arranged?—I cannot imagine that for general medical attendance a man would journey from one town to another. Because of the peculiar complaint to which you are referring and the desire of the sufferer that his condition should not be known to anybody likely to be within reasonable distance of him, he will travel a distance; but because that extent of choice exists with regard to venereal disease I do not think you could say that the same freedom of choice in another area than his own would either assist him or be availed of by him in regard to general medical attendance.

8200. That is hardly an answer to my question. I did not suggest the same freedom of choice. What I suggested was that if the freedom of choice was so very great in the case of one particular disease, surely it would not be beyond the wit of man or woman, or both combined, to arrange for reasonable freedom of choice under a national scheme?—If you are going to have so many whole-time paid medical men under a National Medical Service in any area as to give real freedom of choice, then you are going to make it financially impossible to set such a scheme on its feet.

8201. (*Chairman*): I observe from paragraph 5 that you are satisfied with the card-stamping system and do not desire to recommend any change in this respect. You are satisfied that the system secures that Approved Societies are credited with all the contributions paid in respect of their members?—With all the contributions paid in respect of their members—no, I should not like to commit myself to that view; with the great majority of contributions, certainly.

8202. In paragraphs 6 to 8 you recommend that sickness benefit should be limited to 18s. per week. Would you amplify to us your reasons for this limitation? While I see the advantages of treatment benefits, at the same time, if a man has no voluntary insurance and has a wife and dependants, some people would say that 18s. a week was hardly adequate provision?—Our view in regard to limitation of cash benefits has nothing whatever to do with voluntary insurance. We desire that every member of a society

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should have a right to share in the surpluses, and that cannot be achieved if the surpluses are to be wholly distributed in cash. Persons who have not been sick during a quinquennium are the very persons who have built up to a large extent these surpluses, and if those surpluses are to be only accorded to those who happen to be sick in the coming quinquennium, then the healthy member is deprived of any advantage from the surpluses which he has helped to create. By giving treatment benefits along with cash you enable a far larger percentage of the membership to share in the surplus.

8203. Have you any information as to whether insured persons in receipt only of the statutory benefit come upon the Poor Law to any extent?—I have no doubt that there are instances, but I should say that, speaking generally, you would not find that state of things to exist in connection with Health Insurance, but you will find it to exist very considerably in the case of Unemployment Insurance.

8204. Why is that?—Because Unemployment Insurance, rightly or wrongly, looms larger in the public eye; it affects the community probably more seriously whilst it exists in large measure, and therefore the Local Authorities (the Guardians) are called upon by the unemployed man for assistance more frequently than when he is merely sick.

8205. Do you hold any views upon the dangers of over-insurance?—Experience teaches me that the higher the benefit the more frequent the claim and the longer the claim. But I am not here to say that the persons who do claim in that way are preferring improper claims. I should say that a man is sometimes enabled by the knowledge that he is entitled to receive a reasonable sum in sickness, to go sick, whereas he might be tempted, if the sum were indifferently small, to remain at work, to his greater prejudice in health later on.

8206. In paragraph 8 you emphasise that societies should retain their present right to select and administer additional treatment benefits. Do you not think that these benefits are in nature akin to medical attendance and might be administered more effectively by Insurance Committees, just as medical benefit is?—To some extent my answer to your question must depend on whether the whole cost of the benefit or only a part of the cost is given. If the whole cost of a benefit is given it might be more practicable for an Insurance Committee to administer it than if a partial payment on account of the benefit were given. But I do not agree that these benefits are akin to medical benefits; they are cash benefits, and we have endeavoured in paragraphs 62 to 69 of our Statement to amplify the view expressed in paragraph 8.

8207. Is it not the case that the present arrangement leads to very great and possibly undesirable variety in the scope of the additional treatment benefits and the methods of providing them?—I am rather doubtful as to what is meant by the word "scope"; but we have stated somewhere in our memorandum that deadly uniformity is not always itself a desirable thing.

8208. In paragraph 9 you recommend that each society should have the right to utilise its own "indisposable" surplus to maintain in full benefit its own sick but unemployed members. Do you mean by this the abolition of penalties for arrears which can be proved to have been due to genuine inability to obtain work?—I would like to present the view in connection with this matter that for Unemployment Insurance to escape altogether payment of benefit to a man who continues to be unemployed, though he may be ill, is unjust. At present, if the man suffers one calamity—that of unemployment—he is entitled to 18s. a week; but if an added calamity, viz., sickness, comes along he is deprived of unemployment benefit altogether and is turned over to Health Insurance and receives from the latter a reduced benefit. But that man remains

essentially an unemployed man. It is the law and it is the present position, but we do not consider it fair. Being still an unemployed man, willing and able to work if work were to come his way, his normal status is that of an unemployed man. We do not consider it fair that the Unemployment Fund should escape the whole liability for benefit to that man. It is not an unknown thing for employed persons to receive their wages when absent from their work during sickness, and for the employer to deduct from the wages the amount paid to the man by his Approved Society. Similarly, I think a reasonable case could be made out for the Unemployment Fund still to pay the sick unemployed man the difference between the unemployment benefit and the sick benefit. If you will look at paragraph 9 of our main Statement you will see it says: "The Joint Committee would desire to see each society possessed of the right to utilise its indisposable surplus," and I do not think that that necessarily implies that every society must be compelled to maintain in full benefit its own sick but unemployed members. But with regard to your question about the abolition of penalties for non-payment of contributions, since our Statement was drafted we have been impressed with certain arguments which have been placed before us as to the undesirable effect which might result to Health Insurance from the complete abrogation of penalties for non-payment of contributions. We personally this morning are in a difficulty. Our hearts would desire to see the unemployed sick member in no worse financial circumstances than he was as merely an unemployed member, and I daresay that if we were free to express our personal view, as distinct from the views of those with whom we might not be in absolute agreement on this point, one or other of us might not be particularly concerned about some of the arguments adduced as to the undesirability of abrogating the arrears penalty. It is said that it would have a disastrous effect upon the collection of contributions, and that it would also be difficult, once you embarked upon the scheme, because of the present excessive unemployment, to put an end to the scheme when the position became less acute.

8209. Do you suggest that this provision should be limited to societies which had a surplus on the previous valuation, or should it, in your view, apply to all insured persons, the cost being made a general charge on the benefit funds of all societies?—If every society were accorded the right to deal with its unemployed members, and as the result of the exercise of that right it was in difficulties upon a valuation, it would have the right to apply to the Central Fund to make good its deficiency.

8210. Do you think that such a scheme could be effectively worked under an arrangement by which the Employment Exchanges would certify genuine unemployment, or have you any other arrangement in contemplation?—I, with my colleagues, I think, expect shortly to be called together to see whether it is possible to find a means of assisting the unemployed sick members in Approved Societies, over and above the new regulation which enables additional contributions to be placed to the credit of such members out of surplus; and I personally am hopeful that as the result of that meeting together it will be possible to do more for the unemployed sick members in societies than can be done under the regulation. The regulation is only applicable to those societies with surpluses, and we believe that it is not impossible to find a means of assisting those societies who by reason of severe unemployment are not in a position to exercise the powers given by the new regulation.

8211. (Mr. Evans): I do not quite understand your point with regard to the sharing of surpluses. Do you suggest that every member is entitled to a share of whatever surplus there is?—Yes; he is entitled to share equally with his fellows.

8212. Taking paragraph 6, you suggest 18s. as the limit for sickness benefit?—You will see that in para-

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graph 6 we suggest that a reduction in the contribution at present paid under Health Insurance is a matter which should be considered; the limitation to 18s. is partly dependent upon the question of the continuance of the present contribution, and it is partly to ensure that the whole of the members in the society shall secure a share in the surplus.

8213. But taking the 18s., do you regard 18s. as ample?—No, I should not say that it is ample for any man or woman who is sick; but we feel that it is right that every member should have a share in the surplus and that consequently there must be a limitation to enable that surplus to be evenly distributed over the whole, and not given to a particular section of the members, namely, those who are sick.

8214. But you find probably that the healthy man of to-day may not be the healthy man of to-morrow. In the long run, is not the amount paid out in cash benefits fairly evenly distributed over the membership of a society, taking a long period?—Taking a long period there may be something in your contention, but taking the short period over which the distribution of surpluses extends, namely, five years, we feel that you cannot evenly distribute the surpluses by giving them solely to the sick members.

8215. But you admit that 18s. is not enough?—I should be very sorry to suggest that anybody is adequately provided for with 18s.

8216. I suppose you will admit as well that when a man is sick he really requires more than when he is well?—I am not disposed to question it.

8217. But still you say that 18s. should be the limit at present, and if there is any more money in the scheme that money should be given to healthy members as well as to those who are not healthy?—There are two sets of members in a society, those who fall sick and those who do not. We feel that both sections are equally entitled to a share in the distribution of the surplus, and that in order to secure that end it is reasonable to limit the amount which the sick member shall receive so as to preserve something for those members who are not sick but have helped to create, and are entitled to a share in, the surplus through additional benefits of a treatment character.

8218. (Sir Arthur Worley): Then the logical conclusion is that the surplus ought to be divided out?—You can, of course, by logical reasoning sometimes arrive at very extraordinary results.

8219. Not only has the insured person paid in, but the employer has paid in and the State has paid?—Quite so.

8220. If we are going to be logical—and, after all, I should imagine that that is one of your strong points—it is not logical to say you will only pay 18s. when a man is sick, but you will reserve something because a man is going to have his eyesight tested or will require dental treatment. It may happen that the man who has contributed to that surplus has never been sick and does not want dental treatment. If you are going to preserve his rights you ought to divide it up or carry it forward?—Additional benefits are given to a person with a view also to preventing him from falling sick. We feel that his need has to be considered as well as the need of the man who does fall sick.

8221. What about the man who has not fallen sick but may in the future fall sick?—We hope by the treatment benefit to avert the risk.

8222. (Mr. Evans): With regard to Poor Law assistance you told us, I suppose from observation, that you find Poor Law assistance is more often given in the case of unemployed persons who are in receipt of unemployment pay than in the case of persons in receipt of sick benefit?—It has more often been sought and been given in the case of unemployment than in the case of sickness.

8223. To what extent have you had such evidence?—I have been associated with Health Insurance and Friendly Society insurance for 35 years.

8224. But with regard to unemployment?—With regard to unemployment, I have some slight knowledge personally of what happens to the unemployed man, because I am the Secretary of an Association under section 17 of the 1921 Act; but I am also judging from the experience of others with a far greater knowledge of Unemployment Insurance than I have.

8225. And you say that unemployed people do get more Poor Law relief?—More in unemployment than in sickness.

8226. Is it not the fact that the Board of Guardians usually have a scale?—It may be.

8227. And that they follow that scale?—It does not alter my view that the larger number of claims for assistance from Guardians come from unemployed persons than from sick persons.

8228. (Mr. Jones): Is it not the case that there are very many more persons unemployed at the present time than there are insured persons sick?—Judging from the position at the moment I should not care to answer that question. There is an epidemic raging now; but taking more normal times I daresay it may be true that there are more unemployed under existing economic conditions than there are sick.

8229. The disparity is arithmetical?—That would not account for the disparity between the number of claims by unemployed persons for Poor Law relief and those made by sick persons.

8230. (Mr. Evans): You said "normal times"?—I meant non-epidemic periods. There is an epidemic raging now, and the question was put to me whether at this moment there are more unemployed persons than there are sick claiming Poor Law relief. At this moment I should not like to assert that there are more unemployed than there are sick.

8231. But I suppose you will agree that the present volume of unemployment is also abnormal?—I agree.

8232. (Mr. Jones): Is it not the fact that an epidemic of sickness is short-lived, and that the individual illness is short-lived?—Comparatively.

8233. And economically they can carry on for a week or two?—Yes.

8234. Assume the case of an unemployed man who becomes sick and who may have been getting relief from the parish. Is it not natural that he in those circumstances will also apply to the parish to have his benefit supplemented?—He would probably have applied *qua* an unemployed person before he became sick, and his allowance from the Guardians would continue. They would not stop it because unfortunately he had fallen sick.

8235. Is it not the case that he would make an application to have it brought to the level that he was receiving when he was only unemployed?—He might do that.

8236. (Sir Andrew Duncan): I presume also it is possible, is it not, that many of the unemployed persons who fall sick now will not report as sick but carry on as unemployed?—There is to some extent a financial advantage, but the extent of the effect of the financial difference I am not able to gauge.

8237. (Chairman): In paragraph 10 you suggest that a marriage dowry should be given to insured women who marry in place of the present Class K benefits. Do you consider that such an arrangement would be appropriate in a scheme which is specifically one of health insurance?—I simply want to put as the representative view of the Joint Committee that which other persons have put in days gone by. I quote from a Report which I have with me: "We have put to witnesses the objection to the utilisation of insurance contributions in the provision of a benefit for which we can find no analogy in sickness, disablement and maternity benefit. We are bound,



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however, to say that many who are competent to speak with authority upon the economic aspect of the industrial community have pressed the value of a benefit on marriage. Balancing conflicting considerations, we have come to the conclusion that such a benefit should be provided." That proposal was embodied in a Bill in 1918. It passed the House of Commons on the second reading, this particular point being taken in the House. It went to a Committee of the House of Commons and again the point was raised. The Committee passed the Bill. It went to the House of Lords. The member of that House who moved the wrecking amendment began his speech with these words: "I defy anyone to understand the Bill, even with the closest study and the most acute headache." I do not think that that was a fair attitude of mind with which to approach the subject. He was admittedly speaking for a body which described itself to the Chancellor of the Exchequer as an organisation almost exclusively of married non-wage-earning women. Consequently, although the House of Lords altered the proposal of 1918, we are not satisfied that they altered it to the advantage of the women concerned, and, so far as our experience goes, women would prefer each to receive a definite sum on marriage rather than to receive a promise of something on an insurance basis which some of them might never receive.

8238. Would there not be demand from other kinds of insured persons for surrender values in various circumstances?—I cannot imagine any scheme where the principle of a surrender value is more deeply enshrined than in the National Health Insurance Act. I may be wrong, but I believe the free year of insurance is given in respect of past contributions to the scheme, and that therefore there is existent in this scheme at the moment the principle of a surrender value in respect of past insurance.

8239. Do you not think it is better that a married woman should be insured against sickness, even to the small extent provided for Class K and insured against maternity to the very substantial extent provided for that class, rather than that she should have a lump sum at marriage which might be dissipated unwisely at that time?—I agree that you might find occasions where an unwise dissipation of a marriage benefit would take place. It was alleged in 1913 that an unwise dissipation of the maternity benefit took place by the husband celebrating the event. But these are exceptional cases, and I do not think that the young married women as a class would dissipate unwisely a marriage benefit.

8240. Although the provisions for Class K appear at first sight to be complicated, do societies have, in fact, any real difficulty with them now that they have been in force for over six years? The number of Class K people in any one society or branch cannot be relatively very large?—I am not presenting this view against Class K on the score of complexity. We are trying to present the view that the original proposal of a marriage benefit is better because, from our experience, women who marry would, as a whole, prefer to have a definite benefit, which all of them would be able to appreciate, rather than a benefit in the future which some of them might not be able to secure.

8241. Do you know whether societies have in fact received from their married women members any great criticism of the present arrangements?—I am putting the view that in our opinion, from our experience, women would prefer a definite payment to an indefinite insurance of the character of Class K.

8242. In paragraph 11, where you recommend the abolition of the deposit contributor class, you say that cosmopolitan societies would be perfectly ready to surrender their present right of expulsion. Are you really satisfied that this is so?—I believe that it is the fact that great societies have offered to take into membership the whole of the deposit contributor class; and certainly a few years back, when this particular question was before the then Advisory Committee, they were prepared to take them and to

surrender their right of expulsion. I have not heard from them that they have gone back upon the latter view.

8243. Do you not see great administrative difficulties in any plans for compulsory allocation of deposit contributors to societies, particularly societies with special tests for membership?—I am not forecasting an allocation which would compel every society to take a share. There are societies which have special tests for membership who would be quite ready or anxious to stand aside and leave those who were prepared to take them without tests to go take them. I have heard it suggested that there should be a society formed for deposit contributors. I can see no better grounds for allocating these persons to a new society than for allocating them to existing societies, if allocation is an objection.

8244. In paragraph 13 you say that you are opposed to the common pooling of funds on the ground that it would be a flagrant violation of the pledge given by Parliament to the insured. You understand, however, that we have been asked to investigate the whole question *de novo* and that we must, therefore, examine all possibilities?—I have indicated that pooling is, in our opinion, little, if any, short of theft. Although you may say you are sitting here entitled to consider the position *de novo*, nevertheless, presumably you will have regard to the probability of Parliament departing from a principle which it clearly laid down in 1911, and which in connection with Unemployment Insurance it has also laid down, and very recently emphasised by inserting in an Unemployment Bill the provision that there should be continued the principle of contracting out of the national scheme by those industries who could give greater advantages to their members than the national scheme itself provides.

8245. Do you not find something rather anomalous in a system which professes to be national and universal and at the same time results in the widely varying rates of benefit which have emerged from the last Valuation?—I can find nothing more anomalous in Health Insurance with its surpluses, and the distinction between one society and another, than in Unemployment Insurance, where particular groups of individuals are excluded from a national Act, partly because they are poorly paid and partly because the risk of unemployment amongst them is small. Therefore, if in a national scheme of Unemployment Insurance, those better-off sections of the community as regards unemployment, are allowed to be left outside and not to contribute, I do not see any greater anomaly in a Health Insurance scheme in which there are differential benefits as between societies.

8246. You point out in paragraph 15 that the societies which had less surplus nevertheless had the same amount of money to expend as the more fortunate societies. That is undoubtedly true if you look at the societies as a whole, but I am thinking of the individual member who pays the same, but receives only 15s., while the man next door may receive 20s. with corresponding differences in the other benefits. Do you think that such a man would consider your argument a good one?—I venture to think there is a fallacy underlying all these arguments in favour of pooling and, therefore, if the insured person is himself guilty of the fallacy, he will not consider the answer that I am going to give as a good one. I am taking two persons—the miner with 15s. and the agricultural worker with 20s. The miner has had more frequent and more lengthy illnesses at 15s. than the agricultural labourer at 20s., and there is no real difference between them. The miner has had in number of illnesses and length of illnesses the full benefit of his contributions, and the agricultural worker is taking in shorter illnesses, but at a higher rate, the equivalent of his own contributions.

8247. Are we to understand that the body for which you speak objects to any pooling of the funds of Approved Societies beyond that which already exists through the Central Fund?—Unless Parlia-

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ment was misled in 1918 I do not admit that there is any pooling in the Central Fund. The Minister who introduced the 1918 Measure said this: "It has been frequently said that this proposal encroaches upon the surpluses of the societies and is taking money from the solvent societies for the benefit of the insolvent. That point is made under an entire misapprehension. Instead of in any way entrenching upon the surpluses of societies, the contrary is the case. In the Bill words have been definitely and deliberately inserted that no part of any surplus of any society or branch disclosed on a valuation shall be applied in meeting any deficiency in any other society or branch. I think the House will see there is no breach of faith with regard to the Act of 1911 and no intention of entrenching on surpluses." Therefore I do not agree that the Central Fund is a pooling fund.

8248. You lay considerable stress on the incentive to good management. Would not this incentive remain under a scheme of partial pooling whereby societies would retain for the exclusive benefit of their own members, a substantial part of the surpluses disclosed on valuation?—No. As soon as you weaken by any system of pooling, or any measure of pooling, the incentive to good management you are undermining the solvency of this scheme. If partial pooling can be justified, then total pooling can equally be justified, and we are not passing under the portal of even partial pooling, because once that is conceded the full measure of pooling must be also conceded—in our view.

8249. In connection with Paragraph 15, perhaps you would amplify for us the point you make about a differential reserve value based on occupational risk?—This is a point which was put to me—I do not think I ought to mention his name—by an actuary of a very large insurance company a few years back. The Manchester Unity were able to assess a different contribution for their hazardous risks when compared with their non-hazardous risks, and it did occur to us that in connection with the difficulties of occupational societies, the question of a differential reserve value giving to a miner, for example, a larger reserve value because of his occupational risk, might be worthy of consideration. We do not know; we are not able to judge, since we are not actuaries, whether it is practicable, but at any rate we do say that it is possibly worth looking at.

8250. (Sir Arthur Worley): I am a little interested in this question of pooling. You were saying that once you introduce that it would affect the incentive to good management?—Once you break down the right of the members of an individual society to the product of their contributions, you are going to undermine the incentive to good management.

8251. Take the maternity benefit. That hardly comes within the scope of any underwriting facilities or selection or anything of that sort. Would not you consider that that was a sort of benefit that is common to all societies but might fall more heavily on certain trades than others?—That possibility is met by the Central Fund, which is not a pooling fund, but is a re-insurance fund. The necessity for pooling for excessive maternity benefits in any individual society is met by the re-insurance which exists in the Central Fund.

8252. Would it not be better met by the whole risk of each and every society for maternity benefit being re-insured in one fund? I am keeping away from pooling for the moment?—I speak with diffidence. I have read the reports of the actuaries advising the Government on that matter in 1912 or 1913, and I have read recently a further memorandum on the same subject, and we are not inclined to favour the setting up of a particular fund when we know that any excess in maternity claims falling upon a particular society is at the present time re-insured through the Central Fund.

8253. I want to get away from the question of deficiency. Suppose every society had a levy put upon it; in other words, that the total amount required for

that benefit was taken from them and put into a fund and then distributed in such cases to the extent that maternity claims arose. It is not within the power of any Approved Society to say: "We will not take this man or woman, because of the maternity benefit risk"?—We are impressed, as a body, with the actuarial views which have been expressed upon the question of a special re-insurance of maternity benefit, and we are not here to advocate a special fund for the re-insurance of maternity benefit.

8254. No, but I am putting to you that there is a good deal to be said for it from a sense of justice and for other reasons. Disregard the technical difficulties as to whether it could or could not be done, because I have no doubt that it could be done. Do not you think it would be a reasonable thing to re-insure maternity benefit in one fund?—No; the view I have to express to you is that there is no necessity for such a fund.

8255. In these societies of yours some have surpluses, I take it?—Yes.

8256. They may not all have surpluses?—I do not know whether every society has a surplus or not.

8257. Do I take it that no society in your Joint Committee would be in favour of pooling, even when it was to their advantage?—I am not going to say that any individual member of the Joint Committee would not be in favour of this or the other. We are, as I have explained, endeavouring to present a representative view to-day and not the views of an individual member of the Committee.

8258. In a representative view on a subject where everybody does not agree, it is very difficult to get all the shades of colour. I do not quite see how the Commission can get a true impression of what is the view of your Committee if you have shaded it down or not clearly defined it. However, I am quite willing to take that. Of course, these societies of yours, and many others, would not have a surplus if it had not been for the Government grant?—It might be that the two-ninths would have affected the extent of their surplus, and it might have been that if you had withdrawn the two-ninths there would have been no surplus.

8259. Therefore I suggest it would be no violation of any pledges (this is my personal view) if the Government in future said? "Very well; that two-ninths in total shall go to the societies, but it shall not go on the same basis on which it has gone before. It shall go towards helping the weak and not towards helping the strong, who do not need it"?—The promise was made that Parliament would contribute.

8260. And they would still do so?—The promise was that it would contribute an addition to the individual contribution. In the working out of that matter the Government grant has, in fact, been given upon the expenditure and not upon the income. But I submit it would be a breach of Parliament's promise to the individual insured to give 9d. for 4d. if you took away the State contribution from the individual's contribution and allocated it in some other manner.

8261. I think there might be something to be said if they took it away; but if they apply it in a different method to get equity, I hardly think your argument would apply. I want to take you for a moment to the employers. Do the employers take an interest as to whether a man is in a particular society or not?—The intention of the Act was that employers should not know whether a man was in any particular society or not.

8262. And as far as your own experience goes, do they bother or do they not?—There are particular societies known as Employers' Provident Funds, where probably the employer takes an individual interest in the society. But, speaking generally, in the case of a cosmopolitan society I should say that the employers are not concerned.

8263. Really the point of view the employer has is that there is a liability upon him under an Act of Parliament, and he fulfils it, and that is all?—Yes.

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8264. With regard to the State contribution, which is a very serious proportion of the whole, the employer would have no view on the surplus?—That is so.

8265. Therefore you have on the one side the State and on the other you have the employer, the two between them giving the major portion of the contribution, out of which the surpluses come. They might take the line: "Well, we want to even it up"?—I am not so certain that the employers' contribution in the end does not fall back upon the employed.

(*Sir Arthur Worley*): That is an economic philosophical point which is outside my question.

8266. (*Sir Alfred Watson*): A proposal has been made to the Royal Commission that the State grant, instead of being paid to the individual societies in proportion to their benefits, should be used as a means of levelling up the charges of all societies, so that those societies with a very favourable experience would get none of it and those who had a bad experience would get much more than their relative share. I understand you to dissent from that proposition?—Entirely.

8267. Would you say that the contribution of the State towards the insurance of the individual is a consequence of enforcing compulsion on him?—Undoubtedly in part—in the main I should say—and because Parliament required a certain amount of superintendence and interference with the conduct of the business of the societies concerned.

8268. Apart from that, the theory may be advanced, may it not, that a contribution from the State towards a scheme of insurance is a necessary concomitant of compulsion in that scheme?—It may be so advanced, certainly.

8269. If it be so, the scheme having been set running, would it not be very difficult to justify, say, taking away from the agricultural labourer, after you have compelled him to insure, the two-ninths which you promised to give him and handing it over to the coalminer?—I should say that it would be indefensible.

8270. May I ask you to amplify a little your answer to the question of the Chairman as regards the Central Fund. From the form of that question it would appear to have been suggested to you that the Central Fund is a measure of pooling of the funds of Approved Societies. Is it not the fact that the Central Fund is derived from moneys that originally went to the redemption of reserve values and after the redemption were to be used for the extension of the benefits?—Yes.

8271. It is not quite clear then that that is the money of the Approved Societies. I think that is the effect of your answer?—No, I am sorry if I have conveyed that impression. In my judgment it was the money of the Approved Societies, though they had to apply a particular portion of that money to the redemption of reserve values. It has been argued that the extension of benefits when the redemption of reserve values has been completed need not necessarily flow to the insured, but the reserve values are the contributions of the insured.

8272. Is there anything wrong in the form of the question that was put to you?—The question which was put was whether I was in favour of any measure of pooling other than the measure of pooling which exists in the Central Fund. My answer is that if I am to believe what was said in 1918, and my own judgment of the matter, the Central Fund is not a pooling fund; it is a re-insurance fund for the normal benefits.

8273. You do not mean that it does not come from the funds of Approved Societies?—Oh no; it comes from the funds of Approved Societies in part, with the State grant added.

8274. What is the difference between re-insurance and pooling?—Societies voluntarily agreed to re-insure their normal benefits. That was a decision by

the societies themselves. The re-insurance of a particular benefit, as has been put to me, namely, maternity benefit, was expressly allowed by the Act of 1911, and this reinsurance through the Central Fund of practically all the normal benefits was simply an extension of that re-insurance principle.

8275. The word "pooling" is an inartistic word in this connection and one wants to know exactly what it means. It does mean a measure of re-insurance, does it not?—No; I personally should not so describe it.

8276. You draw a distinction?—I draw a distinction between the Central Fund as a re-insurance fund and pooling to pay an additional sum to the miner at the expense of the agricultural labourer.

8277. You made another suggestion that if it was practicable—and I want to go into the point as to whether it is practicable or not—there should be occupational reserve values; they would be redeemed in the ordinary way through the operation of the Sinking Fund?—Yes.

8278. Is not that a very practical measure of pooling?—That was inherent in the Act of 1911, and therefore, if you add to the extent of the reserve values, the whole of the societies have got to contribute to the redemption of all those values.

8279. If you are going to give occupational reserve values on account of special risks, is not that going a long way towards subsidising a society with special risks at the cost of the other societies?—It is going, I agree, some distance; but in the meantime the existing surpluses of the societies are not affected by the fact that the period of redemption of reserve values is prolonged. "Pooling," as I generally understand the word, is to take the existing surpluses from those that possess them and distribute them amongst those who do not possess them.

(*Sir Arthur Worley*): Before you get your surplus you might take a certain proportion of your premiums and put it into a common fund, and then pay certain hazards out of that fund. The result would be that you would not have a surplus to dispose of.

8280. (*Sir Alfred Watson*): If pooling was universal we might presumably abolish valuations. After all, the valuation is only a means of telling you how much money you have in excess, or otherwise, at a given moment. It does not affect the big question of whether one society should be aided by another?—Valuation results in a statement by the valuer that after taking into account the existing claims upon that society in the future there is a balance remaining. Any indentation upon that balance for the purpose of improving the lot of a society less favourably situated is pooling, to which we object. We have been, since 1912, bound to contribute to the redemption of reserve values as a whole, irrespective of our own share of those reserve values, and I agree that my suggestion of an occupational reserve value would compel societies, as a whole, to continue the process which Parliament laid down in 1912. But Parliament laid down in 1912 that outside that (if you like) general pooling of contributions to redeem reserve values, the surplus should be the property of the individual society and its individual members.

8281. Yes, I quite understand that; but you astonish me very much. Apparently you indicate that you are prepared to submit to pooling to any extent if it is done under the disguise of redeeming reserve values?—We had to submit to pooling to that extent in 1912.

8282. You are proposing an extension. Suppose a type of society with heavy occupational risks should have twice the reserve values that they are getting now. Are you prepared to double the share of the present contributions paid to that society through the medium of the sinking fund?—The suggestion of the Joint Committee which we are presenting to you to-day is that the possibility of assisting these occupational risks by a differential reserve value should be considered. We accept the position

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which was laid down in 1912, where all societies had to contribute to the redemption of reserve values, apart from their own claim to reserves. Therefore, if you extend the amount of the reserve values by giving additional reserves to those societies with occupational risks, we agree that all would have to contribute an additional sum for the benefit of those persons with those occupational risks.

8283. Do you realise that if the reserve value system was radically changed and occupational differentiation brought in as well as difference by age, you might have to put into the sinking fund a substantially greater portion of your contributions than you do at the present time?—That may be so, and that is the reason why we suggest it might be looked at. There may be insuperable difficulties from the financial point of view.

8284. I rather gathered that you would not mind doing it, so long as the effect of it was merely to lengthen the period of payment into the sinking fund?—Yes; there is, of course, another way of looking at the valuations, and that is that a three per cent. basis is still very low; a valuation upon a different basis might put the societies in a position to make their additional contributions to reserve values without placing them in difficulties.

8285. Thank you for that suggestion. You were questioned by Sir Arthur Worley upon the subject of re-insurance of maternity benefit. Is it the fact that the maternity benefit is a relatively small part of the total amount expended in benefits?—Yes.

8286. From your knowledge of Approved Societies generally, which I know is very wide, would you say that in those cases where heavy claims for maternity benefit have contributed to a poor result on valuation, they have only been one factor, and that a small one, in the relatively weak condition of the society?—Absolutely.

8287. And that other things of far more importance have helped to make the position of those societies what it is?—Yes.

8288. Would you agree that, if that is the state of things, it is not worth while to introduce the extremely complicated arrangements that re-insurance of maternity benefit on a scientific basis would require, regard being had to the relatively small amount of inequalities it would prevent?—That is the view I am endeavouring to present to-day.

8289. (Sir Arthur Worley): The view that you are giving, if I may say so, is not based so much on the relatively small proportion which maternity benefit bears to the whole cost, or the complication; but rather on your objection to pooling?—No; I think I said that for the reasons which were set out in the actuarial reports of 1912 and 1913, and more recent actuarial data on the same subject, we are not in favour of this special re-insurance.

8290. I suggest that it is not so much the actuarial difficulty, but the pooling?—There are the actuarial objections and the fact that, in so far as this comparatively small difficulty has to be met, it is already met out of the Central Fund.

8291. (Mr. Besant): In connection with paragraph 15 the Chairman asked whether if you had two men, one of whom got 15s. a week benefit and the other 20s. a week benefit, would the man who got 15s. a week consider your argument a good one? I think that you answered that by giving us an illustration of the position of, say, a miner getting 15s. and an agricultural labourer getting 20s. You pointed out that in the case of the miners their benefit was small because they had had a large benefit beforehand in the way of sickness benefit, and in the other case the additional benefits were larger because the members had had smaller sickness benefit, and that therefore both parties got a fair benefit out of the system of equal contribution. Is that a fair way of putting your point?—I think so, with the addition that if equality is sought to be established between the man drawing 15s. and the man drawing 20s. that equality

is established only by taking 2s. 6d. from the agricultural worker—the most poorly paid worker in industry—and adding it on to the miner's 15s. I do not think that can be justified as between individuals.

8292. The Chairman's question was: did you in those conditions consider that one man getting 15s. and another 20s. for the same sum per week could be justified. I thought you justified it by saying that in the miner's type the sickness benefit caused the smaller surplus and therefore the miner got his 15s. and therefore he had fair value for his contribution; whereas in the other type the sickness was light and there was a surplus, and he was entitled out of the surplus to a larger benefit, because he had not had the sickness benefit in the past?—Yes; he is entitled to the product of his contributions in the same way as the miner is entitled to the product of his contributions.

8293. That answer is, I think, quite complete if you had occupational societies; but expanding the Chairman's question to another aspect, suppose you took one particular miner who happened by good luck in selection, shall we say, to join an agricultural society, he would get the benefit of the light sickness claim of a particular class, although he himself had the heavy sickness claim of the mining class. He would get the 20s. as against his colleagues who had joined a miner's society and had been penalised by the heavy sickness claim and only got 15s. Could you justify one getting 15s. and the other getting 20s.?—In the first instance it has been a free choice on the part of each individual as to the society he joined. If as the result of that free choice a differentiation emerges, that is the result of the exercise of the choice of the individual. The possibility of the individual removing that disparity still remains, because there is the free right of transfer.

8294. There is up to a point; but of course if a member does change, he loses all surplus benefits for five years. But let us take this argument and develop it in the case of a young member. You have constantly got a succession of young people who have a choice of society. We have heard from other witnesses how difficult it is to induce the young miner to join a purely miners' society where, judging by the past, he knows that he will get no additional benefit, because he knows that sickness claims in such a class must always be heavy. Suppose the young miners avoid the miners' societies and permeate, as it were, into other societies by exercising their choice. Will you not get after a time the agricultural class, which is getting 20s., a little bit permeated by the mining class, and therefore the benefit of 20s. due to light sickness will be slowly undermined and a smaller benefit payable in future because of the permeation of the miners' class which has an additional sickness experience?—I cannot quite imagine an agricultural society admitting a miner to membership, and therefore I cannot imagine the agricultural member of an agricultural society being deprived of any portion of his benefit in that way. I can conceive of a cosmopolitan society admitting a miner and by that admission accepting the risk which attaches to a miner, and that that cosmopolitan society's surplus might be diminished as the result of the acceptance by them of the miner. The right of the society to accept, or reject the miner, however, still remains.

8295. I gather that the miner, like any other person, had his choice of electing what particular society he would join?—He has not a choice to enter an agricultural society against the wish of that society.

8296. No; but I think you may take it there are a good many places where mining is contiguous with surface cultivation, and therefore in which you may get a certain number of people engaged in one occupation who can join a society which in the main deals with agriculture. From the point of view of geography that would be quite possible, and, as far as we have gathered, the tendency is not to exclude

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people who come along for membership, but rather to endeavour to include such people if they offer themselves as members?—I should imagine that English agricultural societies would not admit miners to membership.

8297. That is rather a block, is it not, upon the choice of a society?—No. It was conceded in 1911 that a society could reject for any reason except that of age. In the same way it was conceded to an insured person that he could join any society of his choice.

8298. I am putting this question rather to force the point to an issue. Either the man had a choice which was genuine or not; either he has the substance or he has the form. He undoubtedly has the choice in form, but if he is to be rejected by one society after another so that the particular society can always select the most healthy members of the community and keep out everybody else, from selfishness, it ceases to be a national scheme?—I am sorry I cannot agree. If I might, I would like to read you extracts from statements of well-known men in regard to the position in 1911. Mr. Ramsay MacDonald said: "If you are having one set of societies, say Friendly Societies, selecting lives carefully, then their surpluses will be large. If you have Trade Unions not selecting their lives carefully, but simply taking in everyone working in the factory, their surpluses will be comparatively small. What is going to be the effect of that? Your far-seeing Trade Unionist or careful man will very soon discover, if he declares his Trade Union to be his Approved Society, that he is losing as compared with his fellow-workman who has declared a Friendly Society to be his Approved Society. I am afraid the effect of that will not be good for Trade Unionism, and it is in the interests of Trade Unionism that I make this proposal," which was to take a portion of the surpluses of societies away for the benefit of deposit contributors. Mr. Worthington Evans said this: "Under this Bill there is an additional reason for the good lives piling up an extra large surplus, because it is recognised that amongst agricultural labourers, at any rate, the rate of sickness is less than it is among miners, for instance. There is no doubt there will be societies who will have enormous surpluses and who will be able to give a very much larger average benefit. The honourable Member, Mr. Ramsay MacDonald, suggests that they should take those surpluses and give them to the deposit contributors. Why? If deposit contributors receive that additional subsidy, I think the proper way is to get it from the Government, and I cannot support the amendment." Therefore, the fact that by a selection on the part of the insured persons different results were going to accrue was patent to everybody in 1911. It was patent to Trade Unionists, and if they induced their members to segregate themselves in occupational societies, that was, at any rate, the result of their wrong advice. If that advice had not been given in 1911, it is possible that, with the general competition which then existed amongst societies, these occupational societies would not have been necessary, and hazardous risks might have been accepted generally. But we are 14 years away from 1911, and you have to-day the position that societies are not willing to do that. The competition for membership has practically ceased, and you are not therefore going to induce societies to give up the position which was knowingly conceded to them in 1911. This Commission may report in favour of a change of system, but I venture to think that Parliament is not likely to go back upon the arrangement which was made in 1911.

8299. Pursuing that argument, does it mean that a young man is told, apparently by an Act of Parliament, that he has a choice, that his choice is absolutely barred by the selfishness of existing societies, and that they will not admit him unless they think he comes up to the A.I. standard? Is it not a choice in form and not a choice in substance?

—No; there is a pretty wide choice even to-day in cosmopolitan societies. But there are special societies that require and insist upon a selection of their risks. That position was conceded to them, and that position they are going to endeavour to maintain.

8300. We have heard a good deal of evidence from other witnesses which seems to indicate that members who apply are usually admitted and that they are not always excluded as if they were going to put a measure of hazard on the common burden by being a little below the selection of the best membership?—If a society chooses to accept risks, it is perfectly entitled to do so. If it declines to accept those risks, again under the present scheme, it is perfectly entitled to do so. The point I wish to make is that this is not a development which was not foreseen in 1911. It was, as I have just shown, fully foreseen then, and I cannot imagine Parliament, having foreseen the effect of this scheme, altering the scheme to-day.

8301. With all respect to you, I think that 14 years' experience of fact may allow Parliament to alter a good deal of what in 1911 was simply theory. But going back to the main question, if you have a miner who has happened, perhaps by good luck, not to be "pilled" when he put himself forward and has got into a society where there is this additional benefit, whereas his own occupational society cannot give additional benefit, do not you think there will be an immense amount of dissatisfaction? You have two men working alongside of each other, one of whom has chosen his society well and the other who has chosen his society perhaps because he thought he ought to belong to his own particular set, and has then found he has made a bad bargain and cannot get out of it without giving up a good deal?—I should say that the experience of societies since 1921, when the first valuation results came into operation, disclosing considerable differentiation between one society and another, proves conclusively that there has been no widespread dissatisfaction at the fact of that differentiation; otherwise you would have had a general effort on the part of those in poorly-off societies to get out of them into other societies.

8302. Have you had any indication that some of the miners' societies have the utmost possible difficulty in keeping up their membership because the young men will not join them? When they get amongst their own set and their own associates and find people getting much larger benefits than themselves, what is there to induce those young men to join a society with no hope of additional benefits?—What damage does that fact do to the society as it originally existed? The presumption is that that society has the funds wherewith to carry the risks of its existing members to the end of their insurance life, and the mere fact that they do not take new members in that particular society does not seem to me in any way, from an actuarial point of view, to interfere with the continuance of that society.

8303. No; it interferes with that society only to the extent that they can get no new members if the young men are wise. No young man will join that society but will do his best to join another, because he is told he has got a choice and can find another?—He must be able to find another, or else he would be forced to go into his own society.

8304. Obviously. Therefore it seems to be a *reductio ad absurdum*. So long as you have a choice which cannot be exercised you are going to make things worse?—I do not concede that, because if he has a choice which cannot be exercised he must belong to the miners' society, and therefore that cuts away the statement that they can get no new members.

8305. No, that puts alternatively the position that some change ought to be made by which miners, as a class, are not going permanently to be segregated.—I thought it was conceded in a question put to me by the Chairman that the miners in such a society were entitled to have, and were receiving, every

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farthing which was the product of their contributions. Additional benefits are not something that comes from outside the ordinary contribution. The contribution is identical in every society. Therefore, the miner is getting the full value of his contribution. He is getting the additional benefit which that contribution provides, because he is getting so much more sickness benefit.

8306. If you always put together the people with the heaviest hazard in one society, those people are bound to be at the bottom of the scale; but if there is a certain amount of choice, a great many miners may get elected into other societies. The Chairman's question was: is it not an immense grievance to have men working together side by side, one of them getting 15s. because he has chosen the miners' society, and somebody else getting 20s. because he has joined a mixed body?—That is the result of the exercise of his own choice, which was foreseen in 1911.

8307. But this poor man did not know in 1911 what the exercise of his choice involved?—If the miners' leaders had told him what Mr. Ramsay MacDonald had said in 1911 he would have known.

8308. With all respect, neither Mr. MacDonald nor anybody else in 1911 knew what the conditions would be in 1925?—They foresaw them.

8309. They could not have known what the exact experience of sickness would be in future years. But taking it as it stands, Parliament could not have known how this would work out, and no Parliamentary Leader, however eminent, could have settled it. While they gave the choice, and the choice was believed to exist, it undoubtedly is the fact that the miner is ill-advised to join a purely mining occupational society?—He was ill-advised in 1911.

8310. But he did not know it in 1911, and in 1925 he does know it.—He ought to have been advised by those who were in a position to advise him.

8311. There was no one who could advise him. But there is also the feeling of *esprit de corps* which would prompt him to join his own society. I am putting it to you that these particular societies are having great difficulty in maintaining their membership because their members, seeing the bigger benefits elsewhere, are joining other societies?—It is clear that if they have got into other societies there is not only a free choice but that there are other societies which will take them apart from their own occupational societies.

8312. The moment they can get into other societies you are in effect getting what you abhor, that is, pooling: you are not putting all the good eggs into one basket and all the bad eggs into another, but you are getting a national system?—That is the result of a free election by the new society to take that individual and to share with him their own particular benefits, good or bad.

8313. And so long as that exists surely it must be a hardship for the man who chooses the miners' society as compared with the man who chooses a more mixed society where one gets much larger benefits than the other, although the two men are working side by side?—He would only get the larger benefits in joining the second society by depriving some other member in that second society of some of his contribution.

8314. I quite admit that, just as in life insurance you might say that if a man insures his life and dies the next week, he is stealing the money of the man who is alive. What is done in insurance, I understand, is a certain amount of pooling of hazards. That seems to me to be fundamental in insurance, and it does not seem to me quite fair that two miners who join two different societies should get a different scale of benefits where the hazards involved are not exactly the same?—I do not see why the careful man should not seek to get an advantage from his carefulness as compared with the man who is careless.

8315. It is not so much carelessness as following up to a certain point a feeling of *esprit de corps* and supporting his own class and his own society and his own body of colleagues. Why that particularly body

of colleagues, exposed to special hazards, should never have any additional benefits because the men exercise that particular aspect of fellowship is a thing which personally I fail to understand. I think I must leave it at that. We are not going to convince each other.—That is so.

8316. (Mr. Evans): Just one question on pooling again. I understand that you have a rooted objection to pooling?—It is theft.

8317. All sorts of pooling?—The taking away of the product of one man's contribution to give it to another is theft.

8318. Let us take the principle of pooling. You think that pooling is obnoxious?—It is obnoxious; it is contrary to that which the insured were promised in 1911, and therefore I am here to-day to represent the view that it would be improper to go back upon a contract, the effects of which were fully known, as I have shown, to every party in the State.

8319. But you say there is something inherently bad in pooling?—Can it be justifiable to take away from the most poorly-paid worker in this country—the agricultural labourer—the product of his contribution in order to give it in extra benefit to the miner who is one of the best-paid workers.

8320. I do not accept that.—By comparison certainly one of the best paid.

8321. The principle of pooling is what I was trying to get at. Would it be fair to refer to the Great War? There you had the whole nation pooling its efforts, pooling its resources, pooling everything in order to wage war and to wage it successfully. As a principle was that right?—In my judgment that is outside the scope of pooling under National Health Insurance, and I would not care to discuss it.

8322. National Health Insurance, to my mind, is waging war against disease. Would you not accept this: we have two methods of fighting disease, one is curative and one is preventive. Do not you think we ought to pool everything we can in order to prevent disease and to cure disease when it exists? Is there anything wrong in that view?—To the extent to which surpluses exist in societies they will be used for the very purpose for which you are suggesting they might properly be used. It is true a surplus would be used for a smaller number of individuals, but it will be used to a greater extent upon those individuals than if spread over a larger number.

8323. We are still out for National Health. The miner undergoes certain risks, and, after all, those risks are really due to the peculiar circumstances in which he is placed by the nation. If he does undergo risks, do not you think that there should be some sort of pooling by every section of the community which does not undertake the same risks?—I am sorry to reiterate, but I have again to go back to the case of the agricultural labourer and to say that it would not only not be fair, but it would be grossly unfair to take from his contribution to give to the miner more than the product of his (the miner's) contribution.

8324. We cannot think along the same lines. It is a National Health scheme we are talking of, and an agricultural labourer is merely part of the national unit?—We have in our statement quoted what was said by the then Chancellor of the Exchequer to the representatives of the agricultural labourers, which shows conclusively that it was the declared intention to preserve for the agricultural labourer—the poorest paid amongst workers—the product of his contribution and not to give it to anyone else.

8325. There was something said about 9d. for 4d.?—And the miner gets his 9d. for 4d. He gets the whole product of his weekly contribution. You are seeking, if I understand this pooling question correctly, to give the miner something beyond the product of his own contribution by taking something from somebody else's contribution; that is the unfairness of it.

8326. What appears to me quite apparent is that there are anomalies. The scheme was more or less

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experimental in 1911, but now we have had those years of experience, do not you think that any anomalies which have become apparent ought to be removed?—I cannot see how anybody can suggest that what has happened was unforeseen in 1911, having regard to the speeches by Mr. Ramsay MacDonald and Sir Worthington Evans that I have read. There the position is forecasted as it actually is to-day.

8327. You mentioned cosmopolitan societies. Do not you think that all societies might be cosmopolitan?—Very largely it was the Trade Unionists who proceeded on the lines of segregation. It is open to them to join cosmopolitan societies.

8328. (*Sir Arthur Worley*): If the miners as a body merged into these others you would be pooling in effect, would you not? There would be a dilution of the surplus now going out in other benefits?—That would be a self-determination on the part of the societies to accept those risks.

8329. There are very few societies who do not take anybody if their health is good? Most of the Approved Societies take most people?—I think I have just stated that the persons who sought to segregate themselves were the Trade Union societies.

8330. I am only suggesting that if the miners as a body did go into these other societies they would effect a pooling by diluting the surplus?—That would be a voluntary solution.

8331. I am not saying it would not be, but that would be the result. Suppose you have in a mining home four sons. One may be in a Trade Union and getting his bare 15s. The other three are in different societies—there is no question of segregation—and for the same money they pay in they get higher benefits?—And for the same money that they are putting in they have got the full product of their contributions wherever they may be.

8332. Brother John is in the miners' society, and he gets the full product of his contribution. Brother Joseph is in another society.—And he, too, is a miner?

8333. Yes. If he belongs to another society he gets all that his brother gets plus other benefits?—I agree, because his colleagues in that society have by their own act and their own decision agreed to give him a share; but that is a voluntary acceptance.

8334. Quite so. Therefore the only difference between us lies in the words voluntary and compulsory?—That is a great difference.

8335. You must remember that the basis on which this scheme is established is compulsion. Everybody has to be insured.—I know.

8336. (*Sir Alfred Watson*): In 1911 the National Insurance Scheme would not have got through Parliament if it had not given this right of voluntary choice?—I agree.

8337. (*Sir Arthur Worley*): I do not know whether the then Chancellor of the Exchequer looked forward to the surpluses that have arisen?—I have read Mr. Ramsay MacDonald's remarks, and I have also read Sir Worthington Evans' remarks. Mr. Lloyd George was equally optimistic as to the surpluses. I can quote him.

8338. (*Mr. Evans*): Will you tell us whether in your opinion the War affected the surpluses? I mean the War was not foreseen in 1911.—That is so.

8339. Do not you think that the War very much affected the surpluses of these various societies?—I am inclined to think that on a debit and credit account the societies would be inclined to say that they lost as the result of the War. It is perfectly true that a large number of men were killed, and it can be reasonably stated that the reserve values attached to those men fell into the coffers of the societies and were a profit. But societies have since been faced with an enormous amount of sickness attributable to the War, and whilst it is very difficult to take it out of the combined sickness and say what actual percentage is due to the War, if it could be taken out and set against what might be

called the profits, I doubt very much whether there would be any balance on the profit side of the account.

8340. I am simply pointing out to you that certain events have happened which have had far-reaching effects and that whatever opinions were held in 1911 may have been very much upset by subsequent years.—I must again repeat that the effect shown to-day by valuation is exactly what Mr. Ramsay MacDonald, Sir Worthington Evans, and Mr. Lloyd George forecasted in 1911.

8341. (*Mr. Besant*): Can I put this to you in order to sum up what seems to me to be the argument we have been trying to put? Does it not follow that an unfettered choice of society automatically involves a certain amount of pooling?—An unfettered choice of society, and an unfettered choice of rejection, both of which were conceded, mean self-determination on both sides. I am arguing round in a circle I know, but there it is; I cannot depart from the view that I have tried to express. I do not agree that there is a measure of pooling except in the illustration you gave to me of a miner joining a cosmopolitan society. To an extent he is deriving over and above the product of his own contribution a proportion of the contributions of his fellow-members; but he has been given that additional proportion by the consent and free will of his fellow-members.

8342. (*Sir Arthur Worley*): Is not that the basis of all insurance? Is it not that some pay and never receive and others pay and get a lot back? People in insurance do not reckon to get out what they pay in. Some must get more and some get less?—I am arguing from what was laid down in 1911 as the basis of this scheme, and I say from the extracts that I have read that every political party in the State foresaw exactly the position as it appears to-day.

8343. (*Mr. Besant*): If you have a block of miners, some of whom have been elected to other societies with slighter hazards, does not that involve those people in that society which has elected the miners in a certain amount of pooling?—Agreed.

8344. I only put that to you because at an earlier stage you seemed to be so much scared at the idea of the word pooling.—I think I have been perfectly clear in my answers that if a society chose to take in a hazardous risk, it of its own freewill decided to give that person a larger sum in benefit than his own contribution provided.

8345. It is quite impossible, it seems to me, to make an exact line so that if you have 5,000 people in a particular society each one of those is exposed to exactly the same hazards.—Quite.

8346. Obviously some are better off and some are worse off?—Quite.

8347. It all turns on whether the deviation is a small one. It seems to me that in most societies you get a certain amount of plus and a certain amount of minus and some people get a little better benefit and some a little worse. Surely that is the essence of pooling? And an extension of such pooling is quite a justifiable thing and is not fairly described by the word "theft"?—It is an agreement between certain persons to enter into a contract to insure one another, and to that extent you may say it is pooling, if you like that phrase particularly; but it is sought by those who advocate pooling to take compulsorily from those members of societies who have entered into contractual relations amongst themselves a part of the product of their contributions and to give it to other people.

8348. I think some of us would give a much wider interpretation to the meaning of the word pooling.—Sir Alfred Watson has indicated that in 1911, at any rate, this Act of Parliament would never have got through on lines such as are now suggested, and I am entitled to hold the opinion that no amending Act which seriously affected that position will go through any other House of Parliament.

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8349. (Mr. Jones): Your view very briefly is that surpluses should be retained to the members who have earned them?—Quite.

8350. You are in favour, as you said this morning, of regarding these as cash benefits and not as treatment benefits?—Yes.

8351. As a matter of fact, a considerable amount of the money is paid in one form of treatment or another?—Yes.

8352. You regard these payments as a good investment. You said in fact they were to some extent preventive services and would reflect beneficially upon the finances of the society in later years?—I hope so. That is the view of the societies.

8353. Do you think the individual who gets teeth extracted and gets a new denture looks at it from the preventive point of view?—I should say so. A man does not voluntarily go and seat himself in a dental chair and put his hand in his pocket to provide dentures unless he is convinced that for his own future well-being that should be done.

8354. Is not his immediate view that he wants to rid himself of his bad teeth and the discomfort that they are giving him?—To remove the cause of the trouble.

8355. It is really curative treatment?—Yes, and preventive of further trouble.

8356. One could say the same of appendicitis. If a man undergoes an operation for appendicitis that would be a curative service?—Yes. At the same time it is a preventive service as regards a recurrence of the trouble which he was previously experiencing.

8357. The view of the individual really is that it is a curative service, and if out of the surpluses you could give to one man this cure of the existing discomfort, what must be the view of another man in another society who for reasons which he does not understand cannot get that benefit?—I cannot look into his mind and ascertain exactly what he is thinking; but, at any rate, the position is, if he could be made to see it, that he has had a full return for his contributions, or his fellow members in the same contract with himself have had a full return for all their contributions in other ways, while the person who is getting dental treatment in another society has not had the same return in sickness benefit for the same contribution.

8358. That is quite clear to you and me, but is that clear to the average insured person?—I am not going to be a party to altering the position merely to help the man who will not see the truth.

8359. Do not you think it is rather hard on the miner, that he is to be left to suffer to the end of his days because of a position which after all he could not be expected to understand?—You are on the question of surpluses; not the provision of any normal benefit?

8360. I am taking it under present conditions.—I do not see any hardship on that man, because he has had the full product of his contributions, and if he does not understand it he has to be taught it.

8361. But teaching is going to do him no good; it is too late in the day. Are these conditions to be regarded like the laws of the Medes and Persians and not to be altered?—No. We suggest it may be possible to make dental benefit a statutory benefit.

8362. To extend it to the other benefits would solve the whole trouble. Is not this individual entitled to share in these other benefits, looked at from the remedial point of view?—Whilst all these curative agencies might be desirable, you are up against the cost of them if you are going to give them nationally.

8363. Do not consider the cost for the moment. Consider the desirability of extending that treatment to the individual?—There is no question about the desirability of every person receiving these treatment services.

8364. The Act of Parliament of 1911 has been amended in a variety of ways already?—Yes.

8365. Might it not be further amended?—Yes. But I cannot think that Parliament, having so

recently allowed contracting-out of Unemployment Insurance by industries more favourably situated than others, will reverse the position as regards Health Insurance.

8366. (Prof. Gray): You discuss in one place the question of the right of expulsion by societies, and you distinguish between what you call cosmopolitan societies and others, and suggest that the cosmopolitan ones, whatever they are, might give up their right of expulsion with the consequent possibility of assigning members to other societies, presumably to those who are prepared to take them. Is that your suggestion?—Yes, if I understand you aright.

8367. So that you would have two kinds of societies, one which would take any kind of member and the other which reserves the right of expulsion?—No; I do not think you will find here any indication that there should be allocation to two different types of society, one of whom retained the right of expulsion and the other which did not. I think the intention of this Statement, whatever the language may be, was that there should be allocation to those societies who were willing to take members and give up the right of expulsion.

8368. But they go together?—They go together.

8369. Certain societies give up the right of expulsion and thus there is the possibility of members being assigned to them?—Yes.

8370. You raise an interesting point as to the possibility of giving an additional transfer value in the case of members who have bad health?—Once you have made an allocation of the existing deposit contributors and one of the societies which retain the right of expulsion, expels a member, he has got to find a home. Our suggestion is that to find him a home the society that got rid of the member and thus got rid of any liability as regards his health, as well as possibly an undesirable member socially, should have imposed upon it a transfer value equivalent as nearly as possible to the health of the member.

8371. So that the more unhealthy he was the more it would be?—Yes.

8372. And you suggest that that transfer value might come from the Suspense Fund?—Yes.

8373. You would have a varying grade of transfer values?—I appreciate that.

8374. Do you ever have members expelled whilst they are in receipt of sickness benefit?—Yes, you can expel whilst a member is in receipt of benefit, but you must pay the benefit up to the date of expulsion.

8375. Quite so, but if you have the right of expulsion you may have, and I should imagine do have not infrequently, certain cases where members are expelled while they are in receipt of benefit?—Yes, there is that possibility.

8376. Does not that upset the possibility of giving a proper transfer value to the new society?—It may be very difficult.

8377. You could not give the true transfer value, could you? A person might have a serious illness which might go on for a year or two, and there could not be a proper transfer value?—You could only give an average transfer value applicable to certain risks.

8378. Could you elaborate a little further what you have to tell us about the difficulties which arise in the case of claims in respect of pregnancy?—Pregnancy is one of the most difficult of all forms of claim which Approved Societies have to deal with.

8379. That is as a matter of theory, but in practice have you trouble? You seem to suggest that there should be some closer definition of the conditions under which benefit is payable?—Because of the practical administrative difficulties which arise. We do suggest here that the Commission might look at the Washington Convention and see whether the applicability of that Convention is practicable.

8380. As a matter of theory, do you agree that a woman, being pregnant, and in fact being incapable of work, is then entitled to benefit?—If she is incapable of work by reason of sickness or disablement,



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and if her pregnancy does involve disablement—I will not say that every pregnancy involves it—she is entitled to benefit. She would come under “bodily disablement.”

8381. If, under those circumstances, there is in fact bodily disablement then it is a case for the payment of benefit?—If there is any bodily disablement rendering the person incapable of work, then I am not in any way suggesting that she is not entitled to sickness benefit.

8382. I do not want to take you on the question of pooling, but there is just one remote point connected with it which perhaps arises on your Statement. You suggest that under a pooling scheme there would be a tendency to more lax administration, and you say that the draft on the Treasury would be considerably increased. Is that the correct way of putting it?—It would be a bottomless pit, so far as the Treasury is concerned, if this were the National Health Insurance Scheme which I have understood some of the members of the Commission to have in mind; that is to say, that the contributions of all insured persons should be paid into a common pool, and whatever the benefits were they were to be paid out of that pool. The State contribution of two-ninths would be illimitable.

8383. I do not want to get on to pooling; the only point I am thinking of is this: under present conditions the Government pays two-ninths, which is attached as the money is paid?—Quite.

8384. When you say the draft would be increased, would it not be more correct to say that the Treasury Grant would remain the same, but it would be less effective? Do you see what I mean?—No; I am very sorry, but I cannot follow you.

8385. You pay two-ninths and you postulate that there would be more lax administration?—There would be more claims and more money paid out.

8386. The same money would be paid out by the Government, would it not? After all, you are always telling us the same money is there, whether it goes in sickness benefit or in additional benefits. Assuming your hypothesis is correct, would not the Government pay the two-ninths which would go in paying claims which ought not to be made, but the actual claim on the Government would be the same?—No, because a large sum is held back from the societies out of their surpluses as indisposable, and the Government pays no two-ninths upon that because it is not now spent. In our judgment there would be no disposable or indisposable surplus in a common pooling scheme, and consequently the State contribution would be very much increased.

8387. But in the long run it all goes?—No, believe me, if I have any knowledge of the Government Valuers—having seen two valuations—I do not think it will all go.

8388. I do not want to go into the question of differential reserves for occupational risks, but are there not great difficulties there? Does not a suggestion of that kind postulate that you can in fact divide up the population according to occupation?—We quite appreciate the difficulties, but we did say that it might be looked at.

8389. In actual fact, of course, it is very difficult to say that a man has one occupation and will not turn to another occupation later?—You could only have an occupational reserve value given once, and, whatever the changes in that man's position in after-life, that would have to be accepted.

8390. A man is a miner to-day and a farmer to-morrow, for instance?—He might be.

8391. And a railwayman the next day?—He might be.

8392. (Mr. Cook): Can you tell us who the people were in 1911 who would have wrecked this Bill if freedom of choice had not been granted?—They were the societies who were asked to put this scheme upon its feet.

8393. Am I right in suggesting that the people who insisted upon this amount of freedom being given

were people who had vested interests in this sort of thing?—They were people whose ability to put this thing upon its feet had to be sought by the Government of the day. They were the people who required for their acceptance and advocacy of this Scheme certain things in connection with it.

8394. I suggest that the people to whom I refer were the vested interests represented by Friendly Societies and by large Industrial Societies who brought their influence to bear upon the Government of the day to have this condition made obligatory?—Parliament took the view that for 100 years certain societies had sought to give to the industrial population a benefit in sickness, and that it would be grossly unfair to those societies to start a national scheme apart from them; and in fact, in my judgment, the national scheme could not have been put upon its feet without their help.

8395. I simply wanted to have the point that the people who insisted upon that particular condition being made part and parcel of the Bill that was then before the House, were certainly not representatives of the present-day occupational societies?—I would not say that that view was limited to societies. I would say that it also was held by a very large section of the House of Commons of that day.

8396. With regard to the point that you have been cross-examined on at considerable length already—the question of the permeation of non-occupational societies by miners and others—perhaps you will be interested to know that so far as Scotland is concerned there is not much more than one-third of the mining population in the occupational society of Scotland, and I daresay that the same proportion holds good with regard to other mining communities. Even suppose that pooling were to be put into operation, it would not be a new principle so far as our every-day experience is concerned, would it?—A compulsory pooling would be absolutely new.

8397. Is there not practically the same principle running through several phases of our national and local government activities?—No, I do not find it. I have tried to quote Unemployment Insurance as a standing example.

8398. Is it not the fact that every one of us is paying regularly for certain services in which we participate to no degree as individuals? Take, for instance, single young men and married people who have no families. Are not they paying rates and taxes for the education of the families of people who have children?—Yes.

8399. And we pay rates and taxes for the maintenance of our roads while all the use we make of the roads is perhaps to walk on them while you possibly are tearing them up by using a motor-car. I am assisting you by the national pooling arrangements and helping you in that way?—If I tear up the roads I have to pay the motor tax for tearing them up.

8400. (Chairman): Do I understand from paragraphs 16 to 23 that you are in favour of a minimum membership limit of 5,000 for separate Approved Societies and that all existing societies below this limit should be compelled to merge themselves in larger bodies similar to the present associations under section 76 (8) of the Act?—No, you are not to understand that from the paragraphs to which you refer. As a Joint Committee we are not out to cut the throat of any society. We do say that if you impose a numerical limit, that numerical limit could only be fairly imposed both upon branches, as separate valuation units, and upon small Approved Societies. They must both sink or swim together. If you recommended that there should be a numerical limit, and that those under that numerical limit should cease to exist as separate valuation units, then it is suggested that these associations which exist with a minimum membership of 5,000 should be allowed to form themselves into a society for the purpose of meeting your numerical limit.

8401. In paragraph 18 you say that the suggestion for a territorial administration is not believed to be

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practicable. Perhaps you would explain a little your reasons for this belief?—The paragraph reads as follows: "The suggestion for a territorial administration of National Health Insurance along with other schemes of social insurance"—"combined with" would probably have been a better form of expression—"is not at this moment believed to be practicable." We have heard of "all-in" insurance schemes. We do not think they are practicable, and that is the foundation for our view embodied in that paragraph.

8402. In particular I do not quite see why you say that territorial funds would aggravate the present difficulties brought about by segregation. Do you not think that on the whole the territorial societies would approach more closely to the average in their risks than happens under the present system of societies?—I am sorry I cannot subscribe to the latter part of your question, because you would have in contiguous areas very widely differing risks, and the result of a valuation of an urban and a rural area contiguous to each other, would be as widely divergent as are the results in Approved Societies to-day.

8403. In paragraph 20 you refer to the possibility of political considerations prevailing under a territorial system. Perhaps you would explain why you think this feature is more likely to appear in a territorial system than in the present system?—We have existed under our present arrangement for the past 12 years, and I have no recollection of politics having divided us into different camps; but under a local authority administration, I can conceive that insurance might become the shuttlecock of political contests in those areas, and we should be very sorry for that reason to see local authority administration of National Health Insurance.

8404. Arising from paragraph 21, why do you consider that a territorial administration system would be more costly than the present? Take, for example, Glasgow, as to which city we have had the following facts submitted in evidence. The insured persons in the city are distributed amongst 334 Approved Societies, of which 98 have only one member, 92 between 2 and 10 members, 71 between 11 and 100 members, and so on. Do you not perceive the possibility of economy in administration if all these numerous groups in Glasgow were brought under one local administration? Surely there would be a saving in office accommodation, salaries and all other expenses?—I cannot conceive the societies with one member in Glasgow being burdened with office accommodation in that city. I possibly may have in my own Society one member in Glasgow, but I cannot believe that that adds anything to the administrative cost of my Society. But I want to say quite frankly that in my judgment you cannot measure the cost in this way. If you are going to have territorial administration you are going to say to millions of insured people, who at the present time get two benefits by one act, that they must have a double certification. If you are going to have territorial administration of health insurance, those same people would have to spend their time and their money in applying to two different authorities for two benefits. In measuring the expense, therefore, that is involved it must not be merely taken as the expense to a society; you must take the expense and trouble and loss of time to the insured persons themselves.

8405. You say in paragraph 23 that the present system secures a humanitarian attitude. Do you think it unlikely that local bodies would be humanitarian? Surely the fact that they were dealing with their own citizens at short distance would have some bearing on this as compared with the "long distance" work of many Approved Societies?—Boards of Guardians are locally situate and deal with their indigent poor in their own locality; but I have yet to learn that the poor who come under the aegis of the Board of Guardians believe that the humanitarian touch exists there, and I certainly do feel

that Approved Societies possess more of the friendly spirit—the spirit of brotherhood—than could exist in local authority administration. Insured persons under the latter type of administration would be mere units. At present, as members of their society, they are personalities.

8406. (Mrs. Bell): I would like to follow the reasons set out in paragraph 21 and somewhat in paragraph 18 as to the extra cost in administration. Why would the people be required to apply for two different benefits in two different places to two sets of officials?—There are millions of persons who at the present time are entitled through their Trade Unions and through their Friendly Societies to health insurance benefits of a private character. They obtain from these organisations that private benefit by the same process as they obtain their State benefit. If you set up another authority to administer the State benefit you impose a double burden, in the shape of expense and time, upon the insured persons themselves.

8407. Is it true to say that the bulk of the State insured persons are also members of a Friendly Society?—I have said millions; I should say six millions at least of the insured population are, through their Friendly Societies and Trade Unions, entitled to benefits in sickness.

8408. And you think that would entail extra cost?—To the insured person it would entail extra trouble and cost. Loss of time is cost. They would be put to the expense of a double certification—a material factor, because certificates are not to-day given at a slight cost.

8409. Is it not possible to visualise a territorial society in which all the units comprising the various societies would be worked together and the whole provision for sickness administered through that one organisation?—It is possible to visualise it, but from our point of view we do not consider it a practical proposition at this moment. We may be wrong, but that is our view.

8410. (Sir Alfred Watson): May I develop that last question? I do not know whether you have a private side to your Society, but I think the other witness has. The position is this, is it not: an insured person in great numbers of cases is a member of a Friendly Society or Trade Union whose office, from which the benefits are paid, is not in the territorial area in which the member resides?—Quite.

8411. The same certificate suffices for the State benefits and the voluntary benefits?—Agreed.

8412. The same official pays the benefits?—Agreed.

8413. Territorially the same sickness visitor is sent to see that that insured person is complying with the rules applicable to sick persons on both sides?—Agreed.

8414. As I understand, the point raised is that if you get rid of all that and insist on divorcing health insurance from voluntary insurance, all this unification of services would disappear and each service would have to be separately administered?—Absolutely.

8415. That is the contention?—Yes.

8416. With consequent increase of cost to the insured person and trouble to the insured person?—I agree.

8417. And a certain amount of duplication of medical service?—I agree.

8418. Which in itself increases the cost?—Yes.

8419. (Mr. Evans): On paragraph 23, with regard to the humanitarian touch, is that inherent in these big Industrial Societies?—I do not say so there. The agent of the Industrial Assurance Society is, however, regarded by the persons upon whom he calls as a friend and adviser. I have not excluded them intentionally, but I do feel that in Trade Union and Friendly Society administration there is a closer feeling of brotherhood between one member and another than can possibly exist between one insured person in an industrial company and another person

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in an industrial company; that is to say, there is a brotherhood between the members. It may be that the agent of the industrial company is regarded as a friend and gives advice; but the brotherhood between the members themselves does not exist in the case of the industrial companies to the extent

that it exists amongst Friendly Societies and Trade Unions.

8420. (*Sir Arthur Worley*): In the Friendly Society and Trade Union they have other common objects and common interests, and therefore they are more bound together?—Quite.

(*The Witnesses withdrew.*)

Mr. E. E. ENGLAND and Paymaster Lieut.-Commander E. G. HOLDWAY called and examined.  
(*See Appendices XV. and XVI.*)

8421. (*Chairman*): I notice, gentlemen, that the Statements of evidence submitted by your respective Societies are almost identical in substance and I think, therefore, that it will be convenient and will save time if we examine you jointly. I will address a few questions to one or the other of you individually, but most of my questions will apply equally to both of you and I will leave it to you on each question to decide whether one or the other, or both of you, will reply. You are Mr. England, Secretary of the Stock Exchange Clerks Health Insurance Society, and of the Baltic and Corn Exchange Health Society?—(*Mr. England*): Yes.

8422. You have been actively engaged in the administration of National Health Insurance since the inception of the Act, and have been a member of the London and Essex Insurance Committees?—That is so.

8423. You are Paymaster Lieutenant-Commander Holdway, Secretary and Treasurer of Lloyds Health Insurance Approved Society, and of Lloyds Hospital and Convalescent Home Fund?—(*Mr. Holdway*): Yes.

8424. Will you tell us for how long you have held these positions and in what other ways you have been connected with the administration of National Health Insurance, or similar work?—I have held these positions since January, 1920, and for seven years before the war I was employed as paying cashier on the staff of the Committee of Lloyds, and was concerned in that capacity with the administration of the National Health Insurance Acts, being closely associated with the Secretary of the Society from 1911 to 1914. (*Mr. England*): I have been Secretary of the Stock Exchange Clerks Health Insurance Society from the commencement, and of the Baltic and Corn Exchange Health Society from 1913, a member of the Essex Insurance Committee from the commencement, and a member of the London Insurance Committee for four years, until its reduction in number in 1922.

8425. Mr. Holdway, is your society of about 5,500 members an Employers' Society within the meaning of section 31 of the National Health Insurance Act, 1924, or is it just an ordinary society formed for the advantage of persons employed by members or subscribers of Lloyds' Corporation and similar bodies?—(*Mr. Holdway*): It is an ordinary Approved Society for the advantage of persons employed by members of or subscribers to Lloyds, and the firms associated with the Corporation of Lloyds.

8426. Do the employers contribute anything to the funds of the Society beyond their ordinary share of the statutory contributions, and do they take any part in the management of the Society?—The majority of the employers contribute indirectly to the funds of the Society through Lloyds Hospital and Convalescent Home Fund in addition to their ordinary share of the statutory contributions. There are three employers who are honorary members of the Society serving on the committee of management.

8427. How is the committee of management of the Society constituted?—The committee of management consists of a president, who is Sir John Luscombe, a chairman and deputy-chairman, who are the trustees, four honorary members and five insured members from various firms connected with Lloyds.

8428. Do the insured members of the Society take any interest in its efforts? For example, do they attend meetings in any considerable numbers?—Yes.

The insured members of the Committee attend regularly and the general meetings of the Society are well attended. About 100 members attended the last general meeting, but it may be observed that, while members are satisfied that the Society is being administered to their satisfaction, they do not attend the annual general meeting in large numbers.

8429. I see from paragraph 1 of your Statement, Mr. England, that at the last valuation you had disposable surpluses of £3,555 and £2,495 respectively?—(*Mr. England*): That is right, Sir.

8430. Do you consider that your members are what might be called selected lives, that is to say, that the risks you carry in your two Societies are smaller than those of an ordinary society of the same size?—I do. (*Mr. Holdway*): I should like to say they are mainly employed in one class of occupation, and moreover a considerable number do not claim the ordinary benefits to which they are entitled during sickness.

8431. I see that your Societies give certain additional cash benefits, and also full optical and dental treatment, medical and surgical appliances, and convalescent home treatment. Could you tell us the reasons which led you to allocate the surpluses in this way?—My Committee considered that the money allocated to dental treatment, optical treatment, and medical and surgical appliances would be most beneficial to the health of our members and, *pro tanto*, diminish the claims on the funds of the Society. (*Mr. England*): That was also the feeling of my Committee. That is why we only allocated two units to cash benefits because we felt that treatment benefits were most essential, particularly dental.

8432. Would you describe to us in a little more detail what is covered by "full dental treatment" and what are the administrative arrangements for this benefit?—(*Mr. Holdway*): Full dental treatment given by Lloyds' Society includes examination, scaling and gum treatment, extraction (with or without anæsthetic) filling, stopping, crowning and the supply of artificial teeth where needed.

8433. Do you pay the full cost?—Yes, we pay the full cost.—(*Mr. England*): In my Society the specification is the same. The claims are paid upon the British Dental Association scale, and the full cost has been met.

8434. Could you from your experience give us some idea of the cost of full dental treatment, either as so much per year per insured person, or as so much per weekly contribution?—(*Mr. Holdway*): Under the arrangements for the treatment of Lloyds' members the cost of full dental treatment works out at an average of £1 13s. per claim. It is difficult to estimate the cost per year per insured person owing to the fact that the first valuation was in respect of 4,976 members, but nearly 1,000 of these were removed from the list as untraced owing to the War, and, of course, a considerable number, estimated at about 250 per annum, drop out of insurance each year. The figure of £1 13s. is arrived at by dividing the cost of dental treatment during 1924 by the total number of claims dealt with. (*Mr. England*): I am afraid I have not gone into the details to supply to the Commission, but I shall be happy to supply them with figures as to the average cost per claim. I estimate dental benefit as costing per person entitled roughly 6s. per annum. If we estimate it for the whole insured membership, irrespective of whether they are entitled to additional benefit, I should estimate that

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3s. per annum would be roughly the amount to provide dental treatment in full.—(Mr. Holdway): That has not been our experience, I am afraid. It would be a little more than that. I should think out of all persons entitled we have had practically half of them claiming dental treatment since 1921, and if a general scheme of dental treatment were brought into force you would get a very large proportion of people applying for it; in fact, they would be foolish if they did not, merely to have an examination, which would cost them nothing.

8435. What would be your view of the proposal to administer the full dental or full optical treatment through the Insurance Committees in the same way as medical benefit is administered?—I should say it would be horrible. (Mr. England): I think it would be most unsatisfactory, because you cannot get it out of the insured person's mind that so long as he has to take a letter to the dentist he is getting different treatment from what he would get if he went in a private capacity. There is still that feeling there, which you cannot break down, that they are getting different treatment. I am afraid if they had it administered through any other organisation than the Society it would be most unsatisfactory to them; and seeing that the surpluses are the surpluses of the Societies the Societies feel that they have a right to provide these benefits themselves.

8436. Of course, you have a special class to deal with?—Yes.

8437. It would hardly apply to other classes?—Perhaps not.

8438. Will you give us a description of the scope, administration and cost of your full optical treatment?—(Mr. Holdway): I meant to give you that with regard to dental treatment, too. It is all laid down in a little book of instructions which is issued to our members. These are the arrangements which we have for dental treatment: three qualified dental surgeons practising in the City—where nearly all our members are engaged—have been appointed by the Committee to treat the Society's members. These dentists have been recommended to the Society, and members are strongly advised, if possible, to attend them for treatment. It is recognised, however, that some members are unable to attend for treatment in the City, and that others, for some special reason, may desire to be attended by their own dentists. The Committee have no objection to members being treated by their own dentists provided that these dentists are prepared to undertake the work at the scale of fees laid down by the British Dental Association for insured persons. Members requiring dental treatment observe the following instructions: apply in the first place to the Secretary for a form of application for dental treatment. Upon receipt of this form duly completed, the Secretary, after ascertaining that the member is entitled, forwards a letter authorising treatment and instructing members to book an appointment with the dentist. When treatment has been completed members are asked to sign a statement to the effect that the treatment received has been satisfactory, and the dentist forwards this statement with his account for payment to the Society. In the case of those who cannot attend the Society's dentist, the form of application is accompanied by a letter giving the name and address of the dentist they wish to attend, the member having first ascertained whether the dentist is prepared to treat him at the rates stated. Those are the arrangements we have in force for our members.

8439. What about optical treatment?—It is all laid down in this booklet. Arrangements have been made for members to have their eyes examined by an ophthalmic surgeon at the Royal London Ophthalmic Hospital. When treatment only is necessary, this is given. Members in need of glasses are supplied with a prescription for the lenses required. This prescription is handed to Messrs. R. & J. Beck, Limited, 68, Cornhill, E.C., who have been appointed opticians to the Society. They supply glasses of first

quality lenses from the prescription supplied at the hospital. The frames of spectacles or pince-nez are of rolled gold, but rimless glasses are supplied if preferred. Members who desire to have toric lenses or any special frames may be supplied with these upon payment of the difference between the cost of these special glasses and the standard article. The Society does not accept any responsibility for the suitability of any lenses which are not manufactured from the prescription of an ophthalmic surgeon. Members requiring optical treatment apply to the Secretary for a form of application for this benefit, which is completed and returned. If the application is in order the Secretary forwards an "optical letter," which gives full instructions as to the procedure to adopt to obtain this benefit. I have specimens of these optical letters and our dental application forms for submission to the Commission. (Mr. England): With regard to dental treatment we have special letters which we issue to our members, and they are entitled to take them to any dentist who has agreed to the British Dental Association scale. With regard to optical treatment, our members are allowed to go to any member of the Joint Council of Opticians. Most of them go to opticians in the City. We have made special arrangements with two or three opticians in the City, and when it is not convenient for them to go there they can go to an optician in the country and, as I stated before, the bills are met, the full cost, except in such a case as solid gold. The ordinary pince-nez or rimless glasses or astigmatic lenses we allow for.

8440. Similarly, would you give us a description of the arrangements for medical and surgical appliances and for convalescent home treatment?—As far as my Society is concerned we usually give them a letter to take to a house in the City, or if they are not in the City, to a surgical appliance maker in the country, and there again we meet the whole cost of the bill. (Mr. Holdway): With regard to Lloyds, again it is all laid down in this booklet: members requiring this benefit apply to the Secretary for a form of application, which is completed and returned, together with a letter from a doctor stating the nature of the appliance required. Upon receipt of this form duly completed attached to the doctor's letter, provided the application is in order, members are instructed how to proceed. Arrangements are made for the provision of the necessary appliances, having regard to the special circumstances of the case. We use our discretion as to how we supply the appliance, either through the Surgical Aid Society or through a private surgical instrument maker.

8441. And convalescent homes?—We have an arrangement for convalescent homes, but that is out of a private fund we have, not out of State funds.

8442. From your experience, which of the additional benefits do you consider it is most desirable to make a normal benefit for all insured persons if such a course should be found possible?—(Mr. England): Undoubtedly dental. (Mr. Holdway): Dental treatment by all means.

8443. I gather that you are strongly against any scheme of pooling to assist other societies. You realise, of course, that the present system has resulted in wide variations of benefit. Do you not think this is open to criticism in a scheme which purports to be national and which is supported by a uniform scale of contributions?—It is, of course, regrettable that the highest level of benefit obtainable is not universal, just as it may be considered regrettable that the general distribution of wealth is uneven. If it were possible to make a high level of relief universal by means of a pooling scheme, without adverse results which would more than counterbalance any benefits, I should agree that it was advisable so to act. It is to be observed that the factors which make for the prosperity of our Society also operate to reduce that Society's claim on the State, because the State's contribution is a contribution to relief

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and a substantial number of our members never claim any relief at all. (*Mr. England*): We are against the principle because when National Health Insurance was introduced there was a definite invitation to special classes to form their own societies, and according to the management of those societies so would they share in any surplus if there was a surplus. I think that if any attempt is made to interfere with these surpluses the members will feel that the Government has broken faith with them. And I might here say, as far as the City clerical employment is concerned, they have never yet been really favourable to National Health Insurance, and we do not want anything done that will increase that present hostility to National Health Insurance. (*Mr. Holdway*): It is moreover claimed that a system of pooling would deprive a well-managed society of the fruits of good administration and would tend to render unsatisfactory management innocuous to the badly-managed society. In your question you use the expression that the scheme "purports to be national," but although it purports to be national it is in fact only in a small degree so and mainly sectional. Moreover, I have already pointed out that the national part of the scheme obtains relief.

8444. Though you are opposed to a large scheme of pooling, would you not be prepared to see any extension of the germ of pooling which is contained in the present Central Fund arrangements?—I do not fully understand the constitution of the Central Fund, but I am opposed to any development in the direction of taking the surplus of one society for the relief of another. (*Mr. England*): As far as the Central Fund is concerned, I think that already should be in a position to meet the case of societies in deficiency. If it should prove not to be, then I do not think there could be any real objection to a somewhat greater contribution to the Central Fund so long as it was made by all societies, or a reduction from all insured persons' contributions spread over the whole insured population and not particular societies that happen to be in surplus.

8445. I see, Mr. Holdway, that you state in paragraph 11 of your Statement that a valuation surplus depends mainly on the accuracy and care with which the society is administered. Do you not think that in fact the size of the surplus depends far more on a favourable sickness experience amongst members than on efficiency of management?—(*Mr. Holdway*): I think management is an important factor. I believe our dental relief because of the highly efficient arrangements we have made, will have a great effect on the future of the Society. The other factor, namely, that many members will not claim, is also of great importance. (*Mr. England*): I think it is largely contributed to by the successful management of the Society. Members feel that they have a good Committee of Management, men who are looking after their interests, and they take an interest in those funds, and for that very reason they fail to put forward what we may call frivolous claims or claims for short illnesses. They know perfectly well that they can do without them and they would rather leave the money there for those who need it more than they do.

8446. I note that you desire to abolish the waiting period for additional benefits. Would you really be prepared to pay a member transferring to your Societies his old society's scale of additional benefit if he only brought with him the normal transfer value?—Yes.

8447. Would that be quite fair to the members of your Societies who had built up the fund which permits of additional benefits in your Societies?—Yes, I think we should be quite prepared to do that. Owing to the very favourable position of our Society as regards surplus we feel we should not be depriving the present members of any additional benefit to which they may be entitled, because after all transferring members are not a big quantity. Why we feel it is

so hard is that many members are compelled to transfer from societies, or if not compelled there are various reasons which actuate their desire to do so, and we feel it would be hard on those persons to deprive them of additional benefits for approximately four or five years. We should be quite prepared to accept them without any additional reserve value.—(*Mr. Holdway*): I certainly admit there is force in what you urge. On the whole we prefer to abolish the waiting period because we do not desire to differentiate between members and because our funds will bear the strain.

8448. Do you in fact have any transfers to your societies, and from what sources do they come? In particular, do you have any from the Deposit Contributors Fund?—(*Mr. England*): Yes, we have quite a fair number from the Deposit Contributors Fund, and a lesser number from Approved Societies. (*Mr. Holdway*): Since these additional benefits have been brought into force, and since insured persons connected with Lloyds have realised what excellent arrangements we have made, we have had a very large increase of members transferring not only from the Deposit Contributors Fund, but from societies such as the Prudential, National Amalgamated, Hearts of Oak, and all the larger societies.

8449. I gather that the panel medical service has not satisfied the majority of your members, and that you desire to see a large expansion of the "own arrangements" system. Is this because the type of member which you have belongs to a class which is accustomed to making its own arrangements, or because, in fact, you have experienced a substantial body of complaints about the panel service?—(*Mr. England*): I have met quite a number of members who complain of the differential treatment that panel doctors are giving as against private patients, and I know from coming in contact with members, that many of those cases are genuinely founded; but it is a difficult thing to get these insured persons to lodge their complaints with Insurance Committees, and, consequently, there are very few cases of complaint, comparatively speaking, that come before Insurance Committees. But we might reasonably assume that where one case of complaint does come before an Insurance Committee, there are probably 99 that never do, merely because the insured person is either afraid of his doctor, or is loth to lodge a complaint, or is too lazy to do it. I do most strongly advocate that the present powers which Insurance Committees have to allow persons to make their own arrangements should be extended to every insured person. (*Mr. Holdway*): We do not receive a large number of specific complaints, but members dislike the system and they usually do not belong to the class which is compelled to apply to the panel doctor.

8450. Could you give us any indication of the number and nature of these complaints?—(*Mr. England*): I am afraid I could not.

8451. You have really answered the question in one way already?—(*Mr. Holdway*): I have replied to that question as well. (*Mr. England*): While on the question of arrangements, I should like to say that I have been in touch with many clerical societies such as insurance officials, banks, and the like, and I think I can safely say that as far as City societies are concerned they are strongly in favour of an extension of the "own arrangements" system.

8452. Do you definitely state that in your experience the panel service is inferior to what is given in private practice by doctors of similar qualifications and experience?—I certainly have had many cases brought to my notice where I was satisfied that the treatment has been different. (*Mr. Holdway*): The radical vice of the panel system is that the doctor's sense of responsibility to the patient is not infrequently diminished.

8453. You indicate that the general feeling among your members is that they prefer to be attended by the doctor of their own choice. They can, of course, choose any doctor on the panel. Do you mean that

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a great many of your members are in areas where a substantial number of doctors is not on the panel?—(Mr. England): No, I do not think there are any such areas unless they are many miles away from a village. I believe most areas have panel doctors. When we consider that something like 98 per cent. of the doctors are on the panel, I do not think there can be such areas.

8454. What do you say, Mr. Holdway?—(Mr. Holdway): No, I do not suggest that.

8455. Do you really think that such an extension of the "own arrangements" methods as you suggest is consonant with the idea of insurance? What about the member who has suddenly to face a big bill with the small amount which he would receive under "own arrangements"?—(Mr. England): I do, Sir, because under this scheme a member has to make application to make his own arrangements before he is allowed to do it, and he is given to understand when he does that that his bills will only be met to the extent of the moneys in the pool, and should there be excessive sickness and greater charges upon that pool then the member knows perfectly well that only such portion of his bill as can be met will be met, and the balance will remain for him to pay. It is only an option to insured persons to do that. If they cannot afford to do it, then they will obviously be satisfied with the panel service. (Mr. Holdway): I have not thought out a scheme under which members may make their own arrangements. But I can see no reason why the principle of insurance should be incompatible with private arrangements. There are many insurance companies which issue policies against sickness, and the insured makes his own medical arrangements. There should be obviously a certain scale, and the member would know that he had to cover any excess from his private resources.

8456. (Sir Humphry Rolleston): Had you before the Insurance Act came in, similar private associations to provide medical benefit?—No, this Fund with which I am associated was formed in 1916, long before additional benefits were thought of.

8457. No, no! Before the Insurance Act came in was there any association providing the same things that you now get under the Health Insurance Scheme?—No, not that I am aware of.

8458. There was no club?—No, not connected with Lloyds.

8459. Was there with the Stock Exchange?—(Mr. England): No, Sir, except the Stock Exchange Clerks' Provident Fund, which provided certain benefits in the nature of sickness and unemployment benefits for a short period and medical benefit, but nothing compared with National Health Insurance. (Mr. Holdway): We have at Lloyds what is called Lloyds Benevolent Fund, but it does not deal with health questions; it deals with people who are in straitened circumstances and have retired from business. We also have a Lloyds Patriotic Fund, which deals with ex-service men and those who have been wounded and disabled during the War.

8460. Your Societies are specially prosperous because the conditions of health are so good. Do you think you would be able to run your Societies without the State contribution?—Personally I think we could at Lloyds with the help of Lloyds Hospital and Convalescent Home Fund. Of course, we should not like to do so.

8461. It would be possible to do so?—It would be quite possible I think. Of course, we do not want to give up what we have a right to receive under the Act.

8462. With regard to the question of dental benefit, I was wondering when you were quoting from your "Instructions to Members," whether you had been urged to recommend insured people, in order that they might get the greatest benefit by way of prevention and also with a view to saving the time and trouble of the dentist, that they should

attend regularly twice a year?—They do. As soon as a man goes to the dentist, the dentist recommends him to come back in six months' time for examination.

8463. (Mrs. Harrison Bell): You have laid a good deal of stress on the economical management of your Societies. What do the management expenses per member come to?—Expenses of administration for 1923, which is the last year of audited figures available, were £938, and the cost per head of membership in 1923 was 4s. 8d. The cost is decreasing owing to our increasing membership, and it is estimated that in 1924 the cost per head of membership will be 4s. 4d., which is well within the 4s. 5d. allowed.

8464. Have you any members of your Society outside of London?—Yes, we have a few who have left Lloyds' Employment and probably gone to the country.

8465. Have you the same kind of dissatisfaction expressed with the panel service by those members not resident in London as you have inside of London?—I cannot say that I have from those outside London. I do not think they have ever written to me to talk about the panel system. We have had it brought up at one of our general meetings, as I have stated in my evidence. It was brought up two years ago when the question of extra payment to the doctors was being considered.

8466. And I see you say nobody voted in favour of it?—That is so.

8467. (Professor Gray): You have told us that most of your members are in London. Are your Societies limited to certain types of people?—No, anybody connected with Lloyds for business purposes. It is set out in the Statement which I have submitted.

8468. I think both your Societies had the maximum number of units for benefit and you split them up amongst treatment benefits and cash benefits?—Yes.

8469. Can you tell me, Mr. England, why you give so much in maternity benefit?—(Mr. England): Because we felt that at a time like that a clerk receiving £250 a year or less needed a payment. We may say we favour increasing that benefit.

8470. You felt that your members did not require so much by way of sickness and disablement but that maternity benefit was an important thing for them?—No, I do not say that, Sir, at all. We felt that having provided two units for sickness benefit and having provided for treatment benefits as well, it was a very useful thing to increase maternity benefit at such a time as that.

8471. You have this peculiarity in both Societies, have you not, that a very large percentage of your members pass out of insurance?—Yes.

8472. That is, among other things, the reason why you are so prosperous?—Exactly. (Mr. Holdway): Yes.

8473. At what age do they pass out of insurance?—(Mr. England): They pass out of insurance at an early age. (Mr. Holdway): I should say the average age is somewhere between 30 and 40.

8474. Round about 35 most of your members possibly pass out of insurance?—Yes, most of them.

8475. With regard to medical benefit and your emphasis of "own arrangements," I suppose in areas where all the doctors are on the panel they could in a normal way get their own doctor on the panel?—(Mr. England): Yes, they can change a panel doctor any day.

8476. In most cases I suppose the doctors are on the panel?—By far the majority are. (Mr. Holdway): We have quite a lot of certificates which are not issued by panel doctors at all. Of course, the majority are. (Mr. England): They may still be panel doctors. (Mr. Holdway): They may, but the members are not treated as panel patients.

8477. Your suggestion rather is that once a doctor is on the panel and has panel patients there is a

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kind of taint coming between him and the insured person?—I think so.

8478. Your suggestion is that the doctor does not realise his responsibility to his patient?—Yes. (Mr. England): There is also the psychological aspect of it. The doctor knows he has a certain number of people on his panel for which he is going to receive a certain sum of money, and any extra private patient means extra money for him. He knows very well that he has that income assured to him, and without wishing to say a word against the medical profession, there is the human element that naturally comes in. He may be tired, he may be overworked, but if a private patient comes and there is more money coming in, he gives that person better treatment. There is no doubt about it in many cases. I have had cases brought to me, and I am quite satisfied that there are many cases where they have had different treatment altogether.

8479. What would you say to the contrary suggestion, that as regards the panel patient the doctor in one way feels a greater responsibility because in respect of him he is liable to have a complaint lodged against him with the Insurance Committee and may be fined if he is not attentive, whereas in the case of private patients that is not so?—I quite agree there is a lot to be said for your argument, but between that degree of neglect which a person may feel and the degree of neglect which one can bring before an Insurance Committee as a complaint there is a very wide margin. A doctor to a certain extent may feel that he will be called over the coals, but there is no disputing the fact that many cases of neglect by panel doctors have been proved. I have had cases before me on the Insurance Committee where we censured the doctor and the doctor's name was struck off the panel. We had a case only last week as a matter of fact. There is no getting away from the fact that there are these proved cases of neglect which stand out amongst the large number of cases of complaint of unsatisfactory treatment which of course may or may not be correct.

8480. I am not arguing the point, but there are equally proved cases of neglect in the case of private patients?—Yes.

8481. You made the suggestion that you would be prepared to take transfers from other Societies and give your full rate of benefits without an increased transfer value coming to you?—Yes, we should be because of the splendid financial position of the Society.

8482. Will you agree that that is not a principle that could be universally applied? In your case your membership is restricted to people connected with the Stock Exchange and Lloyd's?—We are not quite restricted in that way.

8483. You are not subject to a general invasion, are you?—We had to take power during the War to alter our rules so as to allow us to admit any clerical occupation. Originally membership was confined to Stock Exchange clerks, but during the War large numbers went out into various departments of life and we had to amend our rules so as to continue their membership and admit others.

8484. Speaking generally, you are a restricted Society?—Speaking generally, yes. (Mr. Holdway): Yes, ours are, more especially with regard to entry, but we still keep them on as members when they leave Lloyd's occupation.

8485. I am not so much concerned with those who leave you as with those who come to you?—Yes, we are restricted to members employed by firms connected with Lloyd's and others subject to the approval of the Committee. Any special case is considered.

8486. So that you can contemplate giving full benefits without any additional transfer value, whereas another Society might not?—Yes, I admit that point.

8487. Have you had any comment or complaint from your members that in a way they would be better out of insurance seeing that they are only there for a relatively short time?—(Mr. England): Yes, we do have people who are insured against their will. (Mr. Holdway): So do we, of course.

8488. You mentioned bank officials and insurance clerks and that kind of person. They pass out of insurance in some cases, I suppose, as young as 25 or even younger?—It is possible.

8489. The great bulk are out of insurance possibly by the time they are 35. In any case the membership of your Society is in the healthy years. Is not that so?—Yes.

8490. Do they not say to you sometimes: why are we insured just during these years when we are not likely to claim, and would it not be better if we were exempt in some way?—They did not want to come into insurance to start with. When the Act first came into force they were quite hostile, but as they were bound to be insured we, as the Corporation of Lloyd's, and the Committee of my Society, made the best of it, and I think we have made a very great success of the whole thing.

8491. What are your own views on the question of the desirability of bringing into insurance people who are in all likelihood going out of insurance while they are still fairly young?—I should not like to commit myself on that point. We have a considerable number of members, both of us probably, who will remain for quite a long time, especially women. We have nearly 2,000 women employed in various offices, and they will remain till they either marry or die.

8492. Those who remain of course will get increased benefits on the strength of those who have gone out of insurance between the ages of 25 and 35?—Exactly.

8493. (Mr. Jones): I am not quite sure whether we are to regard your Societies as Insurance Societies or as philanthropic societies, seeing that your members do not claim the benefits to which they are entitled, for the benefit of those who do, and therefore the claims on your funds are very small?—(Mr. England): Yes.

8494. Is it not the fact that apart from management your large funds have grown up because of your very exceptional circumstances?—No doubt.

8495. You are really not representative of any national unit, you are so select?—(Mr. Holdway): I should not like to say that.

8496. Compared with any other large society, industrial, trade or anything else, you are very special. I will put it in that way?—Yes.

8497. Your circumstances are not comparable with the ordinary body of insured persons except in a very favourable light?—I do not know that they are not. I think they are.

8498. Your sickness experience at any rate is extraordinarily good?—It has been favourable, I admit.

8499. Extraordinarily favourable?—I do not know that it is extremely favourable. I think there are other societies quite as prosperous, and perhaps some more prosperous.

8500. Societies of a similar class perhaps?—Yes, I admit that.

8501. Is it not really the fact that you have so much money in hand that you are anxiously looking about for ways in which to spend it?—So far as we are concerned, we shall not have any difficulty in spending our surplus on additional benefits.

8502. Is it not really the case that you are compelled to look for ways to spend it?—No, they are all laid down for us by the Ministry of Health.

8503. You are exercising your powers to the utmost possible limit?—We have to appoint a sub-committee to go into it at our next valuation. We have to submit a scheme to the Ministry of Health.

8504. I know of other societies in the same position where it is worrying them what to do with their next surplus?—It does not worry us.

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8505. You are opposed to pooling in any sense?—We are not opposed to the Central Fund.

8506. You are opposed to any pooling of surpluses?—Yes, we are.

8507. Is it not reasonable that other members of the Insurance Scheme generally who are not so favourably placed as your people are, should be assisted by those who are more favourably placed?—I have already answered that question. (*Mr. England*): I do not think so. They were invited to form societies of their special class. If by maladministration, or even by the incidence of occupation, they should not be so favourably placed, surely that is their look out. They have the right to transfer to more favourable societies if they wish. We have the Central Fund out of which to assist those societies, and that Central Fund really should be sufficient. As I said before, if it is not sufficient I am quite satisfied that my Society or any other society could not reasonably object to a slightly increased deduction from the contribution towards the Central Fund.

8508. Your Society might be disposed, you think, to help at any rate towards mitigating the lot of their weaker brethren?—Within certain prescribed limits, of course. We feel that once you introduce a system of that sort you do not know where it is going to stop, and we feel that it would be breaking faith with the members to start raiding their surpluses

8509. I will not carry that further. You would admit the principle to a slight extent perhaps?—Yes.

8510. With regard to medical benefit, how do you suggest this freedom to make their own arrangements could be carried out in an area where all the practitioners are on the panel?—It would not be. If there is no private doctor in an area with whom to make the arrangement, I am not suggesting that they should be allowed to do it. I am certainly not suggesting that a panel doctor should be allowed to treat a person under the "own arrangements" scheme, because there you would be admitting that there was differentiation of treatment.

8511. (*Sir Arthur Worley*): Encouraging it?—Encouraging it.

8512. (*Mr. Jones*): Can you imagine in an area—and I have in mind certain Scottish counties—where all the doctors are on the panel, that the medical service is inferior to the medical service in another area where there may be only a portion of them on the panel?—(*Mr. Holdway*): No, I do not admit that. I think in that case it would be quite satisfactory probably.

8513. Is not your experience peculiar to London?—(*Mr. England*): Essex and London.—(*Mr. Holdway*): London and the suburbs surrounding.

8514. Some member of the Commission asked here to-day "What is wrong with London?" We did not get an answer. Can you suggest why the medical service in London should be inefficient if it is so in fact?—Personally I do not say it is inefficient. We are not attacking the panel system. (*Mr. England*): I do not say so. (*Mr. Holdway*): We do not wish to wipe away the panel system. All we ask for is "own arrangements" for our own members.

8515. Is not that because the service that is being given under the panel system is not so good as you expect under private arrangement?—(*Mr. England*): It is partly because in many cases the service is not so good, but it is quite as much the idea that the insured person having paid his contribution for medical benefit and having been told at the very outset that he would have free choice of doctor, realises that he has not got absolute free choice of doctor, and for that reason he imagines—I admit in many cases it is not well founded—in many cases it may be called even snobbishness, but it is a fact that he imagines that if he goes to a panel doctor he is not going to get the same treatment as he would get as a private patient.—(*Mr. Holdway*): There may be a lot of prejudice in it.

8516. Is it fair for both your Societies to make the statement, as you do in your evidence, that the panel service has not been satisfactory if the dissatisfaction is only imaginary?—(*Mr. England*): I did not say it is only imaginary; I said in some cases.—(*Mr. Holdway*): I never said it was imaginary.

8517. The word was used by one or other of you?—(*Mr. England*): I said in some cases.

8518. Is it not largely imaginary if, as one of you said, out of 100 complaints only one was worth taking to the Insurance Committee and 99 were not?—I have not said that. I said there were few complaints lodged with Insurance Committees because you could not get the insured person to lodge his complaint, but we might reasonably assume that where one complaint was lodged there were probably 99 that were not.

8519. Is it right to assume that the service is unsatisfactory in that way?—Yes. I am not assuming; I am giving the actual complaints which have come to my notice.

8520. As an Approved Society, have you not felt the responsibility of directing the attention of the Insurance Committee to these delinquent doctors?—Yes; whenever we can get a complaint lodged; but the difficulty is, as I said before, to get the insured person to lodge his complaint. I am always advising insured persons, when they have complaints, to lodge them with the Insurance Committee. That is the very first thing I do.

8521. If the complaints are not worth following up, are they worth making?—I will not say that. You know what the clerk in the City is like. He is dissatisfied with his doctor, but he will not trouble to lodge a complaint; he prefers to go and pay for medical treatment privately.

8522. I know what the panel service is like in the city of Glasgow, and I have a very high opinion of it. Practically all the general practitioners in the city are on the panel, and if one takes a poor view of the panel service, one is taking a poor view of the whole profession?—I do not.

8523. My point is this: If the service is of the high nature that I believe it to be in Glasgow, and there is this great contrast between London and Glasgow, who is to blame for it?—I do not say that the majority of doctors are not giving satisfactory service; I have never said so, but I have said that in many cases we are satisfied they are not, and that is why an insured person should be allowed to make his own arrangements with a private doctor. I agree that the majority of the medical profession are giving good service, and I have a good opinion of the medical profession. (*Mr. Holdway*): And it is increasingly good, I think, as time goes on; it is getting better and better. When the Act first came into force, there was very great prejudice against it, and that still sticks in the minds of a large number of our members.

8524. You are here representing comparatively small numbers?—Yes.

8525. And yet you say you have many complaints?—In proportion to our membership.

8526. We have had other representatives here to-day representing four millions, and they have made similar, in fact broader, complaints with regard to London. I ask you, as a member of the London and Essex Insurance Committees, what have the Committees done in face of that state of things?—(*Mr. England*): The Insurance Committees cannot take any action unless complaints are lodged with them. They must have a concrete complaint lodged before they can deal with it.

8527. The whole thing is still unsatisfactory, and yet it applies only to London?—I do not say it applies only to London.

8528. The complaints are confined to London?—Why we get more complaints in London is because most of our members are in London, and it is the members who come into the office of the Society and complain. In the country there would be complaints, but they do not trouble to write. If they could call



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in at the office, they would readily do so, and say: "I am not satisfied with my medical treatment."

8529. Is the administration of medical benefit by Insurance Committees unsatisfactory?—No, I should not say so.

8530. You would not say they administer medical benefit in the same horrible fashion that they might administer additional benefits?—No.

8531. (Mr. Evans): Is it possible for a panel doctor to be the panel doctor of one member of your Society, and the private doctor of another member of your Society?—Yes, it is possible.

8532. The same man can be in that position?—As a matter of fact, I had a case only last week where a person is paying his panel doctor as a private patient. I advised him not to do so.

8533. One of your members may be dissatisfied with a certain medical man who is his panel doctor, and that same doctor may be perfectly satisfactory to another man who is his private patient?—Yes.

8534. (Sir Alfred Watson): It is not possible, is it, for a doctor to treat, as a private patient, a person who is on his list as an insured person?—No, it is not.

8535. I am interested in what you said to Professor Gray with regard to people who go out of insurance having been in insurance during the healthiest years of their life, and I am wondering whether it is possible to do anything for them. What would you say to a proposal to give them a right to your current treatment benefits for a certain period after their employment ceased to be insurable?—(Mr. Holdway): They already get a free year under the present arrangement.

8536. I am aware of that. Take the case of a person who leaves your Society just towards the end of a valuation period, when the current scheme of additional benefits has only half run its course, and another scheme will presently be coming on, under which he, had he not been compelled to leave insurance, would have been secure for additional benefits for another period of years; what would you say to the idea of giving him the right to additional treatment benefits—I do not mean cash—for an extended period beyond the free year?—On behalf of Lloyds, I think my Committee would favour it.

8537. And the Stock Exchange?—(Mr. England): If you are speaking of those persons who go out of insurance by reason of exceeding the income limit, they have an opportunity of becoming voluntary contributors, if they have been insured for two years, and we always press that with them; but we find that very few become voluntary contributors. We think, if you are going to extend that, they at least should become voluntary contributors. But there is a class to which I feel we ought to extend it, and it is those persons who went out of insurance, probably owing to the war, and were untraced for some considerable time. When they came back into insurance again, having been out for more than twelve months, they had to join as new entrants. We have a number of those people, and we think it hard that, although they have contributed for some years, they are now not entitled to additional benefits. My Committee would favour a scheme by which those persons would be entitled to additional benefits.

8538. A scheme by which persons who re-enter their old society would be entitled to additional benefits without having to wait?—Yes; with, of course, the condition that they had been insured for a certain period, say, five years.

8539. We shall take note of that suggestion. With regard to the other class of people, those who go out of insurance because they get above the income limit, that is the normal case in your Society?—Yes.

8540. Those people can become voluntary contributors?—Yes.

8541. That is to say, they can become voluntary contributors for sickness benefit which they have

not drawn in the past to any extent, and really do not want, but they cannot become voluntary contributors for medical benefit?—For medical benefit, no.

8542. They can be voluntary contributors simply for those benefits which, *ex hypothesi*, are of very little use to them?—And, of course, additional benefits—dental treatment and optical treatment.

8543. I agree. My suggestion is that inasmuch as you have in hand surpluses set aside to provide those people with additional treatment benefits on condition that they remain insured persons, would it not be advisable to give them a right to those treatment benefits for a certain number of years after they have ceased to be entitled to the normal benefits of the Act?—Certainly my Committee would be quite agreeable to do that, but as a general principle to be adopted by every society, I think it would be considered most unfair; an undue charge on the surplus funds of the society. As far as my own Society is concerned, I feel certain we should be agreeable to an extension of the period. (Mr. Holdway): I should certainly agree with that.

8544. You say that as a general principle it would give rise to an undue charge on the surplus. I am suggesting it would not. Those people are entitled, if their insurance status remains unbroken, to the benefit of the existing scheme, and they have been contributors to the surplus which will produce the next scheme, up to the time when they left insurance?—(Mr. England): Yes.

8545. Is it not possible in some way to devise an arrangement under which they would be entitled to receive for the appropriate period the additional benefits out of the surplus accruing during the period of their membership?—(Mr. Holdway): I should say it would not be difficult, and we should be only too pleased to do it for a period up to five years, I think. I think our funds would stand it. (Mr. England): There is only one thing, it would deter them from becoming voluntary contributors.

8546. How many do become voluntary contributors?—I admit not many; we have about a dozen. (Mr. Holdway): We have about 50.

8547. Fifty is a very small proportion?—It is a very small proportion.

8548. (Professor Gray): Do they drop out?—Occasionally they do.

8549. They drop out, and others come in?—I am getting a few in, every year. There are three or four this last year who have applied to become voluntary contributors.

8550. (Sir Alfred Watson): How many voluntary contributors have you in the Stock Exchange Society?—(Mr. England): About a dozen.

8551. The provision of treatment benefits for them really would not be an important factor, in its effect?—Not to our Society; it might be to other societies.

8552. If the voluntary contributor is a very rare bird everywhere, I suggest he is not an important consideration?—That is so. (Mr. Holdway): I had 34 voluntary contributors at 31st December, 1923, and I have had about a dozen or so since. I have about 50 in my Society.

8553. One question on your proposal to give to entrants transferring into your Societies the benefit of your current schemes. You have already accepted the suggestion made to you by Professor Gray, that as regards societies in general it could not be done; that societies could not face an invasion of new members who might swamp the surplus?—(Mr. England): Of course, it would depend on whether the society is financially sound, and what they have by way of surplus. I think every safeguard there might be included. The Ministry would review the position year by year, and if a society, by reason of accepting a number of transfers—and it would have to be a large number to affect very seriously their surplus—was running into danger the Ministry would watch

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it, and as I say, review the position year by year and take the necessary steps.

8554. Just consider. Do you know how many units there are administering National Health Insurance?—I could not say off-hand. (*Mr. Holdway*): Some thousands.

8555. Something like 8,000?—Yes.

8556. Do you really suggest that the Ministry could review 8,000 schemes year by year, or continuously, with a view to reducing the cash benefits under the scheme, and the treatment benefits, if transferring members were coming in too freely for the surplus to bear it?—(*Mr. England*): No; I do not think it would be necessary to go into all that detail. The Ministry are kept informed, month by month, or practically month by month, when applications are made for funds, and they know what amount has been expended. It is not a question of revising the scheme; it is merely a question of keeping an eye on undue expenditure, and seeing that the society is not overpaying the appropriate allowance for additional benefits.

8557. Surely the Ministry does not, in receiving applications for funds, get precise details of the amounts being expended under the scheme?—They get detailed expenditure under the various heads, including the additional benefits head. (*Mr. Holdway*): Oh, yes. There is a special form.

8558. For the Ministry to determine whether the cash benefits are being spent more rapidly than ought to be the case, the Ministry has to take actuarial advice?—(*Mr. England*): A society has a certain amount to expend on additional benefits: what does it matter whether they are expending that on their old members, or whether they include a few—and it can only be a few—members transferring from other societies? There is a certain sum available for additional benefits for five years, and the society must not exceed that.

8559. I suggest you are not looking at it quite properly. In the first place you say it can only be a few. Under your scheme, it seems to me that there is nothing to prevent a society with a present membership of 1,000 starting a big campaign and turning that 1,000 into 10,000 by transfers from other societies?—There is nothing at all to prevent a society doing that, but they are not inviting members to transfer because they are going to get greater additional benefits now; they are only going to get the same additional benefits as those to which they have been entitled.

8560. No; you are suggesting that members transferring to your Society should get your additional benefits?—Oh, no; the same as those to which they were entitled, or would have been entitled, had they not transferred; so that they should be no worse off by reason of transferring. That is the point.

8561. Why do you not suggest that the transferring member who is to carry with him the right to his old additional benefits, should bring with him the appropriate transfer value?—Strictly speaking, he should; but it is rather too much to ask of a society. In the first place they lose their member, and it is piling it on to say that in addition to losing their member they are going to lose a sum with him in addition to his normal transfer value. That is why I say that we should be prepared to take him without an additional transfer value, though I admit, from an insurance point of view, there should be an additional transfer value transferred with him.

8562. You are aware, of course, that the Government Valuer, in his report, shows what additional benefits the disposable surplus is capable of providing?—Yes.

8563. Do you think any actuary would take the responsibility of naming the sum that could be provided out of the surplus, if he was liable, to use a

Stock Exchange term, to have the stock watered by the admission of an indefinite number of new entrants?—I quite agree, if it is an indefinite number, that from the position of the actuary it is a difficult thing to estimate, but at the same time I also say that it can only be a small percentage, and so long as it is within the amount that the society is allowed to spend, I cannot see any difficulty in it at all.

8564. There is no amount that the society is allowed to spend; so far as additional cash benefit is concerned no sum of money is set aside; the scheme simply says that out of the benefit fund in your case you shall pay 2s. a week extra sickness benefit, 1s. a week extra disablement benefit, and 10s. a week additional maternity benefit. There is no indication in the scheme of a limit on the amount which may be expended on those benefits. The benefits themselves are named as the result of an estimate made by the actuary as to how far the surplus will go. There is no machinery that I can see, under your plan, to prevent a great deal more being spent in additional benefits than the surplus originally available?—Then I take it that the objection would be met if a transferring member carried with him an additional transfer value.

8565. I put it to you whether you would have any objection to the problem being solved by the setting up of an arrangement under which the transfer value is proportionate to the liability brought with him?—No, certainly not.

8566. (*Sir Arthur Worley*): I think we can take it for granted that you gentlemen represent two of the wealthiest and most generous corporations that we have in this country, and you get a reflection of it in your results. You laid a little stress on the question of management, but is it not the case that your members, in nearly all cases, are paid their full wages by their employers when they are ill?—(*Mr. Holdway*): No, not in all cases.

8567. I did not say all?—In a good number of cases. The system is for the salary to be made up to the full amount, which means that the person gets his full salary, less sickness benefit.

8568. And in many cases he is paid full salary, and does not bother to claim the other amount?—That is so.

8569. That puts your case far away from the ordinary experience. The Stock Exchange Society have materially increased maternity benefit, and therefore you are giving your members a real benefit by doing that; whereas if you increased your sickness benefit you really would not be giving him a benefit?—(*Mr. England*): As far as the Stock Exchange is concerned, quite a fair percentage of the firms pay their clerks their wages during sickness, and that is to a certain extent the reason for this small number of claims; but in the Baltic there are some very large firms, and in the majority of cases sickness benefit is made up to the weekly rate of wage; so that the insured person is no better off and no worse off, by reason of his claim.

8570. So far as the weekly allowance is concerned, he really does not get anything more than he did get before there was an Insurance Act?—Not in those cases.

8571. But he does get an advantage in maternity benefit, and therefore your increasing that benefit is a material advantage to him?—Yes.—(*Mr. Holdway*): Just so.

8572. Coming to the question of pooling, the employers of these insured persons are pretty broad-minded—I happen to know a good many of them—and I imagine that they would not see any objection to something being pooled to help those societies that are in great want, and whose cash benefits exhaust practically everything. If you made dental benefit, which you are in favour of, statutory?—(*Mr. England*): No; I have not said that.

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8573. I understood you to say so?—(Mr. Holdway): We are in favour of dental treatment, if the scheme permitted of it.

8574. Quite so. I am assuming the scheme permitted of it. You are in favour, if it could be, of dental benefit being statutory?—Yes. (Mr. England): I think the question was, which of the benefits, if any.

8575. You will agree that dental benefit is of great advantage?—Most important.

8576. And therefore, if it could be brought within the range of a statutory benefit, it would be a good thing?—(Mr. Holdway): We admit that.

8577. If that was so, it would mean that societies that had a surplus would pay it out of the surplus, and that societies that had a deficiency would be worse off; they would have a bigger deficiency, which would be paid out of the Central Fund?—Yes.

8578. Which would possibly, and probably, seriously affect the Central Fund?—It would.

8579. I take it, therefore, that you probably would not be averse to feeding the Central Fund from some source prior to your getting the surplus, that is to say, making certain deductions from your members'

and employers' contributions and taking them into the Central Fund, which, of course, would have the effect of reducing the amount that you would have with which to pay your benefits; your benefits would be increased, but instead of being paid out of the surplus the result would be that your members would get the same benefit (that is to say, dental treatment) but your surplus would be less by that portion of it which had previously gone to the Central Fund?—I am more in favour of increasing the Central Fund than raiding the surplus.

8580. I want to raid it before it becomes a surplus, if I may?—Yes.

8581. I know from conversation with a good many of the employers of your members that that is a sort of thing that would appeal to them: rather than raid the surplus, they would adjust the matter so that what would otherwise flow over to form the surplus would be deflected earlier?—Yes. (Mr. England): A contribution from all societies.

8582. Yes; but there would be some contribution made which would in effect reduce the surplus before it became a surplus?—Agreed.

(Chairman): We are obliged to you, gentlemen, for coming here, and for the evidence you have given.

(The Witnesses withdrew.)

## SEVENTEENTH DAY.

Thursday, 12th February, 1925.

PRESENT:

LORD LAWRENCE OF KINGSGATE, in the Chair.

THE RT. HON. SIR JOHN ANDERSON, G.C.B.  
SIR HUMPHRY ROLLESTON, BART., K.C.B., M.D.,  
P.R.C.P.  
SIR ALFRED WATSON, K.C.B.  
SIR ARTHUR WORLEY, C.B.E.  
SIR ANDREW DUNCAN.

MR. A. D. BESANT, F.I.A.  
MR. JAMES COOK, J.P.  
PROFESSOR ALEXANDER GRAY  
MR. WILLIAM JONES.  
MRS. HARRISON BELL.  
MISS GERTRUDE TUCKWELL.

MR. E. HACKFORTH (Secretary).  
MR. J. W. PECK, C.B. (Assistant Secretary).

Mr. JOSEPH MOSS and Mr. C. H. WARING, called and examined. (See Appendix XVII.)

8583. (Chairman): You are Mr. Moss of the Group of Catholic Approved Societies?—(Mr. Moss): I am.

8584. Will you tell us for how long and in what way you have been connected with the administration of National Health Insurance?—Since December, 1912, first as Accountant from December, 1912, to June, 1916, when I joined the Army, and then as Secretary from September, 1918.

8585. You are Secretary now, are you?—I am at the present time. Also I am a representative on the Blackburn Insurance Committee from 1921 to the present date, on the Lancashire Insurance Committee from 1919 to 1921, and also on the Bury Insurance Committee.

8586. You are Mr. Charles Waring, Secretary of the Group?—(Mr. Waring): I am Honorary Secretary of the Group of Approved Societies and a Branch Secretary of the Catholic Benefit and Thrift Society. I have been connected with National Health Insurance since 1912, just before the Act came into force, and I have had all the experience that an Approved Society official could have in that time in dealing with members.

8587. Are you a member of the Minister's Consultative Council?—Yes; for the last two years.

8588. In paragraph 1 you call attention to the heavy drain on the benefit funds of Approved Societies owing to women members' claims before and after confinement, but you do not go into any details. What exactly are your proposals for remedying what you consider is a serious state of affairs?—We fully realise that the benefit claims for women are high, but we have no objection to legitimate claims. We are not raising the point that we are paying money out in large quantities simply because we are paying it out. The difficulty first arose in 1915. At that time the War was on and we in Liverpool had a pretty large experience of different classes of members in the City of Liverpool. We have a suburban population, we have practically a country population, and we have a very large population of what we call in our Society the dock side parishes. In 1915 in the branch I was administering at that time we found that women members in the early stages of pregnancy, I might say practically from the sixth month of pregnancy—most of these women were working in paper factories and

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[Continued.]

rag factories—were told by the employers, noticing their condition, that it would be advisable for them to stop away from work till the confinement was over. But we never had any claims for sickness benefit because the women fully realised that they were not sick, and my contention has always been that pregnancy in itself is not an illness, it is a condition. A doctor will usually say to a woman in that state "You must not lie about, you must not go on resting, making an invalid of yourself. Carry on with your ordinary duties." That would be all very well were a woman's ordinary duties were not heavy. We as administrators of National Health Insurance have to differentiate between the woman whose work is of such a nature that she could not be considered to be fit for it in the later stages of pregnancy, and those in occupations where they could go on and do go on—almost to the day of their confinement, with no ill effects, possibly with good effects. I will give an instance if I may, to show what I mean. About 12 months ago I got a certificate from a woman certifying incapacity for work by reason of pregnancy. I said to the doctor "I have a certificate here from so-and-so, who is on your panel, whom you certify as incapacitated for work from pregnancy. Could you tell me how far she is gone in pregnancy?"—"Yes, not quite six months."—"I see you consider she is totally incapacitated from work?"—"No," he said. I said "You have certified her as being incapacitated from work."—He said "I never looked at it in that light." I said "She is not incapacitated?"—"No, certainly not. She could go on with the work she is doing for quite a long time yet." That is the kind of thing we want to put a stop to. We do not mind the legitimate case. We fully realise that each case of pregnancy must depend really on its merits. We are having cases coming on that really are not incapacitated, and if we submit a case like that to the regional medical officer, anything up to two months before the probable date of confinement, he will say "I cannot certify this woman as capable of work." I have just got clear of such a case at the present time. A woman member came on the funds with influenza in February, 1924, and whilst on the funds was married on the 12th June, 1924, was confined on the 29th September, 1924, and came back on the funds for debility following confinement four weeks afterwards, and has now been declared off by the regional medical officer. That is the sort of thing we want to get over.

8589. In the same paragraph you comment on the lax way in which many doctors issue certificates for pregnancy and debility following confinement. Have you any substantial evidence as to this laxity?—I can give you two instances. One of them, perhaps, is rather an old case, somewhere during the last years of the War. The woman was on the funds for sickness; she was confined and attended by a midwife; a fortnight afterwards a note was brought to me on a Friday night certifying that this woman was incapacitated from work by reason of advanced pregnancy, and that was two weeks after we had paid maternity benefit. I had another case last year, a case which we were inclined to take up with the Medical Sub-committee, but eventually we let it go, and that was the issuing of five certificates by a doctor in Birkenhead for advanced pregnancy, the first of which was dated a week after the confinement, and the other certificates were dated each week afterwards.

8590. In paragraph 2 you appear to be against increasing the ordinary cash benefits. Do you consider that the sum of 15s. for a man and 12s. for a woman is an adequate sickness benefit, or do you think it should be supplemented from other sources?—I have always looked upon National Health Insurance as an agreement to pay a certain benefit in return for a certain premium, and I have never been able to understand why in National Health Insurance the Act should be taken as a universal provider. That is one of the points we have always made to people when they say "What is 15s.?" We always tell them "It is 15s. more than nothing."

8591. Is your opinion of this generally influenced by a desire not to injure the voluntary insurance activities of the Societies of your Group?—No, we are not concerned in any way with regard to voluntary insurance.

8592. Have you any knowledge that the normal benefits are supplemented by Poor Law Relief where no other supplement is available?—I have very little knowledge myself, but I have knowledge that Poor Law Relief is given; in fact, I got it for one member only a short time ago.

8593. I see from paragraph 3 that one of your arguments for treatment benefits is that they are of more advantage to the general body of insured persons. What is your view of the order of importance of the additional treatment benefits? Would you put dental treatment first?—There are two Societies in the Group which have found our most satisfactory benefit up to the present time has been convalescent home treatment; but there is certainly an increased demand for dental benefit, and I should be inclined to think that when the additional benefits do really become fully known by the insured person who is entitled to them, you will find dental benefit will be a very popular benefit and it is one which I should strongly recommend.

8594. Do the Societies of your Group give treatment benefits to any extent, and if so, can you give us a brief description of what is done?—With regard to the Group, certain of us had no disposable surplus on the first valuation. Some of us had. Many branches of my own Society are giving additional benefits. I will give one of the reasons why I am against any increase of cash benefits. The majority of the members are only on the funds for an average of three weeks. I might say we have never experienced a case of giving additional cash benefits up to an amount of 5s.; all I have dealt with has been an increase of 2s., 1s., and 4s. I maintain if you give a member 15s. and increase it to 17s., and he is on the funds for a week or two he does not realise that he has had any extra benefit at all. Again, any amount that the Government Actuary allocates for cash benefits we have to spend on cash benefits. If we amend the scheme we have to submit it to the Department for sanction, and if I say to the Department "I want to give treatment benefits" they immediately say to me "You must reduce the unit of your cash benefits." I can give you examples. I have a branch, No. 496, with a membership on valuation of 950; surplus £892. £526 was carried forward; disposable surplus was £366. Three-tenths of that per annum would amount to £110 roughly. The Actuary decided that that branch should be allowed to give 1s. 6d., 6d., and 2s. In 1921 we only had half a year extra benefits to pay, and we paid £17 10s. 7d. In 1922 for the whole year we paid £48 11s. 11d. In 1923 we paid £51 10s. 1d. In 1924 we paid £43 13s. 5d. The total benefit payments in 1923 were £834, the highest benefit experience we have ever had since the branch was formed. Assuming that every member who comes on the funds for cash benefits is entitled to the extra we would have had to pay more than double that to have absorbed the amount of money that the Actuary allocated. You will see from that that in three and a half years practically at £110 per annum, we have not spent £200, and yet we have had repeated applications in our branch for dental benefit which we cannot give, and we have this money accumulating all the time.

8595. I assume that the test of admission of membership to any of the Societies of your Group is that the member must be a Catholic?—Our rules provide that our members are mainly Catholic; but we do not bar certain classes of non-Catholics; for instance we would accept the non-Catholic husband of a Catholic wife, and we would accept the non-Catholic wife of a Catholic husband; but we are mainly Catholic. The actual provision is that the consent of the Board of Management to the admission of non-Catholics shall be and must be obtained.

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[Continued.]

8596. Do you think that this test has any substantial influence on the insurance experience of the Societies, and if so, in what directions?—I think the only special feature we have with regard to Catholic Societies is that possibly our maternity experience is rather heavier than in some of the other societies.

8597. I suppose you would be against any proposal to reconstruct the system radically on a basis of local societies containing all the residents in an area?—I have not considered that question very fully, but I should be against it because I am largely in favour of the branch society, the personal touch between the branch secretary and the branch committee and its members.

8598. I see from paragraph 4 that you recommend a voluntary co-operation between societies and between branches in the matter of treatment benefits. Would you go so far as to say that in a society with branches the treatment benefits should be administered by the head office and not by the branches?—Oh, no. You could not administer them from the head office because the branch has all the information.

8599. Is there not in fact at present a very considerable co-operation in this matter? For instance, in your own branch societies does not the head office in fact make the arrangements centrally for the provision of certain treatment benefits?—No. I think what you may be thinking of in that case is the question of convalescent treatment, and the head office does not arrange that; it is an Association that arranges that, consisting of representatives of all the branches.

8600. Does your Group organization make arrangements for the societies in the Group in the case of any treatment benefits?—No, not more than I have told you. With regard to dental and optical and things like that, the matter is arranged by the branch itself as far as I know. I can only speak in that case for my own Society.

8601. Your proposal in paragraph 4, sub-paragraph (3) amounts to pooling, does it not? Are you then in favour of the pooling of surpluses, and if so, to what extent?—No, I do not think the intention is pooling in any way whatever. The only idea was that by the co-operation of a number of branches when you are dealing with a branch society you can possibly make a better arrangement. We have at the present time what is called in our own Society a Branch Convalescent Association to which all the branches contribute towards convalescent treatment at our Home at Grange-over-Sands. Sometimes you get an overplus from one branch of members for that. I can give you a case of a branch that pays something like £12 a year to that Convalescent Association. In 1923 it had five members there for ten weeks, in 1924 it had one member there for two weeks; but when the Audit Department comes to deal with it he will report it in 1924 as not having had full advantage; but he will not make a note of the fact that in 1923 it had treble advantage.

8602. I note your view that the administration of the additional treatment benefits should be retained by the societies and not handed over to local bodies such as the Insurance Committees, which already perform similar functions in the matter of medical benefit.—In the matter of additional benefit only certain people in a society are entitled to it and those are the people that have qualified. I should strongly object to any alien body taking over the funds which belonged particularly to and which have been saved out of the contributions of my members. But even if the Insurance Committees were to deal with them, how could they deal with them without the knowledge which only the society has. For instance, how could the Insurance Committee administer medical benefit if the society did not advise them of the fact that the member was entitled to it, and how many people receive medical benefit even now owing to the laxity of societies in issuing slips. You would be doubling the work.

8603. Would these objections be reduced if, say, in the case of dental treatment the benefit were made

a normal and uniform benefit for all insured persons?—They would be reduced but they would not be removed, because you want to know who the people are. You may be paying so much a year for the doctor, but if you have to spend a few pounds on dentures you do not want to give that few pounds to a person who is practically not entitled to any benefit at all. In every case the Insurance Committee would have to refer to the society.

8604. I see from paragraph 5 that your Group considers that the present provisions of the Act as to the disposal of accumulations of benefit on the death of an insured person in an asylum or other rate-aided institution require amendment. Will you tell us what you think should be done with the money in such circumstances?—I might say with regard to the Group that they have a number of different opinions, but we are all unanimous on this point, that we do not think this money should be handed over to persons who, perhaps for want of a better phrase I might say have no insurable interest in the person from whom they get the money. We have these accumulations of money from time to time. In many cases there are relatives of these patients who are fully entitled to the money and we should like to see them get it. But we should like this Commission to make some recommendation as to what should be done with money which under normal circumstances goes to people who have never done anything for the sick person and who, by some means or other, get the nomination and get £30, £40, £50, or £60.

8605. What do you suggest should be done with the money?—Put it into a pool. Some of our component Societies say it should revert to the Society for the benefit of the other members. Personally I consider this is the money of the member, and if he has an heir-at-law who is really entitled to it, who possibly has done quite a lot for him while he has been in this institution, that person is entitled to it; but if you find a person with a nomination claiming his money who has no relationship of any kind whatever, perhaps a lodging-house keeper or landlady, and you see that money going to people like that, we dislike Health Insurance funds being expended in that manner.

8606. In paragraph 6 you suggest that for the Class K members the date of marriage should be substituted for the date of unemployment. Is this proposal merely to achieve greater simplicity in the scheme?—It is. There are a multiplicity of dates at the present time. Section 22 of the 1918 Act has been terribly complicated by the Prolongation Act; we have section 22 rolled into section 44 of the 1911 Act at the present time. But that apart, we have in Class K the date of the last stamp, date of unemployment (which is eight weeks after the date of last stamp), date of marriage (which may be at any time between the two), date of cessation of sickness benefit, and date of cessation of maternity benefit (which is about the easiest date to remember of the lot as it is two years after marriage). In comparison with the ordinary Class E. member the Class K. member is not fairly treated. My Group have different ideas, but I think we are all agreed that the Class K. member does not get fair treatment. You insist on her going out of insurance; you limit her sickness benefit to a certain time; you do give her the right to maternity benefit for two years, but you reckon her arrears in a way which hits her very hard. I would like to give you an instance of Class K. as compared with Class E. The Class K. member contributes in the second half of 1923 six stamps, in the first half of 1924 twenty-one stamps, and in the second half of 1924, to December 28th, six stamps. She is married on the 1st January, 1925. She is entitled to six weeks' sickness benefit at the rate of 7s. 6d. at any time from December 28th, 1924, after her marriage, until the same date in 1925, plus eight weeks. Possibly she will never claim sickness benefit at all, because you get very few such claims from Class K. members. In my own Society in 90 per cent. of the cases we pay maternity benefit

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[Continued.]

in the first twelve months, and maternity benefit in the case of that woman would be £1. If the same woman remains in Class E. she is an employed contributor. She may be a married woman, she may have entered as a married woman and had two or three maternity benefits before. She is entitled to sickness benefit at the rate of 7s. per week if she does not pay off her arrears, but if she does pay 5s. she is entitled to 12s. a week up to 26 weeks; she is also entitled to disablement benefit after that at 4s. per week, or 7s. 6d. if she pays off her arrears; and she is entitled to maternity benefit of £2. Is there not an injustice to the other woman? You make her go out of insurance whether she wants to or not. She has an option now under the Prolongation Act. The only point we have with regard to multiplicity of dates is this. I do not want to make a claim that we are going to decrease the work of the Approved Society official, but we are going to prevent a number of mistakes in over-payment. My proposal with regard to Class K. is: no arrears deduction from Class K. maternity benefit: all women to become Class K. eight weeks after marriage unless they can prove that they are continuing in employment: a period of, say, six months to be fixed when, if the woman has not worked since marriage, she shall be deemed to have changed her status and be treated as ceasing insurable employment twelve months after the date of her last stamp plus periods of sickness.

8607. I see that in paragraph 8 of your statement you suggest that medical cards should be supplied to insured persons by their societies. What advantages do you think would be secured by this arrangement?—The difficulty about that is this. A member comes and joins: within seven days of acceptance of the member the index slip has to be sent to the Index Committee and the Index Committee passes it on to the local Insurance Committee, and then the member in the case of some committees gets his medical card, in others he does not. The next thing is that the member comes to the society and asks for his medical card. We say:—"No, we cannot give you a medical card, we do not issue medical cards." He goes to the Insurance Committee. If the Insurance Committee is well administered he will probably get his medical card the first time provided he produces some evidence from his society that he is the person, but in some cases the person is sent to the society for his record card. I suppose the idea is that you should issue a record card as soon as the member joins, but I think the practice in most Approved Societies is to issue a record card to the member when the first card is surrendered to the society. Anyway you have to give a record card which tells the Insurance Committee absolutely nothing except the person's name and his membership number, no date of entry, and they eventually issue the medical card. It means a terrible amount of backward and forward business between the Insurance Committee and the Approved Society. My idea was that a member on joining a society should get a medical card at the same time that he gets a contribution card, and that you say to him when you give him the medical card: "Here is the panel list, pick your doctor, one near your home, take this card to him and get on the panel, do not wait till you are ill, get on now," and the doctor takes the card from the member and passes it on to the Insurance Committee, and the Insurance Committee then wait for the index slip to come through the Central Index, and if they do not get it they issue the necessary form. I think also you might seriously consider the question whether you could not penalize a society that did not issue its index slip at the proper time.

8608. In paragraph 11 you refer to the system of Audit of Societies' accounts. Perhaps you could give us some illustrations of what are the divergencies of treatment which you experience in this matter?—I had on occasions to go up and down the country squaring up certain of our branches that had got into trouble with regard to their work, and as a result I have come into touch with various audit

officers. All auditors are strict, but some are strict on essentials, while others will question you, if you do not cross your t's. and dot your i's. What we want is uniformity. We have certain cases, and the Department will know of certain cases that have occurred in the past between myself and the Audit Department, where the thing has been absurd and must have been absurd because the Department decided in my favour.

8609. In paragraph 12 you suggest legislation to prevent undue pressure by the whole-time agents of Industrial and other Societies. It would be very difficult, would it not, to define what that undue pressure was?—It is difficult in a case like this to put into words what we know is happening. We do not blame the Industrial Societies themselves; but the agent gets paid a certain amount per annum for the members he has on his list, and he is too inclined to romance at times to people as to what his society will give them if they will transfer from another society. I would ask Mr. Moss in this case to deal with one or two points, because his society has been rather a big sufferer in this respect. We want something to combat these statements. An Industrial Society collector will tell a member:—"You will get this, that, and the other, if you join our society, we are giving such and such benefits," entirely overlooking the fact that the member will not be entitled to those benefits unless he can get them on another valuation and at the end of five years after admission. I have myself had transfers cancelled for the simple reason that the member has been wrongly informed. It is not the heads of the societies who are doing it, it is the local agents. (Mr. Moss): My particular experience is this, that in the case of the agents of the particular societies of which complaint is made, these are the kind of statements that are being made:—"If you join our society you will be entitled to additional benefits after a year: you will get more benefits than So-and-So can give you". The trouble is that they get hold of these members and tell them a particular tale, and then when they find out, after we have made inquiries, that they are going to get into trouble, they get into touch with the members, persuade them to transfer, and tell them to keep their mouths shut. If we draw the members' attention to the five years' provision for qualification for additional benefits they simply say:—"It is quite all right, they have guaranteed us that". This is rather an unfair position for societies, particularly my own, the United Order of Catholic Brethren Approved Society, because unfortunately I was in the position of not having a disposable surplus on the first valuation, with the result that I have no particular plausible tale to tell as they have. What I do want Industrial Societies, of which complaint has been made, to understand is this, that something might be done through their head offices to acquaint the agents of the particular procedure which is being adopted. I have a particular case in mind, not necessarily of undue pressure but the question of the payment of the transfer fee by the Approved Society, which is entirely against the Act. This particular case has been reported to the Department. The tale was that the agent was ignorant as to the exact position.

8610. Does your group in fact lose many members to the industrial and other societies owing to the pressure of which you speak?—(Mr. Waring): With regard to the particular societies I deal with myself, no, but with regard to the societies operating in East Lancashire they do. (Mr. Moss): My own experience is: in 1923 the transfers into the Society were 23, the transfers out, 88, out of a membership of 8,000. In 1924 the transfers in were 14, and transfers out 102.

8611. (Sir Andrew Duncan): I have some difficulty in following what is the reason why you advocate no increase in cash benefit?—(Mr. Waring): My reason is that the general run of cases last such a

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short time that the member does not realise that he has got anything. If you are giving a man 15s. a week sickness benefit and you increase it to 17s., and he is on the funds for three weeks, he has had 6s., but that 6s. is not going to make much difference to him in the case of illness.

8612. It is 6s. more than he would have had?—Possibly, but there are other sources.

8613. Then it is because there are other sources?—I feel that the 2s., 4s. and 6s. that is paid, if devoted to some other benefit might do the man a lot more good. If, for instance, instead of increasing his benefit by 2s., 4s. or 6s., at the end of three weeks we send him away to a convalescent home and build him up and make him fit in health and strength to go back to work and not come back on our funds, we are going to get a much better member and he is going to have much better health.

8614. If Jack Jones is ill and rather than pay him 2s. a week more you send Bill Sykes away to a convalescent home after he has been ill, do you think you have done Jack Jones much more good?—I do not think I have done him a great amount of harm.

8615. Do you think you could get him to realise that you have done him any good?—I have great difficulty in getting quite a lot of members to realise that they are getting anything at all extra up to now.

8616. Am I putting it to you quite fairly when I say your principal reason for not increasing cash benefit is that there are other sources?—There are other sources, but one of the principal things that is weighing with me at the present time is that the disposable valuation surplus is one which we have to spend. Under existing conditions of allocation unless our benefit experience is abnormal, our members cannot possibly in the quinquennial period get rid of the amount of money that is allocated for the benefit. That is the principal point on the figures I gave you.

8617. Even that I do not follow clearly?—Shall I put it again?

8618. May I put it to you. Do you suggest that if additional cash benefit were given instead of treatment benefit, your experience is such that you would not be likely to consume your surplus?—That is one of my principal reasons, not the only one.

8619. If that be so there would be all the more surplus left for other benefits?—Yes.

8620. What then is the reason for not increasing cash benefit?—I have told you I do not think the 2s., 4s. or 6s., in one, two or three weeks is going to benefit a man very much. But I realise also that we have certain cases where 15s. is absolutely useless for the man, and I want to adopt a benefit to overcome that difficulty, because I realise that there are a number of people who get an increase who really are not entitled to it and never should have it. But I have certain cases that should have an increase, and I am going to advocate that my Society, wherever possible, should take up extra benefit No. 11, viz., relief in periods of sickness and distress.

8621. So that rather than increase the cash benefit generally you want as a society to be free to increase it just when you think it should be increased?—I want to be able in an exceptional case to say: "I am not going to give you 2s. a week extra, I am going to ask my Committee to grant you £2 to enable you to get over the difficulty you are in at the present time, so that you shall have proper nourishment."

8622. That is your principal reason?—That is my idea in advocating it.

8623. (*Mrs. Harrison Bell*): I want to pursue that a little further than Sir Andrew has taken it. Do you think your members in bulk are likely to be willing to agree to this proposal of yours, which in short amounts to discrimination between one sick person and another?—I think they will agree to it, taking it generally, and I am in very close touch with the insured. I think they are very reasonable. Do you know what the proposal was in one branch on the

first valuation? That we should give no extra benefit of any kind, but that we should hand over the money to the war widows of the men who had been killed in the War belonging to that branch. That was impossible, I grant you, but it was supported.

8624. We on this Commission have to take cognisance not only of your Group of Societies but of the whole insured population?—I quite realise that.

8625. Do you think it would be possible to carry out such a plan of discrimination as you suggest on a universal scale by the various societies?—I had occasion a few weeks ago to give an address before a branch of the Faculty of Insurance, and I raised this very point. Representatives of quite a number of societies which operate in the Liverpool area were present, and they seemed to be surprised, in fact quite a lot of them did not know anything about Benefit No. 11, but they thought it was one that should be investigated, and it seemed to me to meet with general approval.

8626. You said in reply to the Chairman that you were not in favour of all insured persons in one region forming as it were a local Approved or Insurance Society. The particular reason you did not state, and I do not want to go into it, but I do want to suggest to you that if you want to carry out that plan of discrimination in order to benefit persons who need benefit most, the simplest way to do it would be by some form of regional organisation?—No. I think you are rather inclined to misrepresent me with regard to doing good to those people who need it most. I am limiting it to members of those societies who have contributed the money. I am not proposing to take the money from one society and administer Benefit No. 11 to the members of another society. I am an advocate of the branch system. I have tried both. I have centralised districts in my own Society, and I am also a branch secretary, and I find that the branch system—I am not going to say it is the best system for administering National Health Insurance, but I do say there is not another system that comes up to it for the benefit of the member. The member is in touch with a person who must know something about National Health Insurance, and you will be surprised to know how little a lot of industrial representatives do know about National Health Insurance.

8627. Would you mind amplifying your description of the structure of your Society? How is your Society managed at the centre?—The group of Approved Societies is a group consisting of eight Catholic Societies. With regard to administration they may be totally different. We have, I think, three societies in that Group that are branch societies: the Catholic Benefit and Thrift Society, the Catholic Friendly Societies' Association, and the Preston and District Catholic Friendly Societies' Association. Two others are only small societies, only as big as a good-sized branch. The other societies are the Irish National Foresters (which was a branch but which is now a centralised society), the United Order of Catholic Brethren (which was a branch society but which is now centralised), and the Westminster Catholic (which has always been a centralised society).

8628. Will you tell us what is the central authority and how it is elected? I am trying to find out what kind of control your rank and file members, the insured persons, have over the management of the Society?—Shall I take my own Society, and Mr. Moss can deal with his Society. We are in a bit of a difficulty representing a group in dealing with individual societies on domestic matters. My own Society originally consisted of 500 branches; I think at the present time we have something over 300 branches. I have with me the particulars of my own Society, the size of the branches, those under 50, those over 50, those over 100, and so on. The branch unit is the registered branch, practically a registered society of its own, and it is governed by its members. Every January the members meet to elect their officers, not the officials. The meeting is held

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in the particular area of the branch, and all the members who are living there are at liberty to attend. I am sorry to say they do not take a great deal of interest in it, but still we have had as many as 25 out of 108 members present at one meeting of a branch. I had out of 300 members 20 at the annual meeting on the 4th of last month. I can quite understand that to the ordinary man in the street Health Insurance is not a very interesting topic. Some of us get imbued with it, but so long as the money is there when they are ill, and they get their cards, they do not take a very deep interest in their society. But the machinery is there for them to use. At the Branch Annual Meeting at least one-third of the committee is elected or re-elected. They also elect what is known as a district delegate. Our Society consists of branches which are merged into districts: they are unregistered districts with district secretaries, and they meet at monthly or less frequent intervals. Each year they elect according to their membership what are known as general councillors. The general councillors attend the Annual Conference of the Society, and they elect the Board of Management. If you want an example of what can happen, in 1912 I was an unknown member of the Society. I did not know a soul in it; I happened accidentally to drift into a meeting and got mixed up with a branch of it, and I have been a branch secretary, I have been a district secretary—I am now—I am also Vice-Chairman of the Board of Management, and although I do not represent the Society I am on the Minister's Consultative Council. One can rise quite a long way in our Society.

8629. I am anxious to know what it costs per member for management expenses in your Society, and also what portion of your work is done voluntarily or part-time, and what portion is salaried officers' work?—Quite a lot of work is done in our Society in part-time. I am a branch secretary. I administer at the present time four branches of the Society consisting of about 110, 180, 180 and 300 members respectively; I am also district secretary over 12 branches of the Society; I am treasurer of a branch of 950 members in Birkenhead. If it brought me in £2 a week I should be lucky. I devote the whole of my time to National Health Insurance. I have never worked as hard in my life as I have worked since 1915. To take the general run. The salary of a branch secretary, which is fixed each January for the year, is based as a rule on 2s. per member per annum. If he is a secretary who relies also on his treasurer doing certain work, then the treasurer gets rather more than he would get under normal circumstances and the secretary gets less. As an example, we have a branch in Birkenhead; I happen to be treasurer of it; the membership is 950; the secretary gets £78 a year; I get £15 a year, for which I devote five hours a week to the work, and I pay 1s. to get there.

8630. What is the average cost per member for management expenses?—The average cost per member for management expenses, taking it all round, is pretty near the amount allocated. We always keep as far as we can a little balance in the Administration Account, because we never know what is going to happen.

8631. Are your branches all separate valuation units?—All separate valuation units.

8632. Then you do have a difference in additional benefit between one branch and another, or you might have?—No. With regard to a district, a district usually meets—I say "usually" because it has only done it once up to now, but it will do it again shortly—we usually meet and decide on some uniformity, particularly with regard to cash benefits, and we allocate the over-money to benefits in kind. But it is a remarkable thing that in an area where the branches are well administered you find that they are all pretty much the same.

8633. Going back, if I may, to the case of these women that your doctors certified as being in an advanced state of pregnancy three or four weeks after confinement, what happened to the doctors?—As a society representative, I have very little faith

in the Medical Sub-committee. Personally, I would object to pillorying a doctor who made one slip in order to get at another man who, I know, is making a thousand, and whom I cannot catch. In the case I mentioned of the five certificates for advanced pregnancy, all of which were dated after the confinement had taken place, we had never had a previous complaint against that doctor, and after he owned up that a mistake had been made, we were going to take the matter before the Medical Sub-committee, but we decided we would not. I think National Health Insurance will be better than it is to-day when instead of Approved Societies fighting the doctors and the doctors fighting Approved Societies, we can agree. One knows one can do in an individual case what one cannot do when you get them together, and where we can agree we shall get better treatment by talking the matter over with the doctor.

8634. How far are your branches affected by what you said about those in towns not having any surplus? I take it that is really an occupational sickness incidence?—Of course, it all depends on the area. In the heavy woollen area of Yorkshire you find there is a large amount of sickness, and that would naturally affect the branches in that area because their benefit expense would be heavy.

8635. Do you think it would be a good thing, say, for your Group of Societies if you could have the benefit of a group such as we had before us last week whose sickness experience was small owing to the particular nature of their occupation? They are very fortunately situated. They are able to make surplus. Cannot you contemplate some form of provision whereby all these good and bad lives would be lumped together for the benefit of everybody?—There is a certain amount of difficulty in that, because when all is said and done everybody gets the same benefit; it is only that one person does not claim as much as the other, and, therefore, they have something to save.

8636. I understand you are opposed to Insurance Committees administering non-cash benefits. How do you suggest medical benefit should be administered? I listened with interest to what you said about the cards, but that did not seem to me to cover the whole administration of medical benefit?—I do not think we were dealing with the administration of medical benefit. I was only trying to show you how dependent the Insurance Committee was on the Approved Society for information; even in the case of medical benefit they have to get the information from the society.

8637. But you say "The Group are strongly opposed to Insurance Committees administering in any way the non-cash or treatment benefits." If you do not want the Insurance Committees to do it, how do you want it done?—We want to do it ourselves. We are custodians of our members' money.

8638. Will you tell us in what way?—You would like to know how we are dealing with non-cash benefits?

8639. No, I should like to know how you are dealing with medical benefit?

8640. (*Professor Gray*): The witness, though he does not say so, is referring to non-cash additional benefits?

—Yes, I was only giving you an instance of how dependent Insurance Committees are on Approved Societies for the particulars that they require before they can issue a medical card practically granting medical benefit.

8641. (*Mrs. Harrison Bell*): I thought you wanted to take away medical benefit from the Insurance Committees?—No.

8642. (*Mr. Cook*): You mentioned in reply to Mrs. Harrison Bell that your own Society consisted of 500 branches?—Yes.

8643. It now consists of 300?—Yes, but we have not reduced them by 200. Quite a number of those branches were unregistered and they are grouped into one branch.

8644. You have grouped into 300 from 500?—No. Our particular Society, the Catholic Thrift Society,



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consisted of about 80,000 members, and started as an Approved Society under the Act of 1911. But at that time there was in existence a society known as the Catholic Benefit Society which originated in 1872 and had something like 30,000 members. Somewhere about December, 1912 the little body swallowed the big body. They were a registered Friendly Society and we became registered branches. All the small branches were not registered. They were grouped together, and what was at one time called Branch 223 is now known as the Head Office Unit. Since that time certain of our branches have been centralised. I centralised the North Wales district for my Society and afterwards South Wales came in with them, and I centralised certain branches in West Yorkshire. But on top of that there have been transfers of engagements, there are perhaps two branches in one area, and with the difficulty in regard to local secretaries, and all that, we found it better to put them into one unit instead of two. We have not had many cases where more than one unit has been transferred to another unit; where there has been more, it has been a question of centralisation.

8645. I listened carefully to your explanation as to why you are opposed to increasing the cash benefit beyond 15s. I can understand in the case of sickness of a few weeks' duration a few shillings extra is not of very much value, but supposing you have a case where sickness extends over a very long period and where there is no income beyond the sum received from the Approved Society, surely you will admit that 15s. is a most inadequate sum, particularly in the case of a man with family responsibilities?—I do not think you could possibly increase the benefit of National Health Insurance to meet that particular case.

8646. I take it you are not prepared to increase the 15s.?—I am against increasing the cash benefit to an unlimited amount, even up to five units. I do not for a moment think I should carry my Society, so that they would say, "If we have a surplus we shall not give some of it in cash," and I do not think the branches that are giving 17s. would bring it down to 15s.

8647. Apart from increasing the cash benefit by applying any available surplus in the shape of additional benefit, would you be agreeable, if it were practicable, to increase the statutory cash benefit beyond 15s.?—I would not be agreeable to do anything in National Health Insurance which I personally feel we shall not always be able to do. I consider that National Health Insurance up to date has never known a normal period. We started in 1912: before we had properly got into our stride the War came; the War lasted till the end of 1918; then we had a rush period, a most successful period for two years; then we have had this abnormal unemployment since. Nobody in 1912 would ever have expected that we would have been able under normal circumstances to get the interest that we have got on our investments.

8648. You observe I put my question in this way. If it were practicable would you be opposed to increasing the statutory cash benefit?—I should be more inclined to reduce the contribution.

8649. Rather than increase the statutory cash benefit?—Yes, I would very much like to see the contribution come down. I feel it is a very heavy drain particularly in the area in which I am working. We have a man working half a day a week say, and he has to pay for both Unemployment and Health Insurance. It is pretty heavy. It does not follow with the casual labourer that for every stamp he has got on his card he has done a week's work; he may have done half a day's work.

8650. Is not the casual labourer the very individual who suffers most when stricken down by sickness, especially if he has a family. Is it not the case that on the average the casual labourer is the very individual who has no additional resources, no other insurances, to provide against sickness?—Our experience with regard to the casual labourer, is that in

nine cases out of ten his panel doctor sends him right off to the infirmary.

8651. That is not my experience, and it is not every case of prolonged sickness that is a fit subject for the hospital, as I am sure you will agree. As a matter of fact there is not hospital accommodation to accommodate all the cases that would have to be provided for if that were the universal practice of panel doctors?—I do not know much about the hospital accommodation of Glasgow; I thought it was rather good. We are pretty well placed in Liverpool and Birkenhead.

8652. You evidently are opposed to any territorial system of working National Health Insurance; you prefer the present system of administration by Approved Societies?—I told the Chairman at the beginning it was a question I had not considered. Speaking off-hand I would say that I do not see any advantage in it. A territory to-day is going to be another territory to-morrow. I started off with a membership within a few square miles and I have now got them nearly all over England.

8653. Do not you see many disadvantages in the present system of administration? Your friend, Mr. Moss, has explained that his Society is being menaced by the big industrial organisations because of the fact that they can dangle before their members benefits which he finds himself unable to offer?—Up till now.

8654. The chances are, judging from the evidence we have had from previous witnesses, that the forthcoming valuation will accentuate these anomalies, not reduce them?—Mr. Moss has not told you what he might have told you, that the great menace to his Society are Trade Union Societies that are using—I will not tell you what they are saying but we do know of its being done—an undue influence on members.

8655. As a matter of fact, both Mr. Moss and yourself have explained that the whole truth is frequently kept in the background when these agents are canvassing for new members?—Yes.

8656. Apart from that altogether, is it not the case that under the present system of things you have a great many anomalies? You have one society that can pay all the statutory benefits easily, and in addition has very large surpluses available to give quite valuable additional benefits, while on the other hand you have a large group of societies, representing hundreds of thousands of insured persons, who can only give, sometimes with difficulty, the statutory benefits and that, too, without any possible charge or maladministration on their part being made. Is that the position—and I venture to say that is really the position as we find it to-day—does not that suggest that the whole question requires reconsideration and that some other administrative system is necessary, some pooling system, or some territorial organisation, that will tend to reduce these anomalies?—(Mr. Moss): Might I reply to that? In the case of my own Society, as I explained, I took over the secretaryship in 1918; the valuation was almost on us, and in that valuation we had no surplus. As regards this valuation we think the conditions are somewhat improved and we shall now be in a position to pay the extra benefits. But I feel that those societies who have no surplus will be in the same position that we were; they certainly will be exploited by the societies that have surpluses.

8657. By the large Industrial Societies?—The societies with surpluses.

8658. Undoubtedly they will always be in a position to attract members from societies that have a small or no surplus at all?—Exactly.

8659. That being so, the question I was anxious to get a reply to was: does not that suggest that these anomalies ought in some way or another to be adjusted either by the adoption of a pooling system or by a reorganisation of the present administrative agencies?—(Mr. Waring): I should like to answer, I find that in the small units we are in personal touch with the members; we know them; we can do quite a lot of things. We have not come here to talk

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about home service, or anything like that, because that is a side line, but we are in constant touch with the members and we do know what happens; there is a very large number of secretaries who do take a deep interest in the members they are acting for. We realise it is not our money; it is the money of the members of our Society. They have had free choice to join whichever society they liked. I know the Trade Unions do not give them free choice, but I am speaking about the general run of societies. The member has free choice. I have never during the whole of my 12 years' connection with National Health Insurance gone canvassing for a member. They have come to me. The only reason I can conclude for their coming to me is that the people who are already members of my society have sent them. I have no advertisements or anything like that. They come, not because they are going to get preferential treatment, but they know that we have taken care of our members, that we have taken care of our funds. We do not mind how much we pay out provided we pay it out properly and that the member is entitled to it. I have the idea that National Health Insurance was formed to better the health of the people. I say once you start on this proposed territorial idea, nationalisation, centralisation, or whatever you call it, you lose that personal touch. You get the personal touch with the branches. Centralise that branch and make the branch secretary the agent and the thing is entirely different.

8660. Is not that a bit of special pleading on your part? What is the personal touch of which we have heard such a lot during the progress of this Commission?—I do not know.

8661. What does it amount to if you cannot translate it into actual practical benefit—cash benefits or treatment benefits? You evidently believe in the continuation of the present system with all these anomalies?—I believe that unless you can do something to improve the present system you are not going to find a better system in the proposal that you are putting to me this morning.

8662. (*Mrs. Harrison Bell*): May I ask one supplementary question arising out of what you said about Trade Unions and allowing their members freedom. Do you not realise that the great bulk of Trade Union membership is not insured through the Trade Unions?—I can quite think that that is so; but I know that pressure is brought to bear upon them.

8663. (*Mr. Cook*): I have never known any pressure at all being brought to bear upon members to induce them to join a society further than the ordinary intercourse that goes on between men belonging to the same trade. There is no pressure either direct or indirect.—We have absolutely no quarrel with the Trade Unions.

8664. (*Prof. Gray*): Could you clear our minds a little more on your difficulties with regard to claims by women. I understand your position is that you make no objection to claims during pregnancy which are valid claims?—None whatever.

8665. You said in one part of your evidence that pregnancy was not an illness but a condition. What do you imply in that statement?—I would reply that every woman who is pregnant is not ill or incapacitated.

8666. But you do not infer that pregnancy itself may not incapacitate, do you?—I can realise in exceptional cases that it might incapacitate. Take hyperemesis. I have come across that in a few cases in a first pregnancy in the early stages, when a woman has only been about two months gone.

8667. And when nothing else could be said about it except that the woman was pregnant?—That is so.

8668. No other certificate could be given by a doctor except a certificate that certifies pregnancy?—That is so.

8669. You said something which I did not quite catch about what happened if you sent cases to the regional medical officer up to two months. Did you mean that in the case of a woman sent to the regional

medical officer two months before her confinement he was prepared to certify incapacity?—We want to find out really whether it is a case of advanced pregnancy. Possibly there is only about four, five, six or seven weeks to go. We would not submit a case like that to the regional medical officer. We would be satisfied that it was a case of advanced pregnancy. But then we get claims in respect of pregnancy before the quickening stage.

8670. Your point is that in the first seven months you would send to the regional medical officer, but in the last two months you would not?—That is so, because I know he would not be prepared to certify the woman fit for work.

8671. You agree that every case must be taken on its own merits, I suppose?—Yes.

8672. Which means, amongst other things, having regard to the kind of work a woman is doing?—That is so. You could not send a woman to a mill, whereas she could continue on light domestic work.

8673. So that ultimately your complaint in these instances is not against the provisions of the Act or the general scheme of things, but against certain doctors who are lax?—Exactly. I say that we have quite a lot of certification which is not sufficiently accurate and not quite fair to the insured person.

8674. You mentioned a case which struck me as very extraordinary, where five certificates were given which actually dated after the confinement. You excused that on the ground that the doctor had made one slip. Do you regard a case of that kind as one slip?—No. I did not quite follow up the matter. We took the case up with the Clerk to the Insurance Committee. It was evident that he was with the doctor; I mean he did not want us to take any steps. We, however, persevered with it because the doctor took up rather an arrogant attitude. Then the Clerk to the Insurance Committee started to raise all kinds of difficulty and at the finish he said he would consult the Chairman of the Insurance Committee and if he decided that it should be brought before the Medical Sub-Committee he would have it brought. I told him straight that I should go right over his head and that I did not think the Chairman had any right to decide whether the case should or should not be brought.

8675. You put us rather in a difficulty. Your complaint in this matter comes down to a complaint against the doctor. You put a case in which the doctor behaves in rather an outrageous manner and yet you do not press the case home. Do not you think that in a case like that the obvious course, in spite of all obstacles, was to have pressed it home—in fact to have pressed it home harder the more obstacles were put in your way?—If we had much faith in the Medical Service Committee we would have pressed it home.

8676. Why have you not faith in them?—We have seen the great difficulty we have had in preparing cases for the Medical Sub-Committee and the difficulty we have had in getting any steps taken by the Insurance Committee.

8677. You have three representatives of insured persons there?—Yes; but I find that when a man goes on to an Insurance Committee he is absolutely divorced from the particular section he is representing.

8678. How does that divorce come about?—I cannot understand it, seeing that the predominant numbers on Insurance Committees are representative of Approved Societies.

8679. And on Medical Service Sub-Committees the doctors are in a minority?—No; I think there is an independent Chairman.

8680. The only explanation you give is that the moment a person gets on an Insurance Committee he loses all touch with his Approved Society and becomes a different person?—He does not seem to consider the question of the Approved Society at all. I think there have been some wonderful findings by Insurance Committees considering the preponderance of society representatives.

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8681. And you suggest that it is general all over the country that representatives of Approved Societies get corrupted in this manner?—No, not corrupted.

8682. Well, tainted?—I do not know that it is that. Quite a lot of men who have gone on to Town and City Councils, would be bankrupt in about a fortnight, if they ran their own affairs as they run the affairs of the city.

8683. So that ultimately it is that the Approved Societies make an unwise choice to begin with?—I could not say that. I have never been on an Insurance Committee, and I know nothing about it.

8684. Could you also explain a little further this question you have been asked about your suggestion that in fact no society should give additional cash benefits?—It is a personal opinion that I give. I have not been in favour of additional cash benefits, though I am perfectly prepared, if I am allowed to do so, to adopt extra benefit No. 11 where, instead of using 2s., 4s., or 6s., I can use a couple of pounds in a specific case.

8685. You agree, do you not, that 15s. is not enough in many cases to support a man?—It stands to reason that 15s. is not sufficient.

8686. I did not quite understand the various reasons which you gave, but you suggested, on the one hand, that you could do more with the extra money in the form of giving non-cash benefits. You said that after a man had an illness you could build him up, or words to that effect?—Yes.

8687. Do you not think that when you give 15s. he may require a great deal of building up after he has had a long illness?—Yes.

8688. Do you not think that you might have less need to build him up if you had paid him more during his illness?—The question is how much money you are going to give me over and above the 15s.

8689. Anything you do give is an alleviation of a difficult position, is it not?—Quite possibly. I am only looking at it from the point of view of the member as to whether I can give him more in one way than I am going to give him in another.

8690. Another point which I think you explained in defence of your position, as far as I understood it, was that if you chose cash you had in fact a surplus at the end of the time?—Yes.

8691. And you implied, therefore, that you had better use it in some way in which you could dispose of your money?—I find it impossible in every test that I have made to absorb the money that is allocated for the purpose of cash benefits.

8692. But does not that really arise because your own experience is less than what is actuarially expected?—I have never gone into the matter actuarially; but I can prove to you what happened in a particular case. The benefit experience in one year in that particular branch was 6'6d. for women and about 6½d. for men per week, and yet I could not absorb the money.

8693. But if you had a favourable experience obviously you would save on your additional cash benefits just as you save on the cash benefits?—Yes; but I say I have no outlet for it.

8694. The Act provides for sickness benefit under certain defined conditions. The Act provides under Additional Benefits for, under the third heading, an increase of sickness benefit or disablement benefit in the case either of all members of a society (and then it adds a sub-clause), or of such of them as have any children or any specified number of children wholly or in part dependent upon them?—Yes.

8695. The Act so provides, does it not, for an additional benefit which shall be an extension of cash benefit in these cases. Under the 11th additional benefit you have mentioned, there is a perfectly general provision for providing payments to members who are in want or distress. I put it to you that, according to all the ordinary principles of legal construction, where the Act provides for a certain thing in the body of the Act and for its extension, either generally or in special cases where there are children, that that

particular kind of benefit could not be brought under the other, that of payment in respect of distress?—I would like to point out that additional benefit No. 3 provides for sickness and disablement benefit and additional benefit No. 6 provides for maternity benefit. But we had to give sickness benefit to everybody. The great point that was always made to us by the Department with regard to additional benefits in cash was that we must give them to everybody, and that the Department would not look with favour on a scheme which did not include an increase in the maternity benefit as well as in the sickness and disablement benefit. I see the use of that extra benefit No. 3 as defined.

8696. The problem whether it would be practicable or not is another matter; but what you are asking for is the absolute power to decide arbitrarily?—No; the Committee would do it.

8697. Will the Committee do it without laying down any principles, as between one member and another?—I realise the difficulty.

8698. (Mr. Jones): With regard to index slips, is there any suggestion of delay with the Central Index Committee?—No; the delay is with the Society.

8699. You think it is mainly there?—I am sure it is. The index slips come through pretty quickly to the individual Insurance Committees from the Central Index Committee.

8700. And do the Insurance Committees get rid of them fairly quickly?—I do not know. In certain committees they get the medical cards out practically at once, but in other committees they do not issue the cards at all—at least I conclude they do not as these members are always asking for medical cards. I would like the Commission, if they could see their way to do it, to put some penalty on societies who do not issue their index slips and their orange slips at the proper time.

8701. Is not that a matter of detail? I was interested in the position of the Central Index Committee?—We have not complained against the Central Index Committee.

8702. You have not mentioned it at all, but I should like to ask if your Society, or Group of Societies, has considered at all the extension of medical benefit to dependants?—We have considered it as a matter on which we are not in a position to judge.

8703. You have not come to any conclusion whether it is desirable or not desirable?—We have not put forward any evidence on the point.

8704. You have come to no conclusion on the matter at all, but you have had it before you?—We have not discussed it for the purpose of this Commission.

8705. With regard to the administration of the Insurance Act might I ask your general opinion on the value of medical service under the panel system?—I have often been struck by the manner in which a doctor deals with an insured person. For instance, we get a number of cases of chronic bronchitis. Now we have people coming on the funds through chronic bronchitis who come week after week for the benefit and they are able to be out in all kinds of weather. We find that certain doctors specialise in a particular complaint. We know that in the case of one man nine-tenths of his certificates will be for rheumatism and in the case of another man nine-tenths will be for bronchitis. But generally I think the doctors try to carry out their duties. I know the medical profession say they have a few black sheep, but still, I think the general run of doctors are trying to carry on under somewhat difficult conditions. Patients must have confidence in the doctor. If the patient has a feeling that he is not getting a certain class of treatment then possibly the doctor is not doing him much good.

8706. Does not that kind of certification to which you have referred suggest inferiority of treatment?—It makes us want to know things.

8707. These people are on your hands, and then you want another certificate?—Yes. Our principle is to see our members once a week if they are sick, and our sickness visitors will report to us. We do not

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always take the doctor's certificate as to what the person is suffering from.

8708. To get back to the case to which you referred, if you have such a lack of faith in the medical service—and I might interpolate that my experience is very different—are you quite satisfied to leave the matter where you did?—Do you mean with regard to that particular case?

8709. Yes, or any other case?—The doctor's explanation at the finish was that possibly there had been a breach of the regulation, but the breach of the regulation had been in issuing the certificates at another time, and not dating them at the time he had issued them. The woman was ill, but she was not ill from advanced pregnancy.

8710. If you are dissatisfied with the medical service, have not you the right of appeal to the Ministry of Health?—Yes, but I am afraid that a lot of our people take the line of least resistance.

8711. But it is a matter for the Society. Is it right to put forward in evidence a general complaint about looseness in certification on the part of the doctors, and when you get a flagrant case like this you do not take it up?—But I have not put forward any general case. I have specified two cases particularly. I have not personally complained about the doctors, except in particular cases.

8712. Take this individual case. It must have meant that the doctor did not see the member?—I have reason to think that he did not, but I have no particulars, and you know there is a great difficulty in proving a case.

8713. It seems to me that if a man certified pregnancy and the woman had been confined some weeks before he could not possibly have seen her?—In the other case he had not.

8714. It must have been so here, I think?—I rather fancy that he did see the member—I have no evidence that he did—but he had seen her at a later date than the certificate showed. When the first certificate came out the member was not entitled to sickness benefit, because it was illness arising out of the confinement.

(The Witnesses withdrew.)

Mr. F. W. DANIELS and Mr. P. ROCKLIFF recalled and further examined. (See Appendix XIV.)

8723. (Chairman): In paragraph 24 of your Statement you indicate that the scope of medical benefit should be extended. Would you amplify a little your views on this question?—(Mr. Rockliff): Certainly. For the present insured population we suggest (1) a consultant service, that is the right of consultation with a medical man who has made a special study of particular services or subjects; (2) a specialist service, that is to say the right to the services of a medical man specially qualified by experience in operative surgery; (3) a laboratory service, that is the provision of X-ray and ancillary diagnostic services including the taking of bacteriological and blood tests, the examination of samples of water, contents of the stomach, etc.; (4) hospital treatment (especially for cases where home conditions are unsuitable) that is the giving of the right to the patient's medical man to secure for his patient institutional treatment.

8724. In paragraph 28 you make the suggestion that dental benefit should be made a normal benefit for all insured persons and that a full service should be given. If this were done would it not be desirable to place the administration in the hands of the Insurance Committees? The parallel to medical benefit seems to me to be very close?—Our idea of making dental benefit a normal benefit under the Act would be to add it to the list of such benefits given in section 8 of the Act of 1911. If by normal benefit in your question is meant the full cost of the benefit, and a member's medical card, for example, entitled him to go to both a dentist and a doctor, it certainly could be argued that Insurance Committees might be entrusted with the work; but if dental benefit as a normal benefit is anything short of a

8715. What I want to emphasise is, are you not aware that the General Medical Council some years ago issued a warning notice to the whole profession that they would deal very strongly with any member of the profession who was lax in his method of certification? Does not that show a desire on the part of the leading authority on medical matters to raise the standard of certification under the Insurance Act to the highest possible point?—You cannot damn a profession simply because there are black sheep in it. I have found that the doctors are carrying out to the best of their ability the duties that are assigned to them under National Health Insurance.

8716. Do you think this man was administering medical benefit to the best of his ability?—I can only say that I know the woman was ill.

8717. Do you not think you were in grave dereliction of your duty in not having pressed such a case to its ultimate end?—Had it been my personal case I should have pressed it to its end; but I was only a side line.

8718. (Sir Arthur Worley): I understand that your Group of Societies has a system by which each society contributes probably so much per member to some fund in connection with convalescent homes?—No. There are two societies in the group who do contribute to convalescent homes. They do not do it jointly.

8719. You attach a good deal of importance to the branch system and instance cases in which you think the personal touch has helped to make the machine work easily, with the result that you have administered well and got a surplus?—I am not going to claim too much for my administration.

8720. I mean that is the result of your system being a branch system?—The branch system is in closer touch with the member than any other system. I am not going to claim it is the finest method of administering National Health Insurance.

8721. But you say it is in closer touch with the members and therefore someone benefits?—The member benefits.

8722. (The Chairman): We are very much obliged to you.

100 per cent. service, in our judgment Insurance Committees are conclusively ruled out. You will have evidence from the dentists when they come before you that if a 100 per cent. service is too costly you can make your normal dental benefit the creation of a toothless population, bringing in its train a new set of illnesses due to the non-mastication of food. If to secure that kind of normal dental service the insured person had to apply first to an Insurance Committee, he would afterwards have to apply to another body—his Approved Society—for help to overcome the ills that would flow from such a normal dental service, with a consequent duplication in every case of trouble and expense to himself, and at what a cost to the society! The agreed fee for dentures is the same whether there are extractions or not. Thus the society would have to pay £6 10s. for a full upper and lower denture as well as contribute to the cost of the normal extraction service, while if the society did the whole thing from the start the two portions would cost no more than £6 10s. inclusive.

8725. You say that the cost of such a full dental benefit could not be met within the limits of the present weekly contribution. Have you formed any estimate of what addition to the contribution would be necessary?—From experience of societies we say that the whole cost of dental benefit, would be from 5s. 6d. to 6s. 6d. per insured person per annum; more probably the higher figure. Whether it could be met within the present contribution depends to some extent on the results of the valuation of the larger Approved Societies; but if those results are anything comparable to those of the smaller societies—those which are now known to us—we should say that if

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dental benefit were added to section 10 of the 1924 Act, a 100 per cent. service could be given, because it would then take precedence of any additional benefit, cash or other.

8726. In paragraph 35 you recommend that section 21 of the 1911 Act should be allowed to stand. Do you consider that societies should be free to spend to any extent they choose under the section without any control by the Ministry?—No society, in our judgment, could spend to-day what it chose without control. The power, or even the threat, to withdraw approval when a society acts contrary to the general interests of its insured members is a very potent instrument, and has been found most efficacious, even as regards large and powerful societies, in much more important matters than section 21.

8727. Do you think it right that societies should make use of the section to provide their members with additional benefits which could be provided out of a valuation surplus?—It would be unnecessary to use section 21 if the valuation surplus was so extensive as to provide all things requisite for members entitled to share thereunder as well as for those who by regulation are disentitled. In such circumstances it could conceivably be said not to be right to use section 21 instead of section 37 to provide them; but that is not, and never has been, the position. If I have just sufficient surplus to enable my members to bring their sickness benefit up to 20s. so as to help maintain them and their families when they themselves are incapable of earning a living, I cannot at the same time provide them with hospital benefit, for example, out of surplus. What is the attitude of the Department (as far as we can judge it from their initial Statement to you) in those circumstances? The official suggestion appears to be that by depriving insured persons of section 21 my members shall be condemned to die in their beds for want of the surgical skill which institutional treatment can provide and which the society can at present secure by a payment from the benefit fund—a payment which brings at least an equivalent return to that fund in a shortened illness. "The alternative" say the Department—at any rate so far as we can judge the Department from their Statement—"is to let your member, his wife and his children starve on 15s. a week when the breadwinner is laid aside through sickness. Then you can apply your surplus to hospital treatment." What a policy for a Minister of Health! Has any living soul been prejudiced by Mr. Alban Gordon giving the domestic servants in his Society dental benefit in the past ten years in advance of surplus and not out of surplus? Has he not thereby reduced the suffering and prolonged the life of his members? Has he injured the Society in the process? Has he not rather made it a pattern and an example? Has he deprived his members of valuation surplus? No, of course not. His expenditure under section 21 has preserved the benefit fund against greater inroads through sickness and has created—not dissipated—surplus.

8728. Would it not be possible in this way to defeat the express provisions of the Act as to the limitation of expenditure on additional benefits to the amount of the disposable surplus and also as to the title of insured persons to participate in additional benefits?—The answer, we venture to say, is, No. If a society sets out with those express objects and intentions, the Withdrawal of Approval Regulations are already in the hands of the Ministry. Do not the figures of the past five years prove the lack of basis for the contention which seems to underly the question, unless I have misunderstood it? £50,000 in our judgment represents the expenditure on section 21 during the past five years, and yet £50,000,000 of surplus exists after spending the £50,000. We venture to think it will be difficult to find any society which has spent money under section 21 during the past five years which has done other than spend money which it was intended it should spend; that is to say, surplus certified to be disposable at the first valuation. What in fact happens at a valuation? A Friendly Society is also an Approved Society.

On its private side, it is valued according to its own past experience, but on its State side it is valued upon a different basis altogether. I happen to be the Secretary of a small society, as well as of one rather larger, and I have in my bag its valuation result. I am there told that for the next five years in order to give 5s. additional in sickness, 2s. 6d. additional in disablement and 10s. additional at maternity, I am to set aside £300 of my surplus. What has been the experience of that same society as regards the past five years? On an expenditure of £600 it has paid to its members an average of 17s. in sickness, 8s. 6d. in disablement, and 42s. in maternity. In other words, it cannot spend £300 within the next five years, judging by its own experience in the past 10 years, and therefore if it exercised its right under section 21 it could give to its members the same £300 that the valuer has said should be paid out to its members during that five years. It is surely intended that the members shall get that £300; that in fact it shall be spent during the next five years. If I spend it in other ways under section 21 because I cannot spend it under section 37, I am in no way upsetting the past valuation or the next. I venture to think that under the regulation which deprives insured persons of the right to share in a surplus unless they have been members of a society for five years, the Ministry has in effect robbed insured persons of their birthright, because the language of section 37 of the Act of 1911 indicated, in my judgment, that those who were members of the society at the valuation date are entitled to share in that surplus.

8729. In paragraph 32 you speak rather disparagingly about the work of the Insurance Committees. In paragraph 36, on the other hand, you seem to imply that they are not doing so badly. Can you reconcile the two views?—We are not out to kill any organisation which at present exists, but we are not prepared to assent to their finding a new lease of life by depriving other persons of work which is at present performed much more economically and much more efficiently than it could be performed by Insurance Committees. If as a result of the evidence before you you feel that Insurance Committees have had their day, there is the Axe before you and we shall raise no hand to stop you from performing the happy despatch. The two gentlemen who are before you have both been chairmen of important Insurance Committees, my friend Mr. Daniels of Birmingham, and myself of London, and that is their opinion. We are not here to press for their annihilation, but at the same time we do not lend any support to the effort to preserve their lives by stealing work which is being better performed by other persons at the present time.

8730. In paragraph 37 you refer to the Central Index Committee. I should like to have your view on this problem which puzzles me a little. There is a Central Index Committee for England and there is no Central Index Committee for Scotland. Yet in evidence we have had it from societies that they are satisfied with the arrangements in both countries. Surely a Central Index Committee must be either equally necessary in both countries or equally unnecessary in both countries. Would you develop this a little?—I should have thought there was but one answer to the latter part of your question. I happen to be a member of the Central Index Committee for England. I can only imagine that some of my colleagues who have sat at this table and have suggested to you that Scotland's system of no central index is as advantageous to them as England's central index must have been hypnotised by Sir James Leishman. If it is a convenience to any society to send its index slips, as regards England, to one address instead of 100, I should have thought that it must have been equally satisfactory, or more satisfactory, in Scotland to send all their index slips to one central address than to a number. I am sorry I do not know the exact number of Insurance Committees in Scotland, but it must be considerably more

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than one. That is my own view on that subject. I may say that the Central Index Committee in London did look at the evidence which has been adduced before you on this subject from Scotland, and they framed a memorandum on the subject which, I understand, their Chairman (Mr. Vivian, the Registrar-General) has sent in to you.

8731. (Mr. Jones): From your answer on a previous occasion and to-day, I gather that you are in favour of extending medical benefit to the present insured rather than increase the area covered, even with a lesser service?—I would rather make the existing system perfect than try to bring into being another system, leaving the first one imperfect, and, in my judgment, making it still more imperfect by the increase.

8732. What are the prospects even for the present insured of obtaining a complete service?—Does it not depend upon the utilisation of the very large sum of money—you will have official figures, and I need not state them; but I know the figures to be very large indeed—which represents the disposable surplus of all societies? I venture to think that within that surplus there are financial means of extending and improving the present service to the existing insured.

8733. Would that include the insured among the societies who have no surplus or even may have a deficit?—I imagine that the figures which will be given to you from the Department will show that the number of societies without a disposable surplus is almost negligible, and that the number of societies in deficiency is inconceivably small. If the present medical service were extended as a normal extension of the medical benefit under the Act, any society which, as a consequence, had a financial deficit would have that deficit made good from the Central Fund; it would not interfere with its present provision of the normal cash benefits to its members.

8734. Is there really any difficulty on the part of the present insured in obtaining the service that you outlined this morning up to and including institutional treatment?—I venture to think there are difficulties. Hospitals, which no doubt you had in mind, have a very limited capacity at the moment, and very limited funds for doing all that is desirable in the interests of the insured population.

8735. Do you expect to be able to provide the capital cost of hospitals out of these insurance funds?—No.

8736. If you do not provide the capital cost of the additional accommodation that you seem to think is required, how are you going to get the treatment provided?—There are other institutions with beds. It is a very long and very wide subject, but there was recently a Conference in London as to the possibility of utilising a large number of institutional beds outside what are generally known as the existing general hospitals.

8737. May I take it you have in view the Poor Law Institutions?—The beds which hitherto have been under the aegis of the Poor Law are to some extent involved in the question.

8738. May I ask what others?—In the main they are the Poor Law beds.

8739. Have you any idea whether these beds which are classed as hospital beds are in any way comparable with the institutions that would be able to give the treatment that you have outlined this morning?—Opinions differ, and not being able to speak from personal knowledge I would not care to give a definite answer to your question.

8740. Would you be prepared to take it from me that most of these beds, without the expenditure of a very large capital sum, would be quite useless for the purpose?—If you say so, I do not in any way dispute it. I have heard the contrary stated, and I am between the two opinions.

8741. Even if we were to assume that the beds themselves were adequate in character, have you any idea as to whether they would be adequate in number?—Adequate in the sense of being able to provide for all, I am unable to say; but undoubtedly they would increase the number of beds at present available.

8742. Have you any recent figures?—It has been stated as being of material extent. I am dependent of course for my information on a Conference which was convened by leading members of the late Government in London a few months back.

8743. Are these beds unoccupied all the year round?—I am told very largely so.

8744. Have you any knowledge of the distribution? The total may seem a large figure?—I have no such knowledge.

8745. Is it not the case that there are a few beds here and a few there, sometimes all occupied and sometimes not?—That view differs from the view publicly expressed at the Conference to which I have referred.

8746. If this complete medical service were extended to the present insured, would not they have a very considerable grievance if they required all this treatment and, having paid for it, were unable to get it?—I have not the least doubt they would have that grievance.

8747. Who is to be responsible for the provision of the capital to make up the deficit? Obviously if you have complaints someone would have to take steps to remedy them. From what source would you expect to find the capital expenditure to build up your scheme and to provide the equipment, because the equipment is perhaps more costly than the building up of your scheme? How would you expect to find that capital sum?—Our suggestion is that these things should, as far as possible, be provided out of insurance contributions. If I am to gather from your questions that from your knowledge and experience none of these things—not one—could be provided within the present contribution, then I am not here to advocate the provision of that contribution outside insurance funds.

8748. So that the provision of this scheme, while it is ideal, is dependent on financial considerations?—Undoubtedly.

8749. I come back to my original question: has your insured member at the present time any real or final difficulty in obtaining the treatment that he requires?—I have given you a list, and I venture to think he has.

8750. Is it not the case that, perhaps with rare exceptions, provision exists more or less—I think fairly adequate—for all major ailments requiring urgent treatment?—I can only speak from my personal knowledge as regards that. The huge waiting list which exists at every general hospital indicates surely cases which can only be treated by admission, and I am regarding them rather as major cases. Those lists indicate surely that there is at the present time a very considerable difficulty in insured persons getting treatment in existing institutions.

8751. Have you had any complaints from your members of their inability to get treatment for these major ailments?—We have considerable difficulty in obtaining admission in cases where the doctor has advised its necessity, the view of the hospitals being that they have got a large number of cases on their list of equal urgency and that the last one cannot be put before the first.

8752. Have you a distinction in your mind between major cases and cases of a less important character—cases of a more chronic character?—The hospital authorities have to judge which of all the cases on their list are the most urgent from a life preserving point of view. But I imagine, whether one can be classed as a major or a minor operation, both are desirable and necessitous so far as the insured person is concerned and so far as Approved Societies are concerned, because in both cases there is inability to follow one's occupation.

8753. I agree as to that, but is the desirability not equally urgent for all classes of the population?—It may be so.

8754. If you are at the moment unable to provide even adequate accommodation for the major cases, how long do you expect would elapse before you would be able to provide not only the adequate accommodation for the major cases but accommodation which

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would enable you to overtake the arrears and your recurring cases of minor, but still important, ailments, let me say important as much to your Society as to the insured persons?—I am very sorry, but I am not able to gauge the length of time required.

8755. It is an ideal the realisation of which is at the moment somewhat remote, is it not?—I have given several heads. If one of those heads were possible, I should regard it as a step forward.

8756. Is it not the case that in a well-organised institution—and I presume you have nothing else in view—every service you have outlined would be covered?—I should hope it would.

8757. So that if you do not get the one you do not get the other?—Not necessarily, surely. An ideal institution might, as you say, provide all these things; but the institution would still be valuable, though not perfectly ideal, if it provided one of them.

8758. Would the one without the other be of much use? What would be the good of bacteriological advice if you cannot carry that advice to its logical conclusion in treatment?—At any rate, the doctor who got as the result of a test the knowledge of the disease he had to treat, would be better able to deal with his patient than if he had not that knowledge.

8759. Suppose the X-rays revealed a condition that required operative treatment, how could a doctor deal with it if he had not an institution to which to send his patient?—First of all he would obviously be in a better position to consider the case and the means of meeting the needs of his patient if he had an X-ray examination which told him what the real problem was. I venture to think that he may then be able to do far more for his patient than if he had not that knowledge.

8760. I will grant that much, but still that would be a long way from attaining the ideal for which you ask?—It may be, but it is the first step. He must have that knowledge before he can seek to get the man into an institution.

8761. In view of all the considerations, do not you think that it might be a very wise proceeding to absorb some of these funds at the present time in the extension even of the present range of medical service to dependants?—No.

8762. Do not you think it would be a good investment for the Approved Societies?—In the first place, I do not think that out of these surpluses, however large they are, a domiciliary medical service for dependants of insured persons could be provided.

8763. Have you made any estimate of the probable cost?—I have only been able to gauge from my knowledge of the cost of the service to insured persons. Because in respect of a male insured person so much is received, that is not regarded as indicating that the profession would be satisfied with the same amount in respect of a married woman or in respect of her children.

8764. Is it not the case that from 5 to 15 years of age is where you find the bulk of your dependants, and that that is the healthiest period of the whole life?—It may be.

8765. In that event would not you expect the influence of these numbers to enable you probably to obtain from the doctors a reduction in the capitation fee?—That only applies to children; it does not apply to married women.

8766. Is it not also the case that above 15 years of age the bulk of the females are insured?—No.

8767. Is it not the case?—Are you referring to working women?

8768. Yes?—I am talking about wives of insured men who are not themselves working.

8769. Have you any evidence that on the whole the health of the generality of married women is worse than that of single women?—The generally accepted view amongst medical men is that women require a larger measure of attendance than men.

8770. Is it not only the narrow class of married women who come within the provisions of the Insurance Act that you have any knowledge about?—The medical men have a wider knowledge, surely.

8771. Do you think you would be able to rely on their views solely for the purpose of arriving at financial conclusions?—I would not altogether, but they have knowledge that I do not possess.

8772. There is a considerable body of evidence, I think, to show that all this talk about illness amongst married women is considerably exaggerated. I will go back to my question again. Would it not be a much more practical consideration at the present time to do something for the dependants to preserve their health, and to improve upon their health, and thereby provide a better asset still to the Approved Societies at the age when they enter into National Insurance?—With the limited funds which we believe are available for any extension of medical benefit at this juncture, we express our view that we would rather they be utilised for the improvement of the existing service to existing insured. We do not think that the money available in this scheme could finance a scheme of medical benefit for wives and children.

8773. You have not come down on any figure?—No.

8774. So that after all you are not able to say whether it could be done or not?—I have expressed in a previous answer my view on the same question and I can only repeat myself.

8775. Coming to dental treatment for a moment, you regard that as a very valuable benefit, do you not?—I do.

8776. Is it not the case that local authorities are giving that service at the moment through the Child Welfare Centres to children under 5 years of age?—It may be so. I have no personal knowledge of that subject.

8777. Is it the case, at any rate, that Education Authorities are providing that service for school children up to 15 years of age?—My friend, Mr. Daniels, who has been chairman of the Education Authority in Birmingham, tells me that that is the case with some local authorities. I do not know that he would go so far as to say it is the case with all.

8778. I believe there is some difference in some authorities in England, but I think that in Scotland it is general. (Mr. Daniels): Ours is not complete although it is about the best in the country.

8779. We will limit it to England.—I am limiting it to England.

8780. These people have a very considerable experience of the administration of dental benefit?—(Mr. Rockliff): Apparently, for children.

8781. Is not their service largely in the nature of a preventive service?—At that early age I should imagine that they do their best for the teeth which are to come to them in later years.

8782. To that extent, at any rate, Approved Societies in succeeding years are likely to obtain a considerable advantage?—I hope that the attention to the teeth of the children will result in better teeth for them at a later age.

8783. As administered by Approved Societies at the moment your service is rather a curative than a preventive service, is it not?—Curative of the ills that at present exist and preventive of ills that would flow if they were not attended to.

8784. At any rate your service is initiated as a curative service. A person comes to you because he is suffering from dental defect?—It is initiated to reduce his suffering for the moment and to prevent his suffering hereafter, as he would if the cause were not now removed.

8785. It does begin with an existing illness, does it not?—Not necessarily an illness which places that man upon the funds. It is given because the condition of teeth is not perfect and if not attended to will cause him more serious injury physically than if attended to.

8786. The same can be said of any other medical services rendered under the Insurance Act. A person is not necessarily incapacitated by bronchitis, for instance. He attends a doctor and receives treatment although he is not incapacitated?—But if not

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[Continued.]

attended to the probability is he will be incapacitated and therefore it is preventive of that claim.

8787. What I want to suggest to you is that instead of all the multifarious methods of administration by Approved Societies and the valuations of funds, do you not think it would be a good practical suggestion that this benefit should be handed over wholly in its administration to bodies such as we have been dealing with who have had a large and practical experience of the really preventive work of dental treatment?—I am not here to advocate any such thing, but rather the contrary.

8788. You are quite opposed to that?—Yes, quite opposed to it.

8789. You are quite opposed to the extension of preventive treatment to its proper conclusion?—No. I am not opposed to any extension of dental or other benefits which would improve the health of the community. It is a question of the method of giving the services to which I understood your question was directed, and I am not in favour of the method you put to me.

8790. Making this service continuous throughout life by one administrative body?—I am here prepared to advocate dental benefit as a normal benefit under the Insurance Act—a benefit of 100 per cent.—so that the poorest may get it as well as the richest amongst the insured.

8791. It is such a valuable benefit that you would like to see it extended to the whole population, would you not?—I have no objection to the whole population having the same advantage if there are financial means to give it.

8792. (*Professor Gray*): To clear up my mind about your views on section 21, under that section, as interpreted, no sanction is required before money is spent?—No actual sanction.

8793. And there is no limitation in the classes of insured persons who may benefit as a consequence of the payment so made?—That is so.

8794. So that, as compared with schemes of additional benefit which are restricted to people who have been in the Society for a certain number of years, there is a much greater degree of elasticity?—Yes. But I intimated this morning that in my judgment experience will show that in the main only those persons among whom disposable surplus was to be distributed have in fact benefited under section 21.

8795. You mean really that in actual practice the societies turn down applications from members not entitled to additional benefits?—They would consider such applications more carefully.

8796. Still, as a matter of theory, a society could claim to give benefit to all and sundry in the society under section 21?—Only if it could show that that person would be advantaged and the society would be advantaged by the treatment.

8797. But can you show that a society would be advantaged?—Certainly.

8798. In all cases?—In almost all cases.

8799. It is rather difficult to prove, is it not?—I should not imagine so.

8800. I presume that what you have said would apply even if a society were in a bad position

financially?—I have indicated that if a society in that position attempted to put itself into a worse position the Ministry of Health have ample powers to bring it to book.

8801. Under the Withdrawal of Approval Regulations?—Yes.

8802. In actual fact I think you said these payments have been made in advance of, and not out of, surplus?—I was quoting the Domestic Servants' Society, Mr. Alban Gordon's Society.

8803. You said that Mr. Gordon had actually been a pattern in this respect, in using money in advance of, and not out of surplus?—He had improved his surplus by the exercise of section 21 rather than dissipated his surplus.

8804. Do you consider it is a pattern of behaviour to use money in advance of, and not out of, surplus?—If this is a National Health Scheme and a man or a woman is in need of a particular treatment, it is to the advantage of the individual, to the advantage of the society, and to the advantage of the State and of the Scheme as a whole, to give that treatment.

8805. In actual practice, of course, the kind of treatment and the thing that accrues to the insured person are the same either way. If you have dental benefit under section 21 or under section 37 it is the same dental benefit?—It is the same dental benefit.

8806. What do you think is the use of valuation?—The object of valuation is to ascertain whether a society has the means wherewith to meet its future liabilities.

8807. Which include, under section 37, additional benefits declared?—Which include under section 37 additional benefits declared, but not at the time of the valuation.

8808. But if a society could give under one section that which it could not under another section—the additional benefits—what is the purpose of the valuation?—You are putting up a theoretical position; I agree a possible position; but is it one which has ever arisen?

8809. In what respect?—That every member of a society has been dealt with under section 21 and not under section 37. It is only the exceptional cases which are dealt with under section 21.

8810. Would you go so far as to say it should only be exceptional cases?—I would go so far as to say that only in cases where not only the individual but the society as a whole would benefit by the exercise of section 21 should section 21 be exercised.

8811. So that you would agree that schemes of additional benefit under section 37 ought to be the main stand-by?—I agree.

8812. And that section 21 really ought to be used only for some such cases as you mentioned where a person might be taken off the fund by being given a wooden leg?—Or where the society might save itself from a claim by giving dental treatment.

8813. That is difficult to prove. It is more difficult to prove that than it is in the case of the wooden leg?—It may be that it is less susceptible of proof, but proved it could be.

(The witnesses withdrew.)

Mr. G. W. CANTER, and Mr. P. ROCKLIFF, called and examined. (See Appendix XVIII.)

8814. (*Chairman*): You are Mr. G. W. Canter?—(*Mr. Canter*): Yes.

8815. Will you tell us what position you hold in connection with the National Insurance Beneficent Society?—The position of Joint Secretary.

8816. And, Mr. Rockliff, will you tell us what is your position?—(*Mr. Rockliff*): I am the colleague of Mr. Canter in the Secretaryship.

8817. I should be glad, in the first instance, to have some information as to the position of this Society in the scheme of National Health Insurance. I understand that it is not an Approved Society; is

it a statutory body of any kind?—No; it is neither an Approved Society nor a statutory body. It is a corporate body acting under licence from the Board of Trade.

8818. Will you tell us something as to the constitution and government of the Society?—That is set out in detail in the Memorandum and Articles of Association; but, briefly put, it is constituted of members—that is to say, of subscribers—and is governed by a Council elected by the subscribers.

8819. Perhaps now you will tell us something as to the objects of the Society and its functions?—They,



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[Continued.]

too, are set out in the Memorandum and Articles, but briefly they are to give or procure medical and surgical relief or advice, optical and dental treatment or advice, nursing or therapeutic treatment of any kind, to acquire appliances, to make grants to hospitals and similar institutions, and to assist in the maintenance of convalescent homes.

8820. What are the main sources from which the Society derives its funds?—From Approved Societies, Friendly Societies, Trade Unions, Co-operative Societies, corporate bodies, firms and individuals.

8821. Perhaps you would now describe to us briefly the relations which exist between the Beneficent Society and the various Approved Societies which make payments to it?—An Approved Society makes a donation to the N.I.B.S., if I might now use a colloquial term, and if that donation is made out of surplus the money is used to provide one or more of the additional treatment benefits set out in the Society's scheme under section 37 of the Act of 1911 (section 75 of the Act of 1924). If the donation, on the other hand, is made under section 21 of the Act of 1911 (section 26 of the Act of 1924) the Society is entitled to recommend to the N.I.B.S. the provision of treatment of various kinds for members in need thereof.

8822. Am I then right in describing the Beneficent Society briefly as an agency through which any Approved Societies, who so desire, may make arrangements for the administration of various treatment benefits for their members, whether as additional benefits under a scheme approved by the Ministry, or by means of subscriptions under section 26 of the Act?—As a medium for doing those things, yes.

8823. I gather from your Statement that, at any rate as regards volume of work, the activities of the Beneficent Society are concerned mainly with the provision of dental treatment for insured persons?—The extent of the money involved in the provision of dental treatment would make it appear so, but the number of cases in less costly branches of treatment is very large; in fact, in my friend Mr. Canter's Approved Society the number of optical cases is quite as large in number as the cases for dental treatment. Mr. Canter's Society is the Post Office Employees' Society.

8824. I note that you lay great stress on the objections to requiring insured persons to pay some part of the cost of their own dental treatment. Are you quite satisfied that in all the cases to which you call attention where treatment was recommended but was not, in fact, obtained, the cause was the inability of the insured person to find the balance of the cost payable by himself?—We are able to give this information which is embodied in our statement from an enquiry which was instituted, with our knowledge, by one Approved Society by whom some 100 cases, all of which had arisen within a reasonable period of time, were investigated by a special visitor. The reports showed that 92 per cent. were unable to provide their share of the cost which was then, in dental treatment, 50 per cent.; one had died and two or three had been taken ill and had put off their treatment till they were stronger in health.

8825. I understand that you are of opinion that a scheme of dental benefit can only be satisfactory if it provides the whole cost of the treatment. Is this so?—To be wholly satisfactory we say the answer is "Yes." If dental benefit is given on a grant basis, then it is enunciating the principle of "To him that hath shall be given."

8826. Would you be in favour of making dental benefit one of the normal benefits available to all insured persons?—As a 100 per cent. service, yes.

8827. I see that you estimate the cost of a general service of this character at something more than 1d. a week over the whole insured population. Are you in favour of any plan, such as has been submitted to us by former witnesses, for the payment of a uniform contribution in respect of dental treatment into a central fund, and of arrangements for relieving the less fortunate societies from falling into deficiency by

reason of the provision of the benefit?—We feel that that is hardly a matter on which the N.I.B.S. would care to express an opinion. It involves the question of pooling, which is a matter of very divergent opinion amongst the societies themselves, and I think we would rather keep out of the argument if we may.

8828. Do you think it would be possible to pay for a general dental service on a capitation fee basis?—On the question of cost, we are of opinion that a 100 per cent. service would cost approximately 6s. 6d. per head per annum, and it is questionable, in our view, whether you could get a capitation system of dental benefit. The capitation fee for medical service is based solely on the service of the medical man himself; but, as regards dental benefit, you have got the mechanic who is involved, you have got the provision of materials for the making-up of goods, quite apart from the services of the dentist himself, and those various factors, in our judgment, would make it difficult to arrange a capitation service with the profession.

8829. If a general dental service is to be provided, would you favour its administration through Insurance Committees, as in the case of medical benefit, and if not, what alternative method of administration would you suggest?—If by a general dental service you mean the full cost of the benefit, and that benefit is to be available to the insured person, like medical benefit, on production, say, of a card, then we see no reason why Insurance Committees should not say they could administer such a scheme. But if it is on a grant basis, the Insurance Committees have not the material in their hands to enable them to administer dental benefit on such a basis.

8830. Are you of opinion that every registered dentist who is prepared to render service on certain specified terms should be entitled to treat such insured persons as desire to be treated by him?—If the administration of the national dental service is best given through individual practitioners, we believe the answer to your question to be in the affirmative. But the specified terms must include the acceptance by the dentist of the agreed specification of materials to be provided within the scale, and also, in our judgment, the acceptance of such arrangements as are made for the settlement of disputes.

8831. Would you allow insured persons to have free choice of dentist?—Yes; but we do submit that it is equally free choice for members of a society to say: "We will only distribute our money amongst those dentists who possess particular qualifications," and to lay it down that they will only be dealt with by properly qualified dental surgeons.

8832. Is that quite consistent with your answer to what I asked you in the previous question?—I understand it is one view that a society must accept every person on the dental register. I think my previous answer was directed to the point that if the best method of giving the dental benefit is through individual practitioners then it must be open to registered practitioners whom the insured persons may choose. I do not, however, accept the position that that is the best method of administering a national dental service; it might be far preferable to administer that service through clinics. But if I am asked to say that a body of insured persons who are members of a society must throw open their doors to anyone and everyone who happens to be upon the dental register, I am doubtful whether you are not asking me to construe "free choice" in a narrow form. In my judgment, and I think my colleague will agree with me, it is a free choice on the part of the members of a society if they say: "We will only have our dental work performed by a certain section of the register, namely, those who possess a recognised dental qualification."

8833. What are your proposals as to the body which should negotiate with the dental profession as to terms and conditions of service?—The present scale has been achieved as the result of competitive efforts amongst societies. Two or three years ago a Joint Dental Committee was constituted of all the Dental Societies and of the principal Approved Societies who

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were then giving dental benefit under the Act. It may be said that that body has no palpable constitution—it was evolved as an instrument for good and has done good—but that the time has arrived for giving it the happy despatch and setting up some other instrument. I can only say that in our view, as soon as the Department steps in, up will go the cost of dental benefit.

8834. What procedure would you recommend for dealing with complaints by insured persons against dentists?—My colleague and I spent two hours the other day with the Controller and the officers of his Department on this particular subject. The Joint Dental Committee has set up a series of Reference Committees for the purpose of dealing with complaints as to quality of workmanship, and so on, arising from the provision of this benefit at the present time, and our view is that every dentist who wants the advantage of this scale should accept the means of settling disputes which at present exist or, at any rate, should be required to accept whatever body is charged with the settlement of disputes.

8835. We should like to have your views as to the possibility and desirability of establishing a system of dental clinics?—Dental clinics were the means which were advocated by the representative body of the British Dental Association which met in 1921; but I am rather doubtful to-day whether dental clinics would be as much advocated by individual dentists as they were then. I rather think that those who proposed that the administration of dental benefit under the Insurance Act should be through clinics had in mind a means of differentiating between private dental practice and insurance dental practice. But as the result of the 1921 Dental Act you have got thousands upon thousands of new men into the dental business, and I am rather inclined to think that they will not be advocates of clinics for the administration of a dental service, although we believe in them. We have set up one clinic in North London and we hope to set up another in South London within a year. We think that through clinics you could administer dental benefit much more cheaply than through individual practitioners; that you could eliminate abuses which arise from individual dental practice, and that you would secure a far better service with clinics set up on the lines on which we believe they should be set up.

8836. Can you tell us the total number of registered dentists in England at the present time, and do you consider that this number would be sufficient to provide a general service for all insured persons?—The register, at the moment, contains 13,000 names. 5,000 of these are qualified; 1,000 came in under the 1878 Act, and the rest of them came in under the 1921 Act. In pre-1921 days, I am sorry to say, those thousands were either called or regarded as "quacks." But it is difficult to form a judgment as to whether, if dental benefit were given upon a 100 per cent. basis nationally to the insured, there are sufficient men available for the service. The dentists say: "Yes; there are 10,000 out of these 13,000 who are available for such service." I am rather inclined to think that they are prejudiced because they wish to see the dawn of the new era which they believe is in front of their profession. But that is their view and I am not in a position at the moment to deny that 10,000 dentists would be adequate for a national service. We might be better able to judge that if, as will no doubt be the case, following the second valuation, a far larger number of societies give dental benefit, and within a year or two you might have far more extensive experience of the ability of the dentists available to provide the service.

8837. Can you tell us the total number of dentists in England with whom the Beneficent Society has entered into an agreement as to terms of service?—Originally in 1921 we entered into contracts with 1,500 surgeon dentists. Then we entered into an arrangement with the Incorporated Dental Society, which society included the best of the non-qualified

men. Then later on, after the 1921 Act, we entered into arrangements with members of the Public Dental Service Association, which consists very largely of 1921 men. The total number would be 1,500 originally qualified men, 1,200 Incorporated Dental Society men and probably 3,000 or 4,000 Public Dental Service Association men. These are the figures I think you want.

8838. Can you give us the scale of fees agreed between your Society and the dentists?—I am afraid that if I gave you the scale which I agreed with the dentists originally, I might cause trouble to-day. Our scale was first agreed with the 1,500 qualified dentists. Then it was agreed with the Incorporated Dental Society, and then the British Dental Association tried to stop our activities. They had framed an alternative scale and as a compromise a third scale was devised. But we are ourselves in this position, that that third scale is a maximum scale and, as the N.I.B.S., we still receive a very large percentage of our estimates upon our originally agreed basis—

8839. On a lower basis, in fact?—Yes, and we are not compelled to write them up to the maximum scale. If the original dentists send us in an estimate on the third or final scale, we are bound to accept it; we cannot cavil at it. That is the actual position.

8840. Will you tell us what are the chief advantages which Approved Societies secure by administering dental benefit through the agency of the Beneficent Society instead of by direct relations with dentists who are prepared to give treatment on the standard scale of fees?—One of the advantages is that which I have just outlined to you, that apparently a large number of good dentists choose to give us an estimate upon a basis which they originally agreed with us, and our societies get the advantage thereof. As the secretary of a society I know personally that it is a more profitable bargain to me to have my estimates through the Beneficent Society than it would be if I acted independently of the Beneficent Society, and got my estimates upon the third or final scale. Then a society has this advantage: it is to the interest of every dentist to get outside this scale on every possible occasion. It is an agreed scale with fixed fees for certain things; but it recognises that there are many cases of dental treatment which the scale does not profess to cover and where there is no scale fee applicable. In 50 per cent. of the estimates which pass through my hands I should say that the dentist is endeavouring to get outside the scale. In 25 cases out of the 50 he is not entitled to get outside of the scale. In the remaining 25 cases he is entitled. That involves a very considerable amount of checking and supervision of the estimates, and it is done, so far as the N.I.B.S. is concerned, by a dental surgeon, and therefore that is an advantage which our societies derive. It is also said that the legal position of an Approved Society is that it cannot, as a society, enter into a contract with a dentist for the performance of dental work. It can agree to pay money, but it cannot agree for the provision of the benefit, and the N.I.B.S., which is not an Approved Society, is therefore in the position that it can be in contractual relation with the dentist for the actual provision of the benefit, and in that way is in a better position than the society to deal with cases, which often arise, where the insured person finds after a short time that the goods with which he has been supplied do not fit perfectly. In other words, I am sorry to say that the 1921 men have not yet got the atmosphere or the professional *esprit de corps* of the qualified men. Their great aim seems to be to touch the money, and if they have a multiple extraction to-day, they would seek to get a set of teeth in to-morrow, because the sooner the teeth are in, the sooner can they present their bill for payment. Unfortunately, gums do not settle down for some considerable time after extraction, and you are frequently faced with the position that you get a request from the same member for further dental treatment a few months after you have already done

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what you thought was sufficient to set him on his feet. It is in those directions where we can exercise pressure upon the man who, in our judgment, is at fault, that the N.I.B.S. provides an advantage to any society.

8841. (*Sir Arthur Worley*): At what date was this Society formed?—It was formed in the early months of 1921.

8842. It really grew out of this particular Act that we have under review?—The promoters undoubtedly had in their minds that additional benefits under the Insurance Act would begin to flow in July, 1921.

8843. I mean that was the *raison d'être* of its birth?—Undoubtedly. I do not want to take the whole credit of its introduction as an institution, and I ought to say that Mr. Barrand, of the Prudential Society, some few years back, did actually forecast and endeavour to set up a body with exactly the same name.

8844. You have said that the N.I.B.S. is a corporate body licensed by the Board of Trade. What are the terms of the licence?—They issue a licence under section 20 of the Companies Act to charities and to one or two other types of organisation.

8845. This really comes under the heading of a charity?—Yes.

8846. As far as I understand, there are subscribers who are Approved Societies, Friendly Societies and firms, and, it may be, a few individuals. I take it the individuals are really very few?—Yes, comparatively as regards named individuals, but we cannot tell you the actual number of subscribers, because we do not know who puts money into our collecting boxes.

8847. What happens then when a society gives you a donation in the form of charity?—They may give it in two forms, one under section 37 of the 1911 Act and one under section 21.

8848. In one form it is a charity?—Yes; it is given to a charitable institution.

8849. Are you entitled under that licence to take money which is not given as a charity?—We keep that section of our work completely distinct in order that any question of that character may not interfere with the work.

8850. You may keep it separate, but you are licensed to do certain things under a certain section

which are really charity, and you do things in the name of the N.I.B.S., which are not charity. I only want to get the facts, because I know nothing about your Society?—I wish to make it perfectly clear that we keep section 37 moneys and administration completely distinct from section 21 moneys.

8851. But have you any power to do that under your licence?—We do not take the money into the N.I.B.S. Incorporated.

8852. Then the N.I.B.S. has really technically nothing to do with it?—The N.I.B.S. Incorporated has nothing to do with section 37 money.

8853. Either it comes into your coffers and into your books and your balance sheet, or it does not. If it does not come in presumably you have nothing to do with it?—There are two sides to the N.I.B.S., two organisations: one is the charity side and the other we call the unincorporated side, which deals solely with moneys under section 37.

8854. So that it is a corporate body with an unincorporate body?—It is a corporate body with an unincorporate body alongside of it.

8855. I do not know whether you are quite entitled to do that. I should have thought it was a difficult thing to decide. But you have got these Approved Societies who make payments to the N.I.B.S., and you say they elect someone. Do they elect a committee?—They elect what we call a Council.

8856. Is that Council in the form of Trustees? Do they invest money?—Yes, they invest money.

8857. Usually in a charity there are some responsible persons, as no doubt there are in the N.I.B.S., who are, in the public eye, responsible for the charity and the distribution of it. Is that so with you?—That is so.

8858. May I ask whether you issue a balance sheet to your subscribers?—Yes, we do.

8859. And to anyone else—to the public?—Yes, certainly, to anybody who wishes for it.

8860. Could we have one here?—Certainly.

8861. Have you one?—I do not know that I have, but I can get you one. I think the figures are published in the Press.

(The Balance Sheets were subsequently sent in and are given below.)

### NATIONAL INSURANCE BENEFICENT SOCIETY.

(Incorporated.)

Statement of Accounts and Balance Sheet, 1923.

#### INCOME AND EXPENDITURE ACCOUNT

For the year ended 31st December, 1923.

EXPENDITURE.	£	s.	d.	INCOME.	£	s.	d.
To Dentists' Fees ... ..	31,307	2	9	By General and Special Subscriptions...	25,359	1	6
Opticians' Fees ... ..	307	19	3	Miscellaneous Donations and con-			
Purchase of Surgical Appliances ...	62	17	2	tents of Collecting Boxes ... ..	11,340	10	4
Hospitals and Provision of beds in				Interest ... ..	13	11	11
Convalescent Homes ... ..	512	13	7				
Provision of Nurses ... ..	1,351	8	4				
Massage and Electrical Treatment...	70	4	3				
Sundry general grants ... ..	28	0	1				
Amount carried to Administration							
A/c ... ..	1,895	0	3				
Balance carried to Balance Sheet ...	1,177	18	1				
	£36,713	3	9		£36,713	3	9



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[Continued.]

## BALANCE SHEET.

As at 31st December, 1923.

LIABILITIES.		ASSETS.	
	£ s. d.		£ s. d.
To Sundry Creditors ... ..	309 10 0	By Sundry Debtors ... ..	17 18 6
Receipts and Payments Account		Investments:	
Balance at 31st December, 1923...	6,997 16 5	£2,992 3s. 9d. 5 per cent. War	
		Loan 1920/1947 ... ..	2,945 0 0
		Cash at Bank on deposit ... ..	530 16 8
		Cash at Bank on current:	
		No. 1 a/c £1,962 19 9	
		No. A a/c £1,840 11 6	
			3,803 11 3
			£7,307 6 5
	£7,307 6 5		£7,307 6 5

I report that I have audited the above Accounts and Balance Sheet, dated 31st December, 1923. The accounts are on a Receipts and Payments basis and hence do not include a provision for outstanding creditors, the reserve for this being included in the balance of the Receipts and Payments account as shewn above. In my opinion the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the Society's affairs as shewn by the books of the Society, and in accordance with the information and explanations furnished to me and the special authorization contained in the resolutions of the Committee of Management of the Society dated the 30th April, 1924.

(Signed) ERIC B. NATHAN, F.I.A., F.F.A., F.S.A.A.

Consulting Actuary,  
Incorporated Accountant.

8862. Is the N.I.B.S. subject to any Government Department?—No.

8863. The Board of Trade merely give you a licence and then you are free, and you can do what you like. It is your responsibility if you do anything that you should not?—Exactly. We are in exactly the same position as the Hospital Saturday Fund, or any other institution of that character.

8864. You have no Government Audit, or anything of that nature?—No.

8865. What I have in my mind is that this is in connection with a health scheme, and the money of Approved Societies is being utilised by a side issue. It is spent in certain directions. If they spent it themselves, then the Ministry of Health would have the supervision of it through the Government auditors; but by this means, money goes and there is no supervision whatever. No doubt it is properly applied, but it might not be properly applied, and I am trying to see whether the moneys of insured persons may not be dissipated. It might be that a similar society might be constituted and the money paid to them in the same way and used most improperly, and there would be no check by the Ministry of Health. Of course, you are not taking any of this personally?—Not at all. The accounts which are rendered by the N.I.B.S. to each society are the subject of Government audit by the Ministry of Health. Therefore, indirectly we have to prove that every farthing we receive from a society has been spent for the advantage of the members of that society, and we have to render an account to each society, which account is subject to audit by the Government auditors, and the vouchers have to be passed over for inspection by the Government auditors.

8866. I do not know what sort of amounts the Approved Societies give you. What is the largest sum you get from any Approved Society?—At a time?

8867. Annually?—I think we have had £10,000.

8868. From one society?—Yes.

8869. You get £10,000 and in due course you furnish that society with a statement saying: "We have received £10,000 for certain arrangements and we have spent so much of it"?—Yes.

8870. Do you detail that?—Yes. In every case it has to be set out.

8871. Do you charge so much for expenses?—The Administration Fund of the N.I.B.S. is built up by a transfer of 5 per cent. from the sum received. Within that 5 per cent. we have to administer.

8872. So that 5 per cent. is charged for what you might call standing expenses?—It covers all expenses.

8873. Legal expenses?—Everything.

8874. What about the balance? If there is a balance, what becomes of that?—The balance has been that which stands to the society's credit at the end of the year. It might be a debit.

8875. A society, having paid £10,000, there is £500 taken for administration, and you spend £9,500 or some other sum?—Quite. Then any balance is carried forward to the following year, and is the first sum spent in that year before any more money comes along.

8876. It is a floating balance, one way or the other?—Yes.

8877. Do you give the same benefits to all societies?—No; societies have varied schemes.

8878. I understand you differentiate between certain of these dentists under the first scale and the third scale. You get an advantage there?—Yes, but without our differentiating.

8879. So that if a society joined now they probably would not get perhaps as good terms as the society that joined originally?—It would have exactly the same terms, because the dentist in contract with us would only be dealing with the N.I.B.S. as the N.I.B.S.

8880. You say you send in an account. It is quite easy for them to check what they have paid to you—the £10,000—and you give them vouchers. What vouchers are those that they get?—They are the acknowledgment by the insured persons of the provision of the treatment for which a charge is made.

8881. It is simply an acknowledgment by an insured person that he has received treatment?—Yes.

8882. That does not carry with it the cost, does it?—The estimate is, as a rule, on the same piece of paper as the receipt by the insured patient.

8883. But not in all cases?—In most cases.

8884. But not in all?—No, I do not think it is in all.

8885. I mean that from an audit point of view, unless there are vouchers for each and every payment, it is not satisfactory?—(Mr. Canter): Why not satisfactory?

8886. Nothing would be satisfactory for a payment if you only have a voucher for half of it?—The point about it is that we do a considerable amount of our work perhaps with one particular firm, or one particular dentist, or one particular optician. The bulk account is rendered to the N.I.B.S. and payment is made of that bulk account. In that bulk account may be included work, perhaps, for 20 different societies, and it is not possible for us to distribute that one account all round to the various societies shown on the account to prove that we have made the payment. But we have, on more than one

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occasion, made an offer to the Ministry of Health, when we have been discussing the question with them, that if they cared we would willingly submit those bulk accounts to the Audit Department if they cared to come to the office of the N.I.B.S. to inspect them.

8887. That clears up a point that I had not properly understood. I understood from you that an account went in showing the receipt on the one side, and on the other side the payments and the vouchers for them?—(Mr. Rockliff): I said in a large number of cases.

8888. In a number of cases you say it is not possible, but you said that if the Ministry of Health wished to come to see them, they could do so?—(Mr. Canter): I might add that during the first year of our existence we did attempt to furnish societies with the actual bulk vouchers when the audit of their accounts was taking place, but we found in practice that half a dozen societies were demanding a bulk voucher on one day, and we could not possibly do it.

8889. I quite understand that. I take it that the dentists you deal with are paid net; that is to say, there is no question of discount?—(Mr. Rockliff): None at all.

8890. I thought perhaps that, being a large Society, you might be entitled to some discount?—No, never one cent from 1921 to this day from anyone.

8891. What is the total income of the N.I.B.S. for one year, say 1923?—I should say that £30,000 on its incorporate side and £30,000 on its unincorporate side might be a reasonable guess.

8892. So that the total receipts are about £60,000?—From £50,000 to £60,000.

8893. That means a sum of about £3,000 a year for administration?—Yes.

8894. And whether that sum is expended or whether it is not expended has nothing to do with any subscriber under the terms of the contract?—The subscribers are the persons who elect the Council who expend the money.

8895. I follow that, but the real fact is that the arrangement made is that you pay so much money, and they know perfectly well you are going to debit 5 per cent., and that comes to roughly £3,000, and no doubt there is bank interest and so on to help it up. But the subscribers have nothing to do with how the Council spend it?—On the contrary. You yourself asked me whether the accounts have to be submitted to the subscribers. They have, and there is an annual meeting to pass the accounts, and if they did not meet the views of the persons there they would make known their views and would take steps to alter the management.

8896. I should think when the arrangement is made that it is to be a flat sum of 5 per cent.—?—No, that is not the arrangement. The arrangement is that 5 per cent. shall be taken from income to administration account; but the arrangement is not that the 5 per cent. shall be spent as anybody chooses but as the subscribers choose.

8897. So that the actual expenses may be below 5 per cent.?—Yes, and they are.

8898. Is that shown?—Yes. I want to make it perfectly clear that when I say they are below 5 per cent. I have in mind the incorporate side. The unincorporate side cannot work at much below that figure, but the incorporate side is regarded by everybody concerned as a charity and their services are obtained on that basis.

8899. Which side is looked upon as a charity?—The incorporate side. We are therefore able to save upon the 5 per cent. and to set up out of that 5 per cent. the dental and optical clinics to which I have before referred.

8900. I notice in the number of dentists that you gave—first 1,500, then 1,200, and finally 4,000 “1921” men—you rather thought the service of the 4,000 was not as good as it might be?—I should say it is not comparable to the service given by the others.

8901. And yet it is the bulk of those people with whom you have arrangements?—Because we have been pressed from the Ministry—there is no doubt about it—to deal with all the persons on the Register

on the same lines. We endeavoured as far as we could to conform to what the Ministry desired.

8902. Whatever may be the reason, you have got two-thirds, roughly speaking, who are very doubtful in their efficiency?—You have on the register 7,000 out of 13,000 equally doubtful in their efficiency.

8903. I am speaking of what your Society gives its members. It gives a choice, I take it?—Yes. It gives the insured person a choice. If he has not any particular preference and desires a name, we should always give the name of a qualified surgeon dentist.

8904. As a matter of fact you have got 6,000 dentists on your list, of whom 4,000 are very doubtful?—They are not recommended by us. We were asked to give them the same facilities for receiving the work as the others.

8905. (Sir Alfred Watson): I am a little puzzled by these two societies in one office. What is the precise purpose of setting up the incorporated society as distinct from the unincorporated?—It has already been suggested to me here that legally there is a difficulty in a charitable organisation dealing with funds not subscribed for charitable purposes. That is one reason why they were kept separate and distinct.

8906. I take it that the incorporated society, therefore, receives money subscribed by societies under section 26 of the Act?—Partly from societies under that section, yes.

8907. I understood you later to say that a strict account is rendered to every society of the money you have received from it so that every farthing contributed by a society is spent for the members of that society?—Yes; that is under the unincorporate side.

8908. What happens on the incorporate side?—On the incorporate side no such account is rendered, because we were legally advised we were not authorised to deal with moneys contributed to a charitable fund in that way. But it is open to any society which is a contributor to our funds to come and ascertain for itself exactly how far its subscriptions to the incorporate body have been spent for the advantage of the persons recommended by the society.

8909. Is not that rather going outside the intention of section 26, which says that an Approved Society may make such subscriptions or donations as it thinks fit to hospitals, dispensaries, and other charitable institutions? I can see no suggestion in the section that a society making that subscription is in a sense a sort of customer?—No. We do not regard them as customers; that is to say, we do not regard them as customers to whom we render debit and credit accounts. We do not render such accounts.

8910. No, but you provide facilities for them coming to see that they are getting value for their money?—I can explain that; it is because the Government Auditor, when he comes round to the Approved Society, requires to be assured that in respect of the donation that has been made services have been rendered to the members of the society making the donation.

8911. What is the precise legal difficulty that prevents the incorporated Society from receiving moneys under section 37 for its services?—I think the difficulty which has been referred to is the difficulty which we were advised faced us, namely, that these were non-charitable funds and we should have to render a debit and credit account in respect of them and that that was impossible in connection with a charitable organisation.—(Mr. Canter): Perhaps I might add that that account was insisted upon by the Audit Department so far as section 37 was concerned.

8912. I daresay, and quite properly.—I agree.

8913. Under the general scheme of additional benefits I understand that treatment benefits are not available to members until they have been a certain time in the society. The regulations lay down the period of membership after which a member shall enjoy additional benefits?—(Mr. Rockliff): That is the regulation.

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[Continued.]

8914. Has your Beneficent Society urged Approved Societies to make donations under section 26 on the specific ground that the advantage of these benefits should be given to all members?—Urged it, no.

8915. Have not you issued a circular in that sense?—No; we have issued a circular which said that the advantaging of every member in need is a desirable factor, and we are prepared, if you will quote from the circular, to abide by it.

8916. Have we a copy of the circular?—The Department have it. It was sent to the Department before it was issued.

8917. We are not the Department.—That was a circular which was first issued in 1921, which is a long while ago. It was revised and reissued in 1923.

8918. I want to know something more about that circular, which I have not seen, and I should be glad if we could have a copy of it?—If there is one left, certainly.

8919. I understand the purport of it was to advise societies that by contributing to the Beneficent Society under section 26 they could get the advantage of treatment benefits for all their members irrespective of their length of membership?—I do not think you will find that in that circular at all.

8920. It is obvious that I am at a disadvantage in not having seen the circular. You speak in paragraph 9 of your statement of about 100 societies being interested in regard to dental benefit. Can you give us the total membership of those societies?—No, I am afraid I cannot. I have no means of knowing the individual membership of the societies; but it is substantial.

8921. Can you tell me how much was spent by your unincorporate Society in 1923 on dental benefit as an additional benefit?—I should say approximately from £15,000 to £20,000. It might be rather more; I am speaking of course without having had an opportunity of looking at the figures.

8922. That seems to be six or eight per cent. of all the money spent by all the societies on dental benefit in 1923?—That may be so.

8923. So that your influence has not permeated very far as yet, I take it?—That is a matter of opinion. We do not act for the Industrial Assurance Societies, by whom of course the great bulk of dental work has been done.

8924. What type of societies do you chiefly serve?—Those of medium size and small societies.

8925. Does that include trade unions?—Yes.

8926. Some, I suppose; not all?—Some, not all.

8927. Does it include any of the large Affiliated Orders?—Yes; not as a whole but through the districts.

8928. Branches?—Branches, but mainly districts, I think.

8929. You spoke of an allowance from the payments by societies of five per cent. for expenses of administration?—Yes.

8930. Is that the same five per cent. as societies are allowed for the administration of these additional benefits?—That is a matter of discussion at the present time between the Department and societies, and between the societies and the N.I.B.S.

8931. That may be. I want to know more about that if you will kindly tell me. As I understand the matter, a society is allowed five per cent. for the administration of treatment benefits. You spend five per cent. out of the money the society gives to you for treatment benefit?—Not quite that.

8932. The point I want to know is whether that is the five per cent. the society may spend under the regulations?—I cannot answer that question, because it is a matter of controversy at the moment. I cannot say that it is the same five per cent. In fact I say it is not the same five per cent.

8933. The controversy is as to whether the society, in addition to the five per cent. that you spend, or may spend, may itself spend another five per cent. —That is the controversy—not spend it, but receive it.

8934. Which you may spend?—The second five per cent. the Society receives or may claim to receive. It does not necessarily spend it.

8935. We were talking of the same thing. The society has got the money; it is part of its own surplus and under the regulations, when it administers an additional benefit, it may spend 5 per cent. of that additional benefit money in cost of administration?—Perhaps I may put the problem in another way. I understand that possibly the proper way of putting it is this: is the 5 per cent., which is the N.I.B.S. administrative expenditure taken over all the benefits, properly debitable against the society's 5 per cent.? That probably explains the technical point; that is probably what it is.

8936. I will accept that as the form of my question?—That is the controversy at this moment.

8937. Does that mean that if a society enters into an arrangement with dentists for treating its own members it is limited to 5 per cent. for expenses; but if it gives the business over to the Beneficent Society it may involve the expenditure of 10 per cent. on administration?—It may involve in the first mentioned case a good deal more than 5 per cent. The Co-operative Stores, if they provide dental treatment for the member of a society, add, not 5 per cent., but 12½ per cent. for their own administrative expenditure, and the society's administrative allowance is properly chargeable then upon the 12½ per cent.; nor is any portion of the 12½ per cent. set off against the society's 5 per cent.

8938. Does that mean any more than this, that by the expedient of using an agent to do that which they might do themselves, the societies may be paying very far in excess of the 5 per cent. which the regulations contemplated?—The Co-operative Society does not regard itself as an agent. It enters into an agreement with a person to do a dental job at a certain figure. We know that the Co-operative Society puts 12½ per cent. on to the prime cost.

8939. What is this Co-operative Society?—It is any Co-operative Society throughout the country.

8940. Are you talking now of Approved Societies?—Not Approved Societies who are Co-operative Societies, but members of Approved Societies who get their dental work done through Co-operative Societies—not the Co-operative Wholesale Society.

8941. A person who is a member of an Approved Society and is also a member of a Co-operative Society?—Yes.

8942. But if he goes to a Co-operative Society for dental benefit, has that anything to do with his Approved Society?—Except that the Co-operative Society adds 12½ per cent. for its administrative charge to the actual prime cost, and therefore the Approved Society pays that 12½ per cent. if it makes a grant to the member, say, of 100 per cent. of his expenditure, and it gets 5 per cent. upon that total expenditure which includes the 12½ per cent.

8943. That is a very curious arrangement, is it not?—It may be so, but it exists.

8944. An Approved Society, as I understand it, may say to its member: "If you have to go to a dentist we will pay some part—say 100 per cent. or 50 per cent.—of your dentist's bill"?—Quite.

8945. Do you tell me that Approved Societies are foolish enough to allow a Co-operative Society to intervene between the member and the dentist and to put on a commission for themselves?—The Co-operative Society undertakes to its members the provision of dental treatment, as it undertakes the provision of other things for its members.

8946. But it is not a dentist, is it?—No, but it can provide its members with dental treatment or can secure it for its members.

8947. Do you really put that as a proposition, that an Approved Society can properly spend money in the provision of dental benefit for members which has been given through the intervention of an entirely alien body that has put on a heavy commission for itself?—If there is to be free choice the co-operator is entitled to go to his Co-operative Society for his dental benefit or for any other benefit that he wants.

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[Continued.]

8948. But a Co-operative Society is not a dentist?—It may not be a dentist but it has an agreement with the whole of the dental profession in this country.

8949. I understand that a free choice of dentist means a free choice from amongst dentists. I have never heard anybody suggest that it included a right to go to a trading body that would select the dentist and enter into a private arrangement with him?—You must deal with the Co-operative Movement as regards that.

8950. Are you suggesting that that is a proper arrangement?—I am not called upon to express an opinion. I only say that it exists.

8951. Then I may take it from you that there are cases in which the actual cost of dental benefit is increased by the administration expenses of the agency immediately in contact with the dentist, and that the Approved Society is, or at any rate may be, called upon to pay those expenses as part of the cost of treatment?—I have already indicated, in reply to the Chairman, the advantages which a member of a society like the Insurance Beneficent Society, for example, derives. I say that by the service it renders it gives better value than the society could obtain for its members if acting outside the N.I.B.S., but I do not go so far as to say that an insured person getting his dental treatment through a Co-operative Store actually gets the same advantages, and pays more for them. He does pay more.

8952. Do you suggest that this 12½ per cent. which you tell me is added on by the Co-operative Store, is treated by the society, not as an administration expense, but as expenditure on benefit?—The society cannot possibly do otherwise. It pays a bill and it regards that payment as an expenditure on benefit, and it is given its administrative allowance upon that payment of benefit, and therefore if a society is of a local character and deals—because its members are mainly co-operators—chiefly with a Co-operative Store for dental treatment, obviously that society gets its administration allowance upon the 12½ per cent.

8953. Are you satisfied that there are really any cases of this kind in the Approved Society world?—Considering that every Co-operative Store in this country is under that agreement with the dental profession there must be many, many cases.

8954. You are speaking from surmise; you do not know of actual cases?—Yes, I have had actual cases brought to my knowledge. This agreement is printed. There is a special body for its administration, and that paraphernalia could not exist did the work not exist.

8955. Are those cases of which knowledge is given to you of so private a character that you are precluded from giving us some details?—I do not know that I have the actual names and addresses in my mind; but I have seen the actual papers. This was such a revelation to me when I first knew of that agreement that I was more than surprised at it. But I have seen the agreement and I have seen cases which were dealt with under that agreement.

8956. Have you brought this very interesting matter to the notice of the Ministry?—Yes, many months ago.

8957. (Sir Arthur Worley): As I understand the co-operative system, and I used to know something about it in my early days, all payments made by a member to a Co-operative Society for anything bought from them they got a check for?—Yes. There are various methods, but the issue of checks is one of them.

8958. Generally speaking it is done by means of a check?—Yes.

8959. And at the end of the quarter the checks are taken in and the happy purchaser gets a dividend?—Quite.

8960. I do not know, but probably in the case you are citing, if a man had a bill for £5 for a dentist which was paid by his Approved Society, including the 12½ per cent., he would get a dividend on that.

The recipient would be probably making 15s. or £1?—(Mr. Canter): But probably the extra cost which he paid for his teeth would go to wipe out the cost of the sugar for which he was not charged.

8961. But the Approved Society is paying the 12½ per cent.?—Quite, and the Approved Society is paying for the extra cost of the sugar.

8962. So that the result is, if that is right, that the insured person gets his teeth extracted, a free denture, and 15s. They usually give about 15 per cent. dividend?—They are very lucky nowadays to get 15 per cent.

8963. I think it is worth pursuing a little more if it is going to be put forward that a member of an Approved Society can go to a Co-operative Society and get his teeth and everything done and the Approved Society pays for it and is charged 12½ per cent. more than it costs, and that then the individual himself is going to make anything from 10s. to 15s. on it?—(Mr. Rockliff): That side I do not know. I am not able to say whether a check is given to a person in respect of dental treatment; therefore do not take it from me that I know that. They may exclude, for aught I know, dental treatment from the business.

8964. They never do; they include everything. They do not know anything about a man's Approved Society?—You speak with greater knowledge on that subject than I do. I am not aware whether they get a dividend on the expenditure with the dentist.

8965. (Sir Alfred Watson): In paragraph 28 you seem to indicate a grievance against the Ministry of Health because they refuse to sanction schemes for dental treatment unless every dentist on the Register is allowed to perform the work?—I do not know that I have suggested a grievance. I have indicated that there is objection in certain quarters to that.

8966. You wind up by suggesting that the legal validity of the action of the Ministry is likely to be questioned?—Not by us. We understand that that is a possibility in quarters where a great point is made of the restriction of dental work to qualified dentists. We as the N.I.B.S. are not restricting our work to qualified dentists and therefore we are not the persons who are going to interest ourselves in the matter.

8967. Suppose the society decided to make use only of the members of the Public Dental Service Association, what would you think of the Ministry intervening in that case?—I understand that the Ministry take the view that they cannot give the Public Dental Service Association any right alone to undertake the dental benefit.

8968. In other words, whether a society wants to use "qualified" only, or, broadly speaking, "unqualified" only, the Ministry object in either case?—I understand that is so.

8969. And you have no views on that yourself?—Not as the N.I.B.S. As I said, I went with Mr. Canter the other day and spent several hours with Sir Walter Kinnear and members of the Joint Dental Committee with a view to seeing if there was a way out of some of these difficulties, and I am afraid that with all the skill of the Department and with any commonsense that we might possess, a clear way out of the difficulty was not apparent at the close of the interview.

8970. Having regard to the intense application that you have given to all these questions I think we should be glad to have your view on this highly important point, quite apart from what the Beneficent Society may adopt as a policy?—I want to make it perfectly clear that the Beneficent Society is not putting up this point at all. We do know that there is a strong feeling in certain quarters where societies have decided to limit their work to qualified men, and I understand that it is quite possible that if in a scheme which they might submit at some later date they were told that they had got to employ not only qualified men but unqualified men they would make every effort they could to retain their present method of administration. But we in the N.I.B.S.



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[Continued.]

are not concerned in that. We do not act for any society which asks us to restrict our dental work to a particular section of the profession.

8971. Then this last sentence in your paragraph is absolutely otiose, it seems to me?—No, I do not think it is otiose.

8972. Are you coming here to tell us what you think, or to give us general information as to what people all over the place think—people with whom you are not concerned? I had read it as being an expression of your views?—I am sorry, but I am in this difficulty. I happen to be the Secretary of the Joint Committee of Approved Societies, and I am aware that on that body there are societies that take a strong line upon this particular question. Possibly, knowing their view, I put it here; but as representing the N.I.B.S. I have no intention of supporting the restriction of dental work to any particular section of the profession. I have endeavoured, however, to indicate that it is possible for free choice to be exercised by a body of persons who say: "We will only give our work to, or employ for our dental work, a specified body consisting of a section of the profession," and I really think there is something to say in behalf of that being free choice. It is a free election.

8973. (Mr. Besant): Will you go back to paragraph 9 of your Statement? You were asked one or two questions as to the numbers involved and did not feel able, I think, to give us an answer; but from the note I took I think you mentioned that you had a donation of £10,000 from one society?—Yes, not in one sum, but it ran to about £10,000 in one year.

8974. That must have been a large society?—Yes.

8975. You said that some were large and others small, and I think you said afterwards, in answer to another question, that the bulk of them were societies with a moderate membership. That £10,000 must have been rather a whale, must it not, amongst the others?—Amongst the others, yes; but still comparatively small in comparison with the numerical strength of some of the large Approved Societies.

8976. Even with such a large sum as £10,000 involved?—Yes.

8977. Could you send us in afterwards figures which would give us some indication of what these societies do represent?—Certainly; I can obtain it from them. I can ask them for their mean membership the last time they sent in a return to the Ministry.

8978. I only want to get a figure which is somewhere near the mark without bothering to get the exact number?—I should say without question it is over 1,000,000.

8979. That is what I want to get at. It is a big number?—Yes, it is considerably over a million.

8980. That would mean 10,000 in each, taking one with another?—Yes, taking one with another. Some, of course, considerably exceed 10,000; some, of course, are considerably below 10,000.

8981. I take it that 10,000 would be nothing near the average; the bulk would be below?—(Mr. Canter): Yes, the bulk would be below.

8982. Passing on to the question of the dentist, am I entitled to gather from what you said that you paid a lower scale of fee for the lesser number of qualified dentists than the scale for the 1921 men? If so, can you defend that?—(Mr. Rockliff): The amount must not exceed the finally agreed scale, which is a maximum scale. It is not compulsory upon any dentist who is working under that scale to charge £6 10s. for a full upper and lower denture. He may be a dentist in an area where the normal charge is below the £6 10s., and he can exercise his choice either to charge the lower figure or to charge the scale fee.

8983. But I gathered from what you said in answer to a good many questions by different members that what I might call Class 1 of the dentists are getting collectively a lower scale of fee than the less qualified men who came in under the later Act?—No, I think you are under a misapprehension. We do receive

in respect of the original panel of the N.I.B.S., which consisted wholly of surgeon dentists—though only of a minority of the surgeon dentists on the Register—estimates based upon the original scale agreed with them. That is a matter for their own judgment. We cannot interfere with it; all we are bound to secure is that we are not charged a fee above an agreed maximum, which is the final agreement. The final agreement is a maximum scale, not a minimum.

8984. I understand that, but does it work out that the more highly qualified men who bound themselves are getting a lower fee per head than the less qualified men who came in at the maximum scale at a later date?—(Mr. Canter): The 1,500 men who came in on the first agreement are now entitled, if they choose, to make their charge the highest charge. But apparently they have not made themselves conversant with the higher scale and hence are still charging on the original scale which was the first agreement. (Mr. Rockliff): Or if they have made themselves conversant with it, are prepared to charge that to the N.I.B.S.

8985. Do they know that the less qualified men in many cases are getting a higher fee?—This maximum scale has been circulated time and again to every dentist on the Register. Therefore it should be within the knowledge of every dentist on the Register, qualified and unqualified, that he can charge up to that scale if he wants to.

8986. Then the bargain you have made with the 1,500 people does not mean that they are tied for all time to a particular scale?—No. They were entitled, as soon as the agreed scale was arrived at, to revise all their estimates upon the new basis. It may be a concession to the N.I.B.S. or, as Mr. Canter suggests, it may be that they have not quite appreciated the change; but at any rate they have not to a very large extent gone up to the agreed maximum scale.

8987. What do you find the position of the younger men to be, those who came in later? Do they tend to go towards the maximum?—I am inclined to think that except in certain areas where a lower scale than the agreed maximum is normally paid, the inclination of the younger men is to get the full advantage of that scale.

8988. It seems to me to be a sort of Alice in Wonderland scheme that the best-qualified men should get the lowest fee?—That is a matter for their own judgment, Sir. I do not know whether you would consider it fair to the insured person or to the Approved Society that the N.I.B.S. should write up an estimate and make both the insured person and the Approved Society pay more than the dentist requires us to pay. I should not think that would be considered a reasonable thing for us to do in the interest either of the insured person or of the Society.

8989. Can you tell me this, why was it that at a moment when an immense new body of men were admitted you put up the fee? One would have thought, according to the ordinary law of supply and demand, that the moment when a large number of new members became qualified, the fee would tend to go downward rather than upward?—I have endeavoured to explain that the British Dental Association sought to require a larger scale of fees than the N.I.B.S. or anybody else conceived a proper one, and they put up that scale as against the scale offered by the N.I.B.S. There was a contest between the dentists who stood by the B.D.A. and wanted the B.D.A. scale and the qualified dentists who were prepared to accept the N.I.B.S.'s scale, and, as I have endeavoured to set out in the Statement, the result of the contest was that Mr. Lindsay and myself and Mr. Canter were brought together and round the table we arrived at an understanding which did improve, from the dental point of view, the original scale, but was not as expensive, from the Society's point of view, as the scale which the B.D.A. originally put up.

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8990. It was more expensive than the scale you had been paying to the highly-qualified men?—If you are going to have a compromise between two scales, one low and the other high, the general result of such a compromise must be a sort of midway figure.

8991. I admit that if you are dealing with a homogeneous class, but if you are dealing with a class in which you have highly-qualified men getting a low fee and less qualified men getting a compromised fee which is higher, I still admit it leaves me entirely puzzled. If you tell me that is the fact I must leave it at that.—We found no desire on the part of the organisations representing the unqualified men when they came in under the 1921 Act to cut down the fees.

8992. (*Miss Tuckwell*): I suppose in your Society, the Society which you call the N.I.B.S., which has over one million members in it, you have a good many women?—Yes.

8993. In paragraph 14 you say: "Women non-effectives, lower percentage than men," which I think means that women, after having made their claim, pursue it better than men do, and later in the same paragraph you say: "Per capita cost for women exceeds that for men." Does not one explain the other? Does not the fact that women go on with their claims in much greater numbers explain the higher per capita cost?—Yes, it partly explains it.

8994. (*Mr. Jones*): I should like to ask you, Mr. Rockliff, what is your method of assessing this service to the insured person, how is the demand initiated, and how is it ultimately assessed and paid for?—He makes his selection of a dentist, he goes to the dentist, he has his mouth examined, and the dentist gives an estimate of the cost. That estimate must be within the scale if the work to be done falls within that for which a scale fee has been set down.

8995. Who assesses the work suggested by the dentist? I am not on the question of cost; I am on the question of quantity, let me say?—The necessity for the work to be done?

8996. Yes.—If you go to an individual dentist you are very largely in the hands of that dentist. If you go to a clinic you have a certain amount of assurance that no more work will be undertaken than is required.

8997. That is exactly my point. Is there not a fear that these contracts with individuals lead to extravagant expenditure?—I have not the slightest doubt that they do.

8998. I have in view the expenditure during the War when the Recruiting Authorities made similar arrangements, and when people lost teeth they need not have lost and got dentures which they did not require. Does not that exist?—I have no doubt it does exist. I have endeavoured to explain that in my judgment many dentists are concerned with the touching of the money, and if there is a measure of profit in the whole scale there is presumably a measure of profit in each £1 of that scale, and some dentists therefore may desire to have as many pounds in the estimate in order to have as many shares in the profit.

8999. Where does the dental surgeon come in? Have you a supervising surgeon who reviews these claims?—Yes.

9000. Does he make many criticisms?—He makes a number of criticisms. He is limited, of course, to some extent by the fact that he does not see the individual. In the great majority of cases he has to deal with a diagram, and we have to rely upon his skill and knowledge of the subject, and he is especially helpful in cases of an attempt to get outside the scale.

9001. His job is rather a difficult one in these circumstances?—It is not an easy one.

9002. You have one dental clinic in North London?—Yes.

9003. And you propose to establish others?—Another. We may have the funds to establish more, but we certainly have one other in prospect.

9004. Is this an *ad hoc* clinic, an establishment purely for your dental purpose, or is it in association with any other organisation, dental or medical?—The cost of the clinic has been provided out of the administration funds of the N.I.B.S.

9005. Is it a separate building?—No, it is in a separate part of the same building.

9006. How is it staffed?—It is staffed by two surgeon dentists, an anaesthetist (who is a medical man) and two nurses.

9007. How are your surgeons and anaesthetist remunerated? By fee?—They receive the whole of the fees.

9008. It is not on a salaried basis?—Not at the moment. We have started it upon the basis that the surgeon dentist shall receive the whole fee.

9009. And you bear the whole cost of administration?—No. We have provided the whole equipment. The administration cost, the overhead charges, are as much a matter for payment out of his fees as if it was his own surgery.

9010. This difficulty about the several qualifications is not a new feature in analogous services. For instance, under the Act of 1907 in England and the Act of 1915 in Scotland, midwives were brought in who had been in practice but were not otherwise qualified; the same occurred, I think, in connection with chemists at an early date; and earlier still in connection with doctors when the old apothecaries were brought in. I suppose your view is that it is better to have an unqualified service regulated than to have an unqualified service unregulated?—No doubt that appeals to the Department.

9011. And if Parliament has said so it is difficult for the Department or anybody else to exclude them?—I appreciate the Department's difficulty. I am not seeking to create trouble for them.

9012. I see that later on in your statement you say that you have also set up an optical clinic?—Yes.

9013. Where is that?—On the South side of the River. We hope to put another one on the North side of the River.

9014. You would like to see that system extended throughout the country, I have no doubt?—We should.

9015. Is it desirable to set up a series of small separate clinics for dental, optical, or any other purpose?—We hope to combine our optical clinic with our dental clinic.

9016. That is some advantage. If other Associations or Societies were to follow that same policy we should have a multiplicity of these small institutions?—Societies, as Approved Societies, are not entitled, so we are advised, to set up these particular things.

9017. Supposing other Associations did it, would it not lead to a multiplicity of these little institutions which, in the ordinary course of events, are not likely to be administered as economically as is a larger institution?—Do not you think the cost of setting up these things in some measure prevents their being set up without regard to the needs of the locality?

9018. I do not follow your answer.—You referred to a number of small clinics being set up here, there, and everywhere. I suggest that the cost involved in the setting up of these clinics would prevent any undue multiplication of them in number?

9019. Would not you be glad to see another million of insured persons emulating your practice in the interests of National Health?—Certainly.

9020. You attach very great importance to dental benefit. Do you not think it would be a more businesslike procedure if we had a really national or territorial service and combined these varieties of clinics set up by one body and another into one general health scheme?—I am not here to advocate big extensions of National Health Insurance. I did not come here with that object. I endeavoured to deal with the problem you now put to me when I came

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on behalf of societies, and I would not like it to be felt by societies outside that I had trenched upon ground with which the N.I.B.S. really has no concern.

9021. Your evidence this morning on behalf of the other body you are representing, when you were advocating an extension of medical benefit to the fullest possible extent, is modified somewhat by your evidence this afternoon on behalf of the N.I.B.S.?—In so far as the N.I.B.S. desires to express a view, they desire to see dental benefit a national benefit.

9022. Having expressed that view, do not you think that in order to secure the national benefit to everybody, it is more businesslike and more economical to set up a series of clinics properly staffed throughout the country to meet the needs of the whole insured? Would not that meet your high ideals with regard to the usefulness of dental benefit?—I am bound by the views I have already expressed on behalf of another body. Mr. Canter is not so bound. If he likes to venture into the realm—(Mr. Canter): I would be quite prepared to agree with Mr. Jones if it could be suggested where the money is to come from. Unfortunately, I am not in a position to make a suggestion as to where the money might be found to carry out the ideals which have been put to us. I am quite in agreement with what has been suggested.

9023. I will accept that answer.

9024. (Professor Gray): Mr. Rockliff, in describing your Society you mentioned that you have got a kind of Joint Committee with Dental Societies. How does that work? Is it a kind of Authority inside the Society?—(Mr. Rockliff): No, it has nothing to do with the N.I.B.S. It is a Committee set up at the instigation of the N.I.B.S., but it consists of representatives from every Dental Society and from the large Approved Societies who at the present time administer dental benefit. It has no official relationship to the N.I.B.S. It was brought into being largely at the instigation of the N.I.B.S.

9025. Are any of the N.I.B.S.'s people on it?—Yes, the two gentlemen who are before you.

9026. It is this Joint Committee so-called which actually controls the administration of dental benefit?—Yes.

9027. Is it the case that under your provision of dental benefit you have to provide dental benefit for a number of societies which may define dental benefit in different ways?—They define it in different ways only to the extent of the proportion of the cost which they provide. They do not, for example, define dental benefit as extractions only and not the provision of dentures.

9028. The only complication in your case is with regard to the proportion of cost. All the societies under the N.I.B.S. proceed on the same definition of dental benefit?—Yes.

9029. What happens with regard to the proportion which the member may be called upon to pay: how is that recovered from him?—The member is asked to pay his proportion. If he can do so he pays it. We prefer it in one lump sum.

9030. Is that paid to you direct or to the Approved Society?—In some cases it is paid to us direct; in some cases it is paid through the society as our agent.

9031. If you look at the examples you have given us of various societies and the action taken, you see in paragraph 14 one entry, "Member's proportion unpaid"?—Yes.

9032. What does that mean? Does it mean that the member got his treatment and did not pay his proportion, or that the thing broke down?—No, the member could not pay his proportion.

9033. But he was treated?—Oh, no. You see it says: Number of letters issued, 1,730: no action taken on the letter (that is to say, the insured person felt that the cost to him would be beyond his means and he never went and got an estimate for it), 189: in 187 cases he went and got an estimate, but finding the actual amount required from him was too high,

he could not proceed further. The object in all these instances is to show the percentage of cases where, because of his poverty, his want of the wherewithal, the member could not proceed with the treatment which he required.

9034. Are there any cases where the dentist is left to recover the balance, or is that always a matter for you?—As far as the N.I.B.S. is concerned, the contract between the N.I.B.S. and the dentist is to pay the whole cost.

9035. So that if a member cannot pay after he has received treatment, the loss would fall on you?—Quite so, but we endeavour to protect ourselves against that possibility.

9036. Does any complication arise from the fact that you have got two Societies which are separate and which may give dental benefit continuously at one time under one section and at another time under another section? You mentioned one case where apparently you gave dental benefit for a certain period under section 21 and then you switched over to section 37, and then when the money was finished you went back to section 21 again. Does any complication arise there by reason of the fact that it is done by two different Societies at two different times?—The arrangement is with the two separate Societies.

9037. Jointly?—No, separately.

9038. Each Approved Society makes an agreement with both of your Societies?—With each one.

9039. And leaves it to you to decide which carries on?—No, they instruct us. If a society wishes us to administer its money under section 37, it arranges with the unincorporate side; if under section 21, it arranges with the incorporate side.

9040. And the moment the money under section 37 is exhausted they turn to section 21?—You say "they." I have given you the only instance where it was done, and that was because the money under section 37 became exhausted in the course of the year and the Society felt it would be unfair to those applicants who came along in the later months of the year to refuse them benefit.

9041. What basis have you for your suggestion of this rather Machiavellian scheme on the part of dentists to get a full scheme? You suggest that they are in the first place to provide a toothless population in the hope that later on the Government will expand the scheme and go further than they might have gone. Is that surmise?—I think it is a very practical certainty if the national scheme is limited to the extraction of teeth, because no one in this country could submit for many months to a national dental service of that character.

9042. Is this merely a surmise of yours or must one take it seriously?—No, it has foundation.

9043. They do not bar the stopping of teeth: they do not insist on taking them all out in any case?—No.

9044. Your suggestion is extraction only?—Because in 90 per cent. of the cases which are dealt with at present by societies it is a case of multiple extraction and complete replacement by dentures. That is the reason I have taken extraction in the Statement.

9045. You might tell me about your position under section 21. As I understand section 21, it is a payment in respect of which the society has no definite right?—Quite.

9046. If you take the ordinary case of a society on the one hand, and a hospital on the other, you can imagine a society making a payment and, taking one year with another, obtaining an adequate return?—Quite.

9047. You are not exactly a hospital, are you?—Not a hospital.

9048. A charity?—We are on the same basis, that taking one year with another we hope to give our contributors an adequate return for their donations.

9049. How can you secure that?—We cannot enter into a contract that they shall have a full £1 for every 20s. they give; that is not possible, but we have up to the present seen that every contributor to us has secured approximately a return which in value is equivalent, and in some cases more than equivalent, to his contribution.

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9060. You are really an intermediary, are you not? If you want to give hospital treatment to the members of one society that is giving the money you have to go to the hospital and arrange it?—Quite.

9051. You are not a principal in the transaction?—As regards giving institutional treatment in hospitals, no.

9052. You have to rely on other institutions to fulfil your contract?—If a society requires us to provide hospital treatment for a particular member, we have to do our best to secure that member the hospital accommodation he requires.

9053. Are the societies all satisfied with what you do under that section?—I have not heard of any complaint. (*Mr. Canter*): I have had no complaint.

9054. There is no society which has left you?—Not from the cause you suggest. (*Mr. Rockliff*): One or two societies have ceased, but for reasons quite apart from anything you are suggesting in your question. (*Mr. Canter*): There is one point you put which I might answer. You suggest that we are simply the agent or intermediary for carrying out this work. We are so no more and no less than the Hospital Saturday Fund. They have come to an arrangement with the hospitals to secure treatment for the people who make donations to them. We go further. We have the actual service in two directions at our fingers' end, which the Hospital Saturday Fund has not, that is, dental and optical.

9055. (*Mrs. Harrison Bell*): I want to come back for a minute to the question of the Co-operative Societies and the 12½ per cent., and I want you to tell us how you know this. I am a life-long Co-operator. This is entirely new information to me. (*Mr. Rockliff*): There is a national agreement between the Co-operative Societies of this country and the whole of the Dental Profession, which agreement is in print, and is embodied in a book which contains the names of thousands of dentists who are under contract with the Co-operative Societies upon the basis I have mentioned.

9056. That tells us about the agreement, but it does not tell us about the 12½ per cent.?—The 12½ per cent. is printed in the agreement.

9057. (*Sir Andrew Duncan*): I am not sure that I understand yet who the N.I.B.S. are. I understand what the letters stand for. Who are the members?—The contributors to its funds who elect the Council.

9058. Who are the contributors?—Approved Societies. Under section 37 they are exclusively Approved Societies.

9059. Is that a charitable organisation?—No.

9060. Let us take the charitable organisation first?—I gave you the list; Approved Societies, Friendly Societies, Trade Unions, Co-operative Societies, corporate bodies, employers and individuals.

9061. Who are the individuals?—They are persons who contribute small sums through boxes which are placed in employers' premises. I cannot tell you by name who they are.

9062. When you said a minute or two ago that you endeavoured to give £1 for every 20s. contributed you had not in mind that you were giving £1 to the person who had contributed 20s.?—No, I am taking them all in. I do not say a specific contributor will get his 20s., because if he puts a penny into the box he may not require a pennyworth of treatment from me in a year or at any time.

9063. What you meant to say was that this charitable organisation endeavoured to give the best value for the money contributed to it, by whomsoever contributed?—Quite.

9064. So that it is no different from any other charitable organisation?—No.

9065. On the other side, do you deal only with Approved Societies?—Yes.

9066. (*Miss Tuckwell*): In what sense is it charitable, because it seems to me there is no charity?—It makes grants in aid of treatment.

9067. A charity is not a thing that anybody pays to. That is insurance. I want to know in what sense it is a charity?—I venture to think a contributor

to the London Hospital is a contributor to a charity; a contributor to the Hospital Saturday Fund out of his weekly wages is a contributor to a charity; the man who puts his penny into our collection box in an office in the City is a contributor to a charity. There is no contract to give him an insurance for his contribution. He pays for the upkeep of an institution to which he may find it necessary to appeal at any moment to assist him in times of difficulty.

9068. The difference appears to me to be that in the one case all the people who benefit are people who have paid, whereas in the other case that is not so. You cannot take a hospital as a parallel to a society to which everybody who is going to get a benefit pays?—(*Mr. Canter*): May I illustrate the point in another way? My own organisation is a Trade Union, the Union of Post Office Workers. It has been the practice of many branches of my Union from time immemorial almost to have a weekly collection for the Benevolent Fund in connection with the Union, a voluntary fund. That Benevolent Fund has been used for giving donations to hospitals and other charitable institutions, such as convalescent homes. Letters have been issued by the various charitable institutions to be used by the branch in the interest of its members. Since the inception of the National Insurance Beneficent Society a goodly portion of the branches throughout the country have diverted their contributions from the organisations to which they originally subscribed to the National Insurance Beneficent Society, which provides for the members in bulk the same advantages or benefits that its members have hitherto enjoyed.

9069. That is very interesting, but it does not touch my point.

9070. (*Sir Arthur Worley*): (In answer to Professor Gray I understood you to say that you were responsible for the whole cost of any dental treatment given to any member of any Approved Society connected with you?—(*Mr. Rockliff*): Yes.

9071. There are times, of course, when there is difficulty in getting the proportion from the insured person?—As I said in answer to Professor Gray, we endeavour to prevent that possibility arising by arranging for the provision by the insured person in advance of treatment of his share of the cost, or by letting the dentist accept a grant from us in aid of the treatment, he accepting the liability in respect of the balance.

9072. Is that how you protect yourselves? You used the expression that you protected yourselves?—Yes, under section 37 we are bound to protect ourselves, because we could not load a loss on to a society.

9073. Therefore, so far as that is concerned, there is no charity about it?—Nobody has suggested it on the unincorporate side.

9074. If a man comes to you and is going to have £5 worth of dentistry done, and you tell him, "It is going to cost you £2 10s., have you the money?" and he says "No," in that sort of case what is the protection? You go and contract yourself out of your liability with the dentist. Is that right?—If the member cannot put up the money either the thing has to drop, that is to say, the member does not go on with the treatment, or some means has to be found, either by our accepting instalments, or by the dentist accepting instalments, of the member's proportion.

9075. Therefore, it is not really correct to say that you are responsible, because before you go on you protect yourself generally by contracting out of the liability?—On section 37 we have to protect ourselves.

9076. I only want to get it correct. The answer you gave to Professor Gray was that you were responsible—at any rate, that was the impression on my mind?—That is the exact position under the incorporate side. Under section 37 it is still the position in the majority of cases.

9077. When we come to the charity side that has nothing to do with it. It would be justifiable if you said, "Out of these pennies collected from the

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workshops, here is a very bad case, we will make a grant to help that person"?—Quite.

9078. But you do not do that?—Yes, we do. We make grants to persons who are neither introduced to us by contributors nor contributors themselves, if the circumstances when brought to our notice encourage the Council to show their goodwill towards the individual.

9079. Might I ask what such grants amount to in 12 months?—Last year it ran into some £200.

9080. Out of a receipt of about £60,000?—No. There is none of that upon the unincorporate side.

9081. £200 was expended in what you might call general charity?—To persons who were not contributors to the institution. (*Mr. Canter*): I had one example of that only yesterday where a girl in Bristol was in need of an immediate operation; she could not get into hospital because of a long waiting list; representation was made to us as to whether we could assist the girl, and we have undertaken to meet the cost of a nursing-home charge for that girl to the extent of 25 guineas, although she is not a contributor to the organisation either directly or indirectly.

9082. You were good enough to promise us your balance sheet. Does the balance sheet show the amount received from Approved Societies, and on the charity side does it show what is received by collection from your own society or from boxes other than what come from Approved or Friendly Societies?—(*Mr. Rockliff*): On the unincorporate side all the income is derived from Approved Societies. On the incorporate side only a portion of the income is so derived. We do not separate in the balance sheet the individual sections of the community who send us money.

9083. There would be no means of tracing from your balance sheet that on the one side you received as purely charitable contributions a certain number of pounds, and on the other side your expenditure?—No, that is if I gather your meaning.

9084. Would it not be a good thing to show that? Most charities do, do they not?—Do they?

9085. Generally. I have had some experience of them. They are not complicated as a rule?—Ours are very simple. I have been associated with the Hospital Saturday Fund. I do not think they distinguish their income between a Friendly Society, a Co-operative Society, and an Approved Society, or firms or individuals, or collecting boxes.

9086. I think it is published in the press what the Saturday collection amounts to?—The Sunday collection is printed. We have no objection to publishing our collection.

9087. (*Miss Tuckwell*): With regard to this very interesting instance of the Bristol girl upon whom 25 guineas was spent, would the people who contributed to the fund know that that 25 guineas had been spent upon the girl and why?—(*Mr. Canter*): Yes.

9088. How would they know?—Through our balance sheet, and through the Annual Meeting.

9089. They would see an item of 25 guineas put down, and the name of the girl and the place?—No, I do not think in any charitable organisation you will find the name of the individual receiving assistance shown.

9090. (*Sir Arthur Worley*): To follow on Miss Tuckwell's point, if you are going to show on the one hand the amount given in charitable cases, would not you equally show what you received of the same character? Your contributions are given to you by Approved Societies with the definite object of your being able to do something that they cannot do within the four corners of the Health Insurance Act?—(*Mr. Rockliff*): Almost every week I have requests from a well known body known as the Federation of Women Workers to assist by a charitable grant a girl who is not able to provide the sum required for some form of treatment. That grant is given out of the charitable fund and the Society is informed of the fact that it is given.

9091. But it is not intended by the Approved Society that gives you a donation on that side that its money should go to that particular girl or to girls of that character; it is intended that what it gives you should flow back to its members, is it not?—Under section 37 it is bound to flow back to its members. Under section 21 there is no express contract that it shall. They are paying into a charitable fund, and if they send us cases they expect those cases to receive consideration, and they get the consideration that they expect.

9092. But they do expect when they pay this money that their members shall get it; they are not paying it for the general public outside their members to get it. I suggest that is what they have in their mind?—I cannot read into their mind.

9093. Your point is they pay it to you as a charity and they leave you a free hand to dispose of it?—They pay it to us as a charity in the belief that when their members require assistance the institution will assist them.

9094. (*Sir Alfred Watson*): Do I understand you to say that the Government Auditors require to see that the societies do get a return?—The Government Auditor requires some evidence from a contributor under section 21 that the members of the Society do get a return, not an equivalent one, but do get a return. For example, if a society gave a contribution of 50 guineas to a hospital I have had the Auditor ask me to show him that in return for that contribution to the hospital the hospital did treat some members of the society.

9095. (*Sir Arthur Worley*): What would happen if they had not treated any member during that particular period?—I do not know what would happen. I have been asked to show that they have, and I have been willing to show it.

9096. You might not be in a position to show it?—Then I do not know what would happen. I can only say that is what the Auditor desires to see, and if he found evidence that I had contributed to an institution and that there was nothing to show that some member had derived an advantage from it, he might say, "That is not a proper payment under section 21." I do not know what view he would take because I have not had the experience of being unable to show that for the payments I have made under section 21 my members have not derived an advantage.

9097. A small society might easily be in that position in 12 months, might it not?—It might. I cannot say. (*Mr. Canter*): Would not the general principle apply that if a donation was made to a hospital or to the Hospital Saturday Fund, or to any other charity, it was in anticipation of some benefit being forthcoming to the members of the organisation concerned. In the case of a small society such as you mention, it might be two, three, four or five years before such an advantage to any individual member came along; but common sense would dictate that by reason of that contribution to a charity the benefit would be ultimately forthcoming if it was necessary.

9098. (*Professor Gray*): Would not the Auditor look for two or three years and find out whether in common sense it was the kind of thing the society ought to contribute to?—Quite so.

9099. If for 20 years you had been giving £50 a year and got nothing he would think it was not a good bargain?—He would make a special report immediately.

9100. (*Sir Arthur Worley*): I should imagine that they were still entitled to do it even though they got no benefit; there is nothing to stop them, is there?—Yes. I think the Audit Department has to satisfy itself that they are getting an advantage.

(*Mr. Rockliff*): I have heard the contrary view taken. I do not know which is correct. I have in my experience never been in a position of inability to show that in respect of a donation, a value of some kind came back to my members; but I have heard it contended by societies that the Auditor is really

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excluded from the enquiry. I have never sought to burk the enquiry and, therefore, it is a matter not of much moment to me.

9101. (*Chairman*): I see that the Beneficent Society also undertakes to make arrangements for optical benefit for any Approved Societies who provide that benefit for their members. I suppose you would not regard this benefit as of equal importance with dental benefit?—(*Mr. Canter*): Not of equal importance from the point of view of the general health of the individual, but of equal importance so far as the number of claims is concerned, and possibly from the point of view of need, because it is a fact that practically every person on reaching middle age, if not before, does require optical treatment.

9102. Do you think there is any case for making optical benefit one of the normal benefits of the Act if the necessary funds could be provided?—If the necessary funds could be provided, yes.

9103. Can you give us any estimate of the cost of optical benefit, expressed as so much per insured person per annum over the whole body of insured persons?—I am afraid I cannot. I can give you the cost so far as my own Society is concerned, but I do not think that would be of much use to this Commission.

9104. Are we to understand that, as in the case of dental benefit, you are strongly of opinion that the whole cost of the benefit should be provided and that the insured person should not have to pay any part of the cost himself?—I am, so far as regards the essentials, of course. Gold or real tortoise-shell frames and luxuries are matters which we should question.

9105. What do you consider to be the proper method of administration of optical benefit?—The proper method for the administration of optical benefit depends on whether it is a statutory benefit under the Act or whether it is to be administered through Approved Societies. If it is to be provided as a statutory benefit, then I think we should have to accept the same principle that we have already accepted as regards dental benefit. On the other hand if it is to be an additional benefit, then I think it is best in the hands of Approved Societies.

9106. I see that you do not consider that sight-testing and the prescription of spectacles should in all cases be a matter for qualified medical practitioners. You are, of course, aware that there are great differences of opinion on this subject?—I am well aware of the great differences of opinion that there are in connection with this. It is a fact, and experience has shown us, that a considerable proportion of claims for optical benefit are simply a matter of correction of sight, errors of refraction, and they can well be carried out by a competent optician. We have to get over the difficulty in the best way we can at the present time, and we do that so far as the N.I.B.S. is concerned in this way. When we send a patient to an optician we make a payment for the service rendered so far as the sight-testing is concerned, irrespective of whether he supplies glasses or not, and we impress upon the optician the need for him to refer the case back to us if he has the slightest suspicion of any disease in connection with the case.

9107. You would no doubt agree that it is important that the testing of eyesight should not be done by unqualified persons who are not competent to detect serious trouble?—I agree.

9108. There is not at present any recognised register of qualified opticians, is there?—Not to my knowledge. The only knowledge I have of a list of what one may call qualified opticians, is the "Optical Almanac." That gives a list of the whole of the opticians throughout the country who are members of one or other of the optical organisations of the country, and that is the list we use.

9109. What steps do you suggest ought to be taken to prevent this work falling into the hands of incompetent persons?—Under present circumstances we have taken the only step we think we can take, that

is, to make it worth the while of the optician to carry out the sight-testing without it being a profitable undertaking to him to supply glasses, if he thinks there is disease and it ought to be referred to a surgeon.

9110. Can you give us rather more information as to the scale of payment agreed between the Beneficent Society and the opticians with whom they have entered into agreements?—Where we have entered into agreement with opticians it allows to the optician a fee for the professional service that he renders in sight-testing. If glasses are necessary, then in addition to receiving that professional fee for sight testing, he supplies glasses to his client at the wholesale prices of the standard list.

9111. Has the optical clinic which the Beneficent Society established been a success, and has there been any considerable demand from Approved Societies for cases to be sent to this clinic?—It has been an unqualified success, and there is a considerable demand by societies to secure that their members go through the hands of an ophthalmic surgeon or ophthalmologist rather than through the hands of an ordinary optician.

9112. Of the cases examined at the clinic can you tell us the proportion in which some trouble, other than mere error of refraction, was discovered?—I am afraid I cannot, but I will ascertain that from our surgeon if it would be of advantage to the Commission.

*The Statement promised in answer to Q. 9112 is inserted here for convenience of reference:—*

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Out of a total of 1,745 eye cases examined by the Ophthalmic Surgeon of the Optical Clinic organised by the Society, 464 involved some trouble other than mere errors of refraction, and accordingly required special treatment. The percentage of such special cases to the total was 26.5.

Every applicant is seen by the Ophthalmic Surgeon of the Clinic before he or she is passed over to the Optician for the purpose of being supplied with the necessary glasses.

9113. With regard to nursing, I see that you state that nursing as an additional benefit has been a comparative failure. On the other hand we have been told that the provision of nursing facilities is an essential part of a complete medical service for insured persons. What do you say?—(*Mr. Rockliff*): I should say, Sir, as an ideal a complete association of nursing with medical treatment is very desirable, but in so far as a nursing service of a domiciliary character is required, it is at present largely existent. As regards residential nursing, that cannot generally be given in the homes of insured persons, and in so far as it is requisite in serious cases it is provided in the institutions into which insured persons are admitted.

9114. It would appear from your Statement that under present conditions there is little demand on the part of insured persons for nursing, and that even where a society offers nursing as an additional benefit, very few cases are recommended by the doctors. Is this the case?—If our Statement is liable to the construction that there is little demand on the part of insured persons for nursing, we would like the opportunity of correcting it. The position really is that insured persons have themselves made in many areas arrangements for domiciliary nursing, and what we do find as the result of the experience of the past three years is that the insured persons in the main do not find it necessary to appeal to their Approved Society to provide a nurse, having made in a large percentage of cases their own arrangements for the purpose. As regards the recommendation of cases we find little evidence on certificates issued by panel practitioners of the recommendation of a nurse. One reason may be that a nurse is already in association with the case through the patient's own local arrangements, but

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as far as my personal experience is concerned the majority of cases where the desirability of nursing is brought to my notice is through the sickness visitor and not through the doctor.

9115. Would you personally be in favour of the provision of a general nursing service for all insured persons?—With the many other pressing claims upon what money is available, I should say on the experience of the last three years that you could not justify the expenditure of a large sum of money upon the provision of a national nursing service.

9116. I note that you do not consider that in any case the cost of a nursing service could be provided on a capitation basis. I suppose you mean that the payment should be for services rendered?—No, Sir, there again I think possibly our Statement may have been a little misunderstood. On a capitation basis you would be paying for all those cases where the insured person had made his own arrangements. It is true you might relieve his pocket if you paid a capitation rate, but the capitation rate would then have to be such as would make good to the nursing associations the loss of contributions which they at present receive locally. What I suggest societies should continue to do as an additional benefit is to provide the service of a nurse out of surplus in those cases where their members have not made their own arrangements for the provision of a nurse so that, if possible, nursing is not neglected, in any case where it is required.

9117. Can you give us any estimate of the probable cost of a nursing service expressed, say, in so much per annum per 1,000 insured persons?—I am afraid not. I could give you the cost of providing domiciliary nursing over half a million persons in cash where the insured persons had not themselves made any arrangements for nursing if that would be at all helpful.

9118. Could you give us the figure?—Over half a million persons £1,200 per annum.

9119. (*Sir Alfred Watson*): Mr. Canter, I gather from paragraph 43 that on the whole you are strongly against the claim of the medical profession that before an insured person visits an optician to be fitted with spectacles he should receive a prescription from a doctor?—(*Mr. Canter*): I am not strongly in favour of it. Under present circumstances it is, I believe, necessary. (*Mr. Rockliff*): It is a question of cost, if I might add to Mr. Canter's answer. I think it is desirable, but if a guinea, which is the amount suggested by the British Medical Association, has to be paid in every case in order to detect 5 per cent. of cases which would pass the wit of an optician, however qualified he may be, to detect, then I feel it is an excessive sum. You would militate against the success of optical benefit under National Health Insurance if such a fee had to be paid in every case, when even the medical profession agrees that in 50 per cent. of cases for optical benefit no medical examination is necessary.

9120. How is anybody to know whether it is one of the 5 per cent. or one of the 95 per cent.?—I agree that is the difficulty, but we endeavour to get over that difficulty at a reasonable fee through the medium of our clinic.

9121. I am coming to that in a moment. As I read your observations in paragraph 43 I gathered that your attitude towards the medical profession in this connection was on the whole a censorious one, but then I come to the fact later on that you have established a clinic of your own and that you require every person who attends the clinic to be seen by the surgeon in charge. Your attitude and your practice seem to me to be a little inconsistent?—(*Mr. Canter*): It may appear to be inconsistent, but, as Mr. Rockliff has already pointed out, if the charge is to be as the British Medical Association suggest, a minimum of one guinea per case, then it does appear to us a charge too large for the service that is going to be rendered when 50 per cent. of the cases would not

require it. We have attempted outside of the clinic, as I pointed out, to see that it does not pay an optician to proceed with a case if he has the slightest doubt in connection with it. He gets his money whether he supplies the glasses or not; he gets exactly the same fee; and therefore it does help to secure that the patient, if there is the slightest doubt of any disease of the eye, is referred to a competent ophthalmic surgeon.

9122. This is very interesting. You talk about 50 per cent. of the cases not requiring medical examination. When I raised the question as to how 50 per cent. or 5 per cent. with actual disease are to be disentangled from the 100 per cent. by anybody other than a surgeon, Mr. Rockliff said, "That is the difficulty."—(*Mr. Rockliff*): Of disentangling the 5 per cent. if the medical view which has been expressed to us is correct, that 5 per cent. cannot be detected by any optician however qualified by practice or experience he may be.

9123. Is it admitted by the medical profession that in 90 per cent. of the cases the optician is qualified to deal with it, is qualified to detect the disease.—(*Mr. Canter*): 50 per cent. of the cases are ordinary refraction work, in 45 per cent. of the cases there is disease which an optician can easily discover, and in 5 per cent. of the cases the optician cannot do it. That would mean that it would cost 100 guineas to secure that that 5 per cent. were properly detected.

9124. No, 100 guineas less 100 times the optician's fee?—No, 100 guineas. That is the payment to the ophthalmologist in the first instance that the British Medical Association suggests.

9125. But if there is a payment to the ophthalmologist there is no need to pay a fee for the same sort of work to the optician?—No.

9126. Then it is 100 guineas less what in the alternative is paid to the optician?—Not quite that, because one could not expect the optician to carry out the prescription of the ophthalmic surgeon at wholesale price. We should have to pay him a profit on the carrying out of the prescription.

9127. Do you mean he gets nothing out of his labour in constructing the glasses?—Nothing whatever under our agreement.

9128. He only gets his out-of-pocket expenses?—He gets his sight-testing fee, which is an agreed fee. I have Fleming's wholesale list upon which we work. In that list are technicalities of the trade. I do not understand it thoroughly, I admit. Hence we engage a competent optician to test every estimate that comes into the office. The estimate is tested to prove that he is not charging above the wholesale price.

9129. As I understand the matter, the optician himself does a great deal of actual work. He may get the material on which he works from the wholesale house, but he has work to do in making up the prescription?—He has, but we do not pay him for it. It is included in his sight-testing fee if he is called upon to do it.

9130. Do you mean to say he gets nothing beyond his sight-testing fee and for the rest he gets only out-of-pocket expenses?—He gets nothing whatever beyond his sight-testing fee.

9131. To come back to the guinea, if there is a 5 per cent. chance that when a person goes to an optician some latent and perhaps serious disease of the eye will be missed by that optician, is the payment of a guinea to the ophthalmic surgeon not really worth the chance of evading that risk?—In the individual case undoubtedly it is, but whether it is worth 100 guineas to detect five cases is open to question. I suggest the way out of the difficulty, if it could be done, would be to establish clinics of a similar character to that which we have established ourselves, whereby we have the services of an ophthalmic surgeon at the same cost that we pay the optician for sight-testing.

9132. Your own practice is in fact to have a surgeon in order to see that the 5 per cent. of cases may

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not be missed?—That is so, but we do not pay 100 guineas for those five cases.

9133. Neither does anybody pay 100 guineas. It is 100 persons having need, as they believe, of spectacles, who have to pay one guinea each?—That is 100 guineas for the discovery in five cases of a disease of the eye which could not be detected by a competent optician.

9134. I cannot see where the grievance of the individual person lies. He has gone to a specialist and he has had his eyes run over for a guinea. I do not know any ophthalmic surgeon who would do it for a guinea. My experience is it is more like three or four guineas?—When I tell you then that we have a fairly large panel of surgeons throughout the country who undertake our work in individual cases for a guinea, you will admit that the N.I.B.S. has done some good for the insured population.

9135. I am not expressing any opinion on the N.I.B.S. I scarcely ever heard of it till this afternoon. I am suggesting to you that it is unreasonable to put in this somewhat querulous attack on these highly skilled medical men because they charge a guinea in the individual case although the result of their charging a guinea will be in five per cent. of the cases to detect a disease which an unskilled man called an optician would not have found out?—(Mr. Rockliff): We suggest in answer to that criticism that it is possible to detect those five per cent. of cases equally well at a lesser cost than is suggested by the British Medical Association.

9136. That may be.—And to the Society concerned which sends 100 cases for optical treatment of its members it does spell 100 guineas.

9137. (Mr. Jones): How is your optical clinic staffed?—(Mr. Canter): We have a West End surgeon in attendance. He gives three to four sessions per week between the hours of 5.30 and 7.30. He examines the patient and gives the patient a prescription. In the next room we have an optician who holds the diplomas of every optical organisation in the country, I believe. We have a range of frames of every description from which the patient selects the type of frame he desires. The facial measurements are taken by the optician; the prescription is made up and the glasses are posted to the patient.

9138. How is the surgeon remunerated?—On a per session basis.

9139. How does it work out on the average?—7s. per case.

9140. Does not that suggest some alternative scheme to that put forward by the medical profession?—Undoubtedly. That is the scheme we suggest.

9141. If I were to tell you that I am associated with a clinic run under municipal auspices and conducted by one of the best-known ophthalmic surgeons in the West of Scotland at an average cost of 3s. 4d., would not you say that the medical profession were grossly extravagant in their views?—I would not like to suggest that they are grossly extravagant in their views, but they hold that power; it is a service that is necessary and they consider that that is the value of the service they offer to the community. We quarrel with it.

9142. We do not need to accept it?—No.

9143. Could not we extend this system of clinics?—It has been my desire personally to have extended the system of clinics immediately upon the inception of treatment benefits under the Health Insurance Act.

9144. So that we will have an alternative scheme that may be put into operation as against this rather costly scheme suggested by the medical profession?—Yes, it is an alternative scheme if we can get the medical profession to accept it.

9145. You are getting yours at a fairly reasonable cost?—Yes, but we did not go to the medical profession as a whole to ask for it; we went to the individual.

9146. Is it not the case that specialists under the Pensions Act are paid a guinea and a half or two guineas per session?—Yes.

9147. Do you think it reasonable that we should pay under Health Insurance anything more than the fees that have been accepted by the Profession as a whole under Pensions?—I think that if we are going to get competent people to deal with the insured population of the nation as a whole we ought to be willing to pay a reasonable fee. I am not prepared to say that somewhere between three and four guineas that we pay per session is exorbitant, because I know I have got the best service and I want the best service for the insured population.

9148. (Professor Gray): Do I gather with regard to these doctors with whom you have made so good an arrangement, that your luck is due to the fact that you have avoided collective bargaining?—I believe in collective bargaining.

9149. But you did not go to the whole profession in this case?—Not in this case, because I had not the volume of work to offer them.

9150. You mentioned that during the past 12 years less than 20 doctors have claimed to possess skill in ophthalmology?—In London.

9151. That is quite consistent with the possibility that other cases have arisen where they have exercised that skill without claiming special payment for it?—I suggest that the position to-day is—I may be wrong—that there are a number of general practitioners who have from time to time walked eye hospitals and have got a very fair knowledge of eye work. I am not prepared to admit that they are competent ophthalmologists to be able to deal with every case that might come along. For instance, it is quite possible that those men would not be in a position to deal with the 5 per cent. of cases which the British Medical Association lay down is the maximum number of cases opticians are not competent to detect.

9152. It is not the case, is it, that doctors always claim that a thing is outside the scope of medical benefit when it is?—(Mr. Rockliff): Speaking for London, I cannot imagine any doctor on the London panel not claiming a fee if he was providing a service outside the scope of medical benefit.

9153. You have a very low opinion of London, have you not?—Not necessarily a low opinion because I am expressing these views. I am expressing a very well known view of the London Profession, and I have endeavoured to justify it here.

9154. With regard to nursing, is it not the case that nursing is up against this difficulty that any additional benefit ought to be available to all, and societies have members scattered over every area and it is impossible to get an effective nursing service which will cover all the areas where the members of societies are?—And I suggest that under any national service you would be up against the same difficulty of having a nurse available for every insured person in every sparsely populated district.

9155. You might provide nurses for Manchester and London, but when it comes to Argyllshire and Inverness-shire?—You might not do it at all on either an individual or national basis. (Mr. Canter): We have managed to do it in my own Society in one case in Scotland where we had to send a nurse 100 miles to look after a case, and we paid for it.

9156. (Mr. Jones): Professor Gray was unfortunate in mentioning Argyllshire. Argyllshire is one of the best nursing counties in Scotland.

9157. (Chairman): As regards hospitals, I gather from your Statement that some sort of an understanding has now been arrived at between representatives of Approved Societies and representatives of the voluntary hospitals of the country for payments to the hospitals towards the cost of maintenance as in-patients of members of societies which have included hospital benefit in their schemes of additional benefits?—(Mr. Rockliff): That is so. There are two schemes, and they are briefly detailed in our Statement.

9158. The arrangements do not seem to be very well defined, but do you think that they are generally accepted as satisfactory, both by the Approved



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Societies and the hospital authorities?—As regards societies, the number of societies giving these grants by way of additional benefits to hospitals is extremely limited, and as regards hospitals I do not think they regard the arrangements as wholly satisfactory, but they do bring in some money and therefore half a loaf is better than no bread at all as far as the hospitals are concerned.

9159. They accept it?—They accept it, Sir.

9160. I note that in some cases the payments to the hospitals are made on a "case week" basis. Are you of opinion that this is the most satisfactory method of payment, and can you tell us whether it is generally acceptable to hospital authorities?—It is certainly accepted by all the hospitals who are prepared to work either of these schemes, and I venture to think the payment of so much per week for each member of a society in an institution enables the institution itself to know what it is likely to receive in respect of its patients without waiting till the end of a quarter. I think it is also of advantage to the society to know how its money is being spent week by week instead of again waiting till the end of a quarter to ascertain how much each institution is deriving from the money set aside. In my judgment it may well work out that the institution would get a very small sum per head on the second scheme, not the scheme which is referred to as that of the "case week" basis.

9161. I note from your statement that the payments made by an Approved Society do not prohibit hospitals from claiming further payment from the patient, if he is in a position to make it. Can you tell us whether a member of a society which makes payments to a hospital is in fact in any better position as regards hospital treatment than the member of a society which makes no such payment?—Given equal medical necessity, I have no hesitation in saying that the members of a society which does make a payment to the hospital in respect of the treatment of its members in the institution do secure an advantage. It is obvious that the hospitals must have regard to income. It would be disastrous to societies, to the public, to the insured persons, to everyone, if they had to shut down part of their institution for want of funds, and, therefore, given equal medical necessity in the cases, it is certainly not unfair that they should look out for contributions to the cost of treating the patients.

9162. Now that a general understanding has been arrived at between the societies and the hospitals, do you think that there is any longer any advantage to be secured by an Approved Society in using the Beneficent Society as an intermediary?—The answer to that is this. Neither scheme is by any means universal even among general hospitals, and specialised hospitals are almost wholly outside it. We, as the N.I.B.S., therefore have to arrange for admission into specialised hospitals in almost every case, and as regards general hospitals we do in fact hold ourselves out to assist in securing admission in those institutions. We also exert our influence to reduce the member's own contribution to the extent of his means, and we assist the society in obtaining information which, as Approved Societies, is not usually accorded to them, namely, the nature of the complaint for which the member is being treated in the institution and the dates of entry and discharge, all of which particulars are useful to the society in dealing with sickness claims. (Mr. Canter): There is one point if I may supplement that. It is useful to societies at the moment, at any rate, in this respect. The insured person might attempt to secure entry into a local hospital; the waiting list is exceptionally long, and he is not able to secure that entry. The society then comes to us and says: "Can you help us?" We have a list of the hospitals at our fingers' ends, we are more or less in touch with them week in and week out, and we are able to assist the member to secure entry into another hospital where there is not such a long waiting list.

9163. (Sir Alfred Watson): Mr. Rockliff said that you are able to be of use to societies in, amongst

other things, getting information for them which is not otherwise available as to the nature of the sickness of a member who is in hospital, information which is useful in the administration of sickness benefit. I do not quite understand why that information is not available to the Approved Society. Do not they have to get a certificate from the hospital?—(Mr. Rockliff): The hospital as a general rule will not specify upon the certificates which they issue the nature of the complaint from which the member is suffering. It is a document which as a rule has to pass into the hands of the patient, and for reasons of their own the institutions will not specify.

9164. I understand. I know that in the ordinary case where a person is at home and is being treated by a doctor and is in receipt of sickness benefit, it is of great importance to the society to know what is the nature of the illness in order that they can see that the conduct of the member and the way he is passing his time, and that sort of thing, are consistent with the incapacity from which he is said to be suffering; but if he is in a hospital (I assume these are in-patient cases) he is undoubtedly incapable of work or the hospital would not keep him there?—Quite.

9165. Why is the society interested then to know the nature of the sickness?—Surely one special reason why it should desire to know the nature of the cause for which a member is in an institution is as affecting the right to compensation?

9166. That is a little remote, is it not?—I do not think so. How many accident cases are admitted into institutions. Then there is the question of misconduct. At any rate, Sir, if the societies, are anxious, as they generally are, to know the complaint from which their members are suffering, and in respect of which they are paying money, we do endeavour to assist them in that regard and I do not think it is disadvantageous to the society to know in every case.

9167. I quite agree. You have answered my question. You have given me two types of case. You would not put it very high, would you?—I am not prepared to say that I put it low. The cases that go into institutions in which compensation is involved are very numerous.

9168. In the case of misconduct, which I take to be a case of venereal disease, would the patient be admitted as an in-patient of an ordinary hospital?—They have special wards sometimes for particular things.

9169. (Sir Arthur Worley): If he is in a special ward it is obvious what the matter is?—(Mr. Canter): Yes, but we are not aware of the special ward. (Mr. Rockliff): Supposing it was the John Stewart ward, you would not be aware that the John Stewart ward was evidence of a particular complaint.

9170. (Sir Alfred Watson): I thought there had been a change of practice in regard to the payment of sickness benefit in what you call misconduct cases?—In many cases, not in all.

9171. To the extent to which that point is important, it is limited by the consideration that it is not universal? Quite. (Mr. Canter): Where I have found it helpful on one or two occasions in getting this information from the hospital it has been a disease of a nature where I have been able to suggest to the hospital the advisability of early convalescent home treatment as against (or following) institutional treatment.

9172. I am sure the doctor of the hospital must have been very much obliged to you?—We have found it helpful in that direction.

9173. (Chairman): What are your views on the question of the inclusion of institutional treatment in medical benefit?—(Mr. Rockliff): I endeavoured to answer that question this morning on behalf of another organisation. It was in connection with the extension of medical benefit and the desirability of giving the doctor an opportunity of getting his patient who required institutional treatment into an institution where he could be treated.

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9174. If see that you state that very many insured persons are sent as out-patients to voluntary hospitals by their panel doctors. Do you suggest that this is often done in cases where the treatment required by the insured person falls within the scope of the panel doctor's own obligation under his contract with the Insurance Committee?—Here we are bound to say we are only able to judge from statements made by hospital chiefs, those in control of the institutions, and the answer to your question as to whether we suggest this is often done is that we are told in many cases it is done.

9175. Do you think that the out-patient department of a hospital would ordinarily be willing to provide an insured person with treatment which his panel doctor ought to provide?—Ordinarily, no, Sir, if they could avoid it. But the person who, as a rule, goes round the out-patient ward to decide whether the patient shall remain for treatment or be sent away to his panel doctor is not always conversant with the long list of cases of minor operative surgery which have been held to be within the scope of medical benefit, and therefore they probably deal with very many cases which, strictly construed, should have been dealt with by the panel doctor under his contract of medical benefit.

9176. Do I understand that you are in favour of hospital benefit as an additional benefit being extended to include payments in respect of out-patient treatment?—Certainly. We really do not see the need for the distinction.

9177. Do you think that some recognition of the services rendered by voluntary hospitals over and above those paid for out of the additional benefit money might be given by reasonable subscriptions or donations under section 26 of the 1924 Act?—Certainly.

9178. (*Sir Alfred Watson*): We have had a number of cases suggested to us where persons without dependants were in hospital and sickness benefit was being held up in consequence of their having no dependants, and it is being urged that such an insured person has not the need for the whole of sickness benefit, and that part of it ought to be available for the hospital as a matter of course. What would you say to that?—I should certainly favour such a suggestion. I should certainly favour the utilisation of some of that money for that purpose.

9179. That would mean, would it not, that the hospital would get an advantage in treating a person without dependants that it would not get where it had to treat a person who had dependants?—Yes, but the need of these institutions is great. The amount that it costs per week to treat a patient is immeasurably above the contribution you could make to the institution in respect of the treatment, and knowing the need of these institutions I should say it is not an unreasonable utilisation of the benefit to see that some portion of it passes to the institution. They provide the man with food which, if he was outside the institution, he would have to provide for himself.

9180. In every case where a portion of the sickness benefit is for the time being redundant to the person's needs, you would be in favour of the hospital that was treating him receiving that redundant portion?—I have not consulted my colleague. I do not know how Mr. Canter feels about it. I personally am in favour of it.

9181. I should like to know Mr. Canter's view?—(*Mr. Canter*): I am afraid I cannot agree with my colleague on this question. You are putting a personal point to both of us which, of course, does not affect the administration of the N.I.B.S.

9182. It arises on the evidence. I think it is not an unfair question to put?—I am willing to answer it from a personal point of view. I cannot conceive that because a man goes into an institution and whilst he is in that institution his rate of sickness benefit is 15s. a week, he should be called upon to pay a portion of that 15s. while he is an inmate, when in perhaps

nine cases out of ten that money would be necessary to him to recruit his health when he left the institution (and he has still to exist on 15s. a week after he comes out), because of the fact that it has been paid over to the institution while he has been in, and he cannot possibly regain his health on 15s. a week.

9183. He might be able to go back to work when he leaves the institution?—It is very seldom that one can go back to work immediately one leaves an institution after institutional treatment.

9184. (*Chairman*): With regard to convalescent homes, can you give us any figures of the number of cases sent to convalescent homes in a year through the agency of the Beneficent Society?—600 last year.

9185. What is the average length of stay in a convalescent home under the arrangements made by the Beneficent Society, and what is the average cost per week?—The average length of stay in a convalescent home is three weeks. The majority of the homes throughout the country will not accept a patient under a stay of three weeks. The average cost per week is 25s.

9186. Has it been your experience that there is any considerable demand on the part of insured persons for convalescent home treatment?—Yes, there has been a demand and it is an ever-increasing demand. Insured persons are beginning to realise the value of convalescent home treatment after a serious illness.

9187. What steps are taken to ensure that the persons sent to convalescent homes are really in need of such treatment?—In every case the certificate of the panel doctor or medical attendant has to be provided, certifying the need of convalescent home treatment.

9188. As regards surgical appliances, can you give us any particulars as to the number of applications received by the Beneficent Society for the provision of surgical appliances, the nature of the appliances required, and any figures as to cost?—Last year we had 437 applications, or rather we had considerably more than that, but we provided 437 surgical appliances of various descriptions ranging from an artificial leg down to an ordinary surgical bandage.

9189. At what cost?—I am afraid I cannot give you the actual cost. I have gone into the figures so far as value is concerned. The great majority are either ordinary trusses or surgical bandages. In fact out of those 437 cases there were only 60 that were above the value of £2. I might add that we have an agreement with the actual makers, wholesalers, who supply us at their rates and not retail rates.

9190. Are you in favour of the whole cost of the appliances being provided, leaving the insured person without any part of the cost to be paid by himself?—Always, so long as the money is available.

9191. As regards massage and electrical treatment, does the Beneficent Society make arrangements for the provision of massage and electrical treatment for members of Approved Societies?—(*Mr. Rockliff*): Yes, but it can only be obtained by the utilisation of section 26 of the 1924 Act.

9192. With what body have the arrangements been made?—With the members of the Chartered Society of Masseurs.

9193. Do you consider that massage and electrical treatment should be added to the list of additional benefits which can be provided by Approved Societies?—Most decidedly. I am speaking again in this case from personal experience. The Annual Report of the Ministry of Health two years back indicated that the Ministry had received a number of requests from societies themselves for the inclusion of massage and radiant heat within the list of additional benefits providable out of surplus.

9194. I suppose you would agree that such treatment should only be given on the recommendation of the doctor in charge of the patient?—We have no objection to that. That is the usual practice.

9195. Can you tell us whether such treatment is frequently recommended for insured persons by their

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[Continued.]

panel doctors?—Increasingly so, Sir, and I have listened within the last two or three weeks to the figures given by one of the surgeons of St. Thomas' Hospital as to the extraordinary number of cases where massage treatment and radiant heat treatment has been provided by that Institution not only to those who have been inmates of the Institution but also to out-patients. It really opened my eyes as to the extent to which these services are at present medically recommended and medically provided.

9196. (*Mr. Jones*): You recognise, I think, the very valuable services that the voluntary hospitals have given to Approved Societies?—(*Mr. Canter*): Undoubtedly.

9197. The payment that is being made, even if we were to add to it the benefit of dependants, would fall far short of the actual cost?—Absolutely.

9198. Supposing it were impossible because of lack of funds to cover the whole cost of the institutional treatment, how would you view a suggestion that insurance might provide for part of the cost being met, say, the cost of maintenance, the food of the patient, the items you could distinguish as maintenance as apart from treatment. How would you view a proposal that a general insurance scheme might be instituted to cover that and let voluntary effort continue to provide the medical side of the treatment?—You suggest the subsidising of the present voluntary system?

9199. Yes, I am putting it with that view deliberately—the value of the services obtained by which the National Health Insurance Funds profit?—I am afraid that if the suggestions that have been made to us for the provision out of Insurance Funds of the services we have discussed this afternoon were carried into effect the Insurance Fund could not bear one-tenth of the cost.

9200. Is not that a little beside the point? Somebody some day will have to choose which of the services are most desirable. Here is an admitted valuable service. It may be looked at in this way: Every patient who goes in shares equally as regards

maintenance. One may require a minimum of medical expense, while another, through no fault of his own, through his misfortune, requires to have expended on him a great deal of expense medically. Would it not be a reasonable proposition that the steady stream of expenditure might be insured against? It is a question of making a selection. How would you view a suggestion for a partial scheme of hospital insurance along these lines?—I would agree to a partial scheme of hospital insurance by way of taxation, but not to sectionalise the community and tax one portion by insurance.

9201. I will not ask you more. I am certainly in agreement with you.

9202. (*Professor Gray*): Just two points in connection with convalescent homes. Do you think sickness benefit is normally paid while insured persons are there?—Not to the patients whilst they are in the institution; it would be paid to dependants.

9203. I ask that because of the provision with which you are familiar which makes payment during convalescence an additional benefit. Do you think that is workable?—Yes.

9204. You think you can draw a distinction, having regard to the definition of "incapable for work" on which most societies are now working?—Yes.

9205. In spite of that, in most of the cases benefit is actually payable?—Yes.

9206. With regard to surgical appliances, are most of these appliances which you provide given under section 26 or under the old section 37?—Under section 37.

9207. They are provided in cases where societies have adopted a scheme of additional benefits which contains that?—Yes, and then only on the recommendation of the panel doctor.

9208. Do you charge the insured person or the society the net cost which you pay for the instrument?—Plus the 5 per cent. (*Mr. Rookliff*): The 5 per cent is taken away from the first donation.

(*Chairman*): We are very much obliged to you, Gentlemen.

(*The witnesses withdrew.*)

## EIGHTEENTH DAY.

Thursday, 19th February, 1925.

PRESENT:

LORD LAWRENCE OF KINGSGATE, in the Chair.

THE RT. HON. SIR JOHN ANDERSON, G.C.B.  
SIR HUMPHRY ROLLESTON, BART., K.C.B.,  
M.D., P.R.C.P.  
SIR ARTHUR WORLEY, C.B.E.  
SIR ANDREW DUNCAN.  
MR. A. D. BESANT, F.I.A.  
MR. FRED BRAMLEY.

MR. JAMES COOK, J.P.  
MR. JOHN EVANS.  
PROFESSOR ALEXANDER GRAY.  
MR. WILLIAM JONES.  
MISS GERTRUDE TUCKWELL.

MR. E. HACKFORTH, (*Secretary*).  
MR. J. W. PECK, C.B. (*Assistant Secretary*).

Mr. JOHN H. BADCOCK, Mr. ERNEST Y. RICHARDSON, Mr. BRYAN J. WOOD, called and examined.

(*See Appendix XIX.*)

9209. (*Chairman*): Mr. Badcock, I think you are President-Elect of the British Dental Association?—(*Mr. Badcock*): That is so, Sir.

9210. And you are Mr. Richardson, Chairman of the Sub-Committee on Public Dental Service?—(*Mr. Richardson*): That is so.

9211. You are Mr. Bryan Wood, Honorary Treasurer of the Association?—(*Mr. Wood*): Yes.

9212. You are giving evidence on behalf of the British Dental Association. Will you tell us briefly something about the constitution and representative

character of the Association and what are its relations to the other three dental bodies that are appearing before us?—(*Mr. Badcock*): The Association was founded shortly after the passing of the Dentists Act, 1878. Its objects were the maintenance of the honour and interest of the dental profession. It has always acted in the interests not only of its own members but of the profession generally and also of dentistry in general as affecting public health. In support of this statement one might mention its various activities: School Dentistry, Dentistry in the

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[Continued.]

Army and Navy, Dental Education, Research, and its activities in regard to the passing of the Dentists Act, 1921. With regard to the Public Dental Service we have made mention in our Statement of what it did in that direction. Up to the passing of the Act of 1921, it represented roughly three-fifths—from three-fifths to two-thirds—of the practising members of the profession. It has not so far admitted to its membership the "1921" Dentists. It has at different times approached and been consulted by Government Departments on many subjects pertaining to dentistry. It has a complete organisation covering the whole Kingdom by means of 15 branches. It maintains relations with various foreign and colonial dental societies including the International Dental Federation. Its relations with the bodies which are going to give evidence before you are briefly as follows: The British Society of Dental Surgeons is a society numbering somewhere about 400, I believe. It was recently founded because its members disagreed with the action of the British Dental Association with regard to the Dental Bill, and because they object to having any professional relations with the "1921" Dentists. A great number of them are members of the British Dental Association, and, indeed, some of them are on its governing body. The Public Dental Service Association of Great Britain consists exclusively of practitioners who are working under the National Health Insurance Act. It owes its origin to the action of the British Dental Association, and the British Dental Association is always anxious and willing to give it any help that it can by means of its larger experience, and so forth. The Incorporated Dental Society is the oldest, and, I suppose, the most influential society which represents practitioners who were unregistered before 1921. Occasionally representatives of the British Dental Association meet with representatives of that Society to discuss matters of common concern; and while their relations with it are quite amicable they cannot be called exactly intimate. I think that answers your question.

9213. If either of your colleagues wishes to supplement any statement we shall be pleased if he will do so. May I take it that you are definitely and whole-heartedly in favour of a substantial extension of dental treatment under the Health Insurance Scheme in the interest of the health and wellbeing of the community?—Undoubtedly.

9214. And that your Association desires to offer a cordial co-operation in a suitable scheme of dental benefit for the whole insured population?—Most certainly.

9215. I gather from paragraphs 8 and 7 of your Statement that you consider that the Public Dental Service Association of nearly 7,000 members would provide a suitable framework for the establishment of a dental service as a normal benefit under the Insurance Act?—(Mr. Wood): We would rather put it that the fact that a voluntary organisation of that kind, consisting of 7,000 members, has undertaken this work in a voluntary way is sufficient guarantee that out of 14,000 dentists on the Register you will get a sufficient number to run a satisfactory service for the whole insured population.

9216. You consider then that if the Health Insurance Act were extended in this way there would be no difficulty in finding an adequate number of qualified dentists to work the scheme throughout the country?—I take it the term "qualified" means qualified in the sense of being registered?

9217. Yes.—In that sense the answer to the question is yes, certainly.

9218. And that they would willingly give such service provided suitable financial terms were fixed and control arrangements set up?—Yes, there is no doubt about that.

9219. Do you propose that any registered dentist who is willing to give his services on the agreed terms should be entitled to participate in the service and to attend such insured persons as elect to be treated by him?—We think that is essential.

9220. What procedure do you contemplate for dealing with individual dentists who give unsatisfactory service?—In answer to this question perhaps you will allow me to sketch out quite briefly the sort of administrative arrangements we thought might be set up to administer a benefit of this kind. We looked forward to there being a dental panel similar to the medical panel; that there would be a Dental Panel Committee similar to the Medical Panel Committee; that there would be a Dental Service Sub-Committee similar to the Medical Service Sub-Committee; and we contemplated that possibly the lay members might be the same for both Committees; that there should be for groups of Insurance Committees (not for each Insurance Committee, because that would be too small a unit for the purpose we have in view) certain specially appointed officers, Regional Dental Officers, whose business it would be to investigate all cases of complaint as to unsatisfactory treatment or as to terms of service.

9221. By whom would they be appointed, do you suggest?—We suggest by the Ministry, in the same way that Regional Medical Officers are appointed. They would actually, as I said, act for groups of Insurance Committees, not for individual Committees. Every dentist on the panel would be supplied with forms of estimate, and when an insured person applied to him, having produced a medical card or some other means of identification showing that he was entitled to treatment, the dentist would send the estimate to the Insurance Committee, who would, if in order, approve it, and, if not in order, refer it to the Regional Dental Officer for scrutiny. That would then go back to the dentist, together with what we call the Dental Record Card of the patient, on which the dentist would fill up particulars of the treatment he had given to the patient in accordance with the estimate, which would enable his responsibility to be settled for all time as to the particular bit of work he had done. Cases of complaint would divide themselves into two kinds. One is as to the satisfactoriness of the work itself. Those, we think, should be dealt with in the first place by the Regional Dental Officer, who, we think, would be able to settle the great majority of them direct with the dentist concerned; and if not able to settle them they would be referred to the Dental Panel Committee, who would investigate them, and we suggest that their finding should be final so far as regards the fact of whether the work was or was not satisfactory. Complaints as to terms of service other than complaints as to satisfactoriness of work should be referred to the Dental Service Sub-Committee just as medical cases are referred, and the procedure would be on parallel lines to that which obtains in the case of medical services.

9222. Does what you suggest follow out the practice of what you are doing now?—No, Sir, it is an extension, and a distinct improvement on that. At present each Approved Society is a unit of its own dealing by itself.

9223. You refer in paragraph 22 to a system of supervision and inspection of dentists set up by the Ministry of Pensions. Would you give us some information as to this system?—The Ministry of Pensions have appointed five dental officers who rank as Deputy-Directors of Medical Services. They cover the whole of the country for the Ministry of Pensions. Their duty is to examine estimates—they do not examine actually all estimates, but a proportion of the estimates sent in for dental treatment, and they inspect the cases where there is complaint as to the satisfactoriness of the treatment. Their general function is to see that the estimates are in order and that the treatment is satisfactory, and they have

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power to remove a dentist from the Ministry of Pensions Panel.

9224. In paragraph 31 you refer to the importance of propaganda in oral hygiene. Does that mean health of the mouth?—(Mr. Badcock): It means rather more than that. It means not only health of the mouth, but instruction as to how to keep the mouth healthy, how to preserve the teeth, and everything in connection with dentistry as it reacts on general health. I might remind the Commission in this connection of the provisions of section 50, subsection (1) (b) of the National Health Insurance Act, 1924. As a rule that has been left in abeyance; it has been done in one or two cases, and we feel that that instruction should be carried out, and carried out to the full.

9225. That is your suggestion as to how it should be done?—Yes, Sir. There are other means by which it might be done. For instance, each patient when he is supplied with a medical card might also be supplied with a leaflet containing simple instructions as to the care of his teeth, the importance of his teeth, and so forth. I believe Mr. Alban Gordon, in giving evidence before you a little while ago, stated that his Society had found it desirable to do that; that when anyone applied to them for sickness benefit they gave them a leaflet instructing them as to the advantage of looking after their teeth and having their teeth seen to. In fact, they went further and put notices in the Press, and so forth. We believe any propaganda like that—the more the better—would pay in terms of cash. Of course it would be limited by the money that could be found for it. The Ministry of Agriculture is in the habit of issuing leaflets on various subjects which it distributes to anyone who likes to have them, and we think the Ministry of Health might do the same sort of thing. Broadcasting is another avenue of information. A broadcast talk has already been given by the Dental Secretary, Mr. Lindsay, and later by Mr. Acland, the Chairman of the Dental Board. All those activities are exceedingly valuable. Then there are travelling cinemas which might be used with lectures, and lectures to mothers, talks to welfare centres, newspaper articles, lectures for use in schools, and charts. That is important, we think. Then there is the instruction of school teachers which they would pass on to the children they teach. Then school and public health dental officers should give lectures and instruction in all cases where they can. That is a brief outline.

9226. I gather from paragraphs 11 and 12 that you consider that the dental treatment given at present as an additional benefit is unsatisfactory in several ways; that is to say, in its limited application, its varying scope, the long waiting period for transferring members, and the administrative arrangements. Broadly, may I take it that you would like it to be placed on a similar footing to that on which medical benefit now is supplied?—(Mr. Richardson): Yes, we think so, Sir. And we would like to say here, too, we are strongly of opinion that dental benefit should be made available to all persons upon their entrance into insurance, that is to say, that from the age of 16 years a person should immediately qualify for this benefit; but if on insurance grounds that were found to be impracticable we would suggest that the maximum waiting period should be 26 weeks and 26 contributions, and not, as we see has been suggested to the Commission, 104 weeks and 104 contributions. We feel strongly that the valuable work that has been done in school dental clinics will be lost if that valuable period between 16 and 18 is lost and the conservative treatment of the mouth is hampered and a gap left between leaving school and the insurance period. It can be shown statistically that the curve of incidence of dental caries shows a marked decline after the attainment of adult life, and we wish as an association very strongly to emphasise that any scheme of dental benefit which

aims only at extraction of teeth and replacement by dentures is not really scientific dental treatment of the population. We want to bring the population back to the dental conditions of 60 years ago.

9227. What about the people between 14 and 16?—Of course, we feel that that is a regrettable gap, that the school should carry on or else that there should be, as has been suggested, insurance from the age of 14. We feel that we cannot suggest these difficult financial arrangements, but we do feel that there should be a continuity of treatment from the very earliest years right on to adult life, and we feel that even on a financial basis it would pay the nation actually in money as well as be a gain to the health of the individual and the community.

9228. Perhaps you would amplify for us a little your criticism of the administrative arrangements under which the benefit is at present administered by Approved Societies? This is a matter of the first importance?—There are a great many criticisms that one could offer to the present arrangement of dental treatment under additional benefits. At the present moment each dentist deals with a great number of societies, some 500. These all practically have differing forms of administration. Some pay the whole cost of treatment, even including the portion that the patient has to pay, that is to say, they collect it from the patient first and pay the whole sum to the dentist. In other cases, the Approved Society pays a proportion of the cost and leaves the dentist to collect that portion which has to be paid by the patient. Then, societies differ very greatly in their interpretation of the scale of fees. Some are very autocratic in imposing certain limitations upon the dentist, and one society in particular has caused much friction by its abuse of this method. It appears to us that if the individual dentist had to deal with one body, say the local insurance committee, for the whole number of his cases instead of having to deal with 300 or 400 societies as at present, all slightly differing, it would enormously lighten his burden of correspondence and would lead to greater efficiency in many other ways. Also it does occasionally happen that this system causes a patient to lose the benefit especially of emergency treatment. For instance, a patient at present ordinarily applies for treatment to his Approved Society, and the society sends a dental letter; but in some cases it is laid down definitely that in the case of emergency, a case of sudden pain, the patient may go to a dentist and get emergency treatment. Some societies, when that claim has been made, have repudiated it on the ground that the dental letter had not been completed. The Commission can well appreciate how these cases create considerable friction with dentists when they realise that all these conditions had been previously negotiated, and then one individual society, perhaps 200 miles away, turns down ruthlessly the arrangement, and the dentist has little redress.

9229. There is no appeal at present?—No appeal. These little administrative difficulties tend to keep out a considerable number of men, particularly amongst the qualified, who would be able and willing and perhaps anxious to assist in the service were it freed from these irritations that I have suggested. Another very serious objection to the administration of additional benefit by Approved Societies is the position in which it places the local agents of the societies. It is a point of extreme delicacy, and I touch it with great diffidence, but I touch it with a knowledge of the facts. The fact that an agent is very often an intermediary between the applicant and the society places him in a position to influence the patient's choice of dentist in favour of a friend or possible client to the exclusion of other dentists who are on the panel. Instances might be multiplied of complaints that have arisen on this ground, but the Commission will readily understand that it is not easy to get sworn evidence in these cases to deal with them. Then there is another difficulty. There

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is a definite panel of dentists, and a great number of societies agree to recognise that panel. If any dentist has given unsatisfactory service and the local panel, that is, the Public Dental Service Association, have to deal with the case, it has been found in some cases that where a dentist has been debarred from continuing to take part in this work it has not necessarily prevented his getting work from certain Approved Societies; they have gone to what we might say were the black sheep. That also has militated against the efficiency of the panel system as at present administered. There is another point upon which I feel very strongly, that is, that additional benefit as at present administered tends to rob the very poorest of the insured population of a benefit to which they are justly entitled. The payment by some societies of as little as 25 per cent. of the total cost has meant that a considerable number of the very poorest amongst the insured classes are debarred from the benefit which they very greatly need. A census was caused to be taken in the Northern area some few months ago, and despite the fact that many societies called for the return of lapsed dental letters—and in other cases the dentists, not knowing that they were of any value, had destroyed them—it was found that 82 such cases had arisen in four months, and they all arose on the score of poverty, the utter inability of the patient to pay his proportion of the cost. That has had a second effect in some cases. A dentist, hearing the circumstances of the patient, has said: "I will accept the payment of the society's proportion of the contribution, and I will allow you to pay the balance in small monthly instalments," and in the great majority of cases, through no fault of the insured person, those have become bad debts. This whole system was started on the understanding that these were comparatively low fees, and one argument put forward for that was that there would be no bad debts. There have been bad debts in many cases. I have one case where a dentist has made 12 of these bad debts in a space of five months, a very serious loss when working on a low scale of fees. On every ground, therefore, the British Dental Association feels that we ought to have, that it is very necessary and desirable that we should have, a statutory benefit, controlled as regards the local arrangements by the Insurance Committee in the same way that medical benefit is at present administered.

9230. Are you fully satisfied that there are a sufficient number of duly qualified dentists to give an adequate service to the 15,000,000 insured persons, especially at the start of the scheme, when naturally a large mass of arrears must be overtaken?—(Mr. Wood): Yes. We are quite satisfied in our minds that there would be a sufficient number of dentists forthcoming to work such a scheme. You will bear in mind the fact that the present scheme of additional benefit has been running for some time, and that a certain number of these insured persons are already private patients of certain dentists. The number to be tackled as new patients is not so big as it would at first sight appear to be. If we might put it roughly into figures, if one took a demand rate over 15,000,000 of 5 per cent., which is apparently somewhere about the average rate of demand, that would give 750,000 cases in a year; and if we assume that there are only so few as 7,500 dentists who are willing to take part in this scheme (and for my own part I regard that as exceedingly low, I would much sooner put it at 10,000) that means a matter of 100 cases per dentist per year or two per week; and if you allow for the fact that additional benefit already accounts for some of that demand, and that some of it is accounted for by private patients, and if you then allow that the next valuation will show an increase in the number of patients treated under additional benefit schemes, it seems to me the profession will have ample time to get gradually into their stride.

9231. I gather from paragraph 25 that you suggest that this universal dental benefit should apply not only to insured persons but to their dependants. You realise the magnitude and cost of such a scheme, do you not?—(Mr. Badcock): Yes, Sir, we do, but we feel that logically and in the interests of national health anyone who is unable to pay for medical attention should have it. We feel that dental benefit must go with medical benefit. If you are able in the future to extend medical benefit to dependants then dental benefit should be extended to dependants also. If not, then it should remain available for the same class as medical benefit would be available for.

9232. That is to say, it would depend on what could be done with regard to medical benefit?—Quite.

9233. You would be satisfied with dental benefit for all insured persons as at any rate a valuable first instalment?—Yes, as a first instalment. We should hope for better things later on.

9234. Have you any views on the proposal which has been made to us in some quarters to take medical benefit and similar services entirely outside the Health Insurance Acts and administer them through an enlarged Public Health Authority? If that were done I assume that you would think that the dental service should go with the medical service rather than remain in the Health Insurance system?—Yes, it should undoubtedly go with medical service. I do not know that we have any very strong feelings as to whether it should be administered by the present Health Insurance Authorities or by a special Authority, but we are very strongly of opinion, of course, and cannot emphasise too much, that it must be part of medical benefit.

9235. Arising from paragraph 37, do you consider that there would be any serious difficulty in defining the scope of dental benefit? Would the difficulties be less, do you think, than those the Ministry has experienced in defining the scope of medical benefit?—(Mr. Wood): We think there would be no considerable difficulty, Sir, and the difficulty would certainly be less than in the case of medical benefit; the conditions are much more capable of definition.

9236. Could you give us a definition of dental benefit?—The definition laid down in our Statement pretty well covers it. The difficulty of defining what each of those items cover would not be a very serious one, but I should not like to set to work to do it now.

9237. May I take it that if funds were available you would desire a complete service, covering extractions, fillings, anæsthetics, scalings, and dentures, to the whole insured population without payment from the insured person beyond his weekly Health Insurance contributions?—Yes.

9238. But if such full service cannot be given for financial reasons we should like to have a clearer view of what you consider to be the order of priority of these five items. You give us some indications in paragraph 44?—I would like to make it quite clear that the most important thing from the point of view of national health is operative treatment as a whole. The essential thing for national health is that insured persons should have clean mouths. The provision of dentures, though in some cases necessary for health, is not, speaking in general terms, so essential as operative treatment. We find considerable difficulty in saying whether extractions or fillings should have priority. I do not think it would be possible to put that in any kind of general terms; each case would have to be decided on its merits, but it must be borne in mind that a filling that is not done is going to be an extraction at some time or another.

9239. What would be your view of a proposal to make the scope include all the surgical treatment, but that the whole or part of the cost of dentures should be paid by the insured person?—On the assumption that there would not be sufficient money to give the whole treatment, that, or something of that nature, would seem to us to be a reasonable

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thing to do. But there is this to be borne in mind, there are some persons now in insurance whose only call for treatment is dentures, and it does seem to us a little hard that these persons should be debarred in that way from treatment unless they can find some of the cost; and there is always the case of the necessitous person who we know cannot meet the cost. We feel that if provision of that sort was made there ought to be some provision for dealing with necessitous cases, either through additional benefits (but even that, of course, does not meet the whole case, because there are some societies that would not be in a position to give additional benefits to supplement the statutory benefit whatever it was), or there ought to be some discretionary power given to local Insurance Committees administering the scheme to meet these necessitous cases when it is certified that they really are necessitous, both in the sense of dentures being necessary for health and necessitous in the sense that they cannot pay.

9240. We have had a proposal from another quarter that the treatment should be limited to extractions and dentures. Would you think it wise to leave the important question of fillings untouched?—It would be most unwise. The whole object of a scheme of this sort ought to be to preserve the natural teeth, and if there is to be any concentration owing to limitation of funds, the concentration ought to be on the younger section of the community who want the fillings. Money spent in that direction is expenditure which would justify itself not only on financial grounds but on health grounds. (Mr. Badcock): I would go further and say such a proposition is injurious to the community.

9241. On the question of clinics, I gather from paragraph 20 that you are opposed to the idea of a clinic under lay control. Perhaps you would amplify your views on this point?—(Mr. Richardson): The question of clinics is a very large one. Perhaps I might at the moment emphasise the question of lay control. The Commission, especially the medical part of the Commission, will know with what abhorrence the whole medical profession looked upon the old medical club. Speaking as a dental surgeon, I do not feel qualified to tell the Commission of the difficulties of the old medical club, but I am sure the Commission can get the facts when the medical witnesses come before you. It was one of the first examples of lay control in the medical profession, and it was very speedily repudiated by the whole profession. The difficulty is that when laymen come to grapple with professional services they will use the method of trying to buy in the cheapest market, and when they have got their goods they do not always realise that they are cheap; in other words, they cannot appraise the worth of the article they have bought. One of the very essential things, and one of the things that perhaps applies to no other profession, is the peculiar relationship existing between doctor and patient or dentist and patient. It does not quite occur in the same way, we think, in any other walk of life. Lay control tends to interfere with that relationship which ought to exist between dentist and patient, and which we think is of the utmost value and ought to be preserved at all costs. There is, too, the constant risk that with lay control there will be a tendency to interfere in matters where professional judgment is paramount and where no layman, no matter how wise, can interfere and give advice or direction or instruction or criticism, and if lay control existed it would mean, I fear, constant friction and a breaking up locally of any service through that cause.

9242. On the whole, I gather that you are in favour of the panel system as opposed to the clinic system in any form, but do you not think there is a good deal to be said for the clinic on the points of convenience, economy in equipment, and minor degrees of specialisation?—Yes, I admit there is something to be said for the clinic, and, of course, the

two cases are not mutually exclusive. You might in a very populous district have a clinic organised by dentists—that is local option—the local dentists deciding to form a large clinic and organise it. So long as there was free choice of dentist and control by dentists, there would be no objection to it from a professional standpoint. It would give a certain amount of specialised treatment in that you could have X-rays, or violet rays, or ionisation, and those things that might not easily be given in a private surgery. On the other hand, there are certain difficulties about clinics. They might run well in large towns, but they would be altogether inapplicable to rural areas. To make a clinic a success there must be a constant flow of patients, and, therefore, there must be some element of compulsion about it. Unless you could drive up certain dozens or hundreds of patients throughout the whole day, the thing would soon economically break down.

9243. Could that be obviated to some extent by travelling clinics?—Travelling clinics or something on those lines might have to be employed in rural areas. In some cases we feel that the clinic might be objected to by the profession because of its tendency to interfere with private practice. Once there was a statutory benefit, and a large number of the population brought in there would be a risk that the dentists, particularly in industrial areas, would find 20, 30, 40 per cent. or more of their patients taken away and treated by the clinic, and where a particular dentist did not happen to go on the clinic he would find his practice melting away. So that, whilst in large centres it might be desirable to use a clinic, generally we are in favour of the panel solution of the matter. We believe economically it would be a saving, there would be no overhead charges, and inasmuch as for the insured population a great part of the work would have to be done between the hours of 5.30 and 8.30 in the evening a clinic would be almost impossible on economical grounds. On the other hand, if the panel solution applied, it would bring in, we think, a larger number perhaps of very desirable men, because they could do their ordinary practice between the hours of 9.30 or 10 in the morning and 5.30 in the evening, and then without interfering with that they could switch over to the convenience of the insured in the evening hours.

9244. Assuming that the local administration were entrusted to Insurance Committees, we should be interested to have your suggestion as to what central body should conduct negotiations on questions of scope, charges, and other general problems with the Ministry?—(Mr. Wood): We think there would have to be a central dental body representative of the various dental societies. There is at present in existence a body very much like that on the dental side of the Joint Committee which settles these things as far as they are settled nowadays. This dental body meets with representatives of Approved Societies. It is an *ad hoc* committee. There would be no difficulty about setting up such a body with power to negotiate with the Minister.

9245. On the question of payment, we should like to hear your views on the relative advantages of the capitation fee and payment by attendance on a prescribed scale of charges. Is there not something in dental treatment which would make the attendance method of payment more appropriate? As you know, under medical benefit, the doctor is paid by capitation, but the chemist on the basis of articles supplied and services rendered?—Whilst we are not prepared to accept the analogy of articles supplied and services rendered as applying to dentistry, the difficulty at the present moment of fixing a capitation fee on account of a shortage of data on which it could be calculated seems to us to rule it out, at any rate for the time being. There is no possibility of establishing a proper fee. We, as representing the dental profession, would probably have to

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ask for more than the service would bear, and on the other hand the Minister would have no figures to prove to us that that was too high. There is another thing. With a demand rate of only 5 per cent. it does seem to us that there would be considerable administrative difficulty in dealing with the number of persons who would not select a dentist. At the present time we have no hesitation in saying that a capitation fee is not practicable.

9246. In paragraph 46 you indicate that you have important material bearing on the question of cost of a universal dental benefit. Can you give us any figures? In particular, can you make any approximate suggestion as to what the cost per head would be in respect of a full treatment or a partial treatment?—All the figures that we have been able to obtain are of a kind similar to those which certain of the Approved Societies have already supplied to the Commission. There is nothing to be gained really in duplicating those figures. The Commission is aware that those figures vary very much. We have analysed them as far as we can from the evidence that has been given to the Commission, and we find the demand rate varies from as low as something like 2 per cent. up to round about 9 per cent. in the case of Mr. Alban Gordon's Society. Careful analysis of all these figures has suggested to us that probably a figure of 5s. is the best approximation that can be made at the present time.

9247. Is that for a full service?—For a full service, 5s. per head of insured persons. We reckon a full service could be given for that, but that obviously depends on the demand rate. We estimate from Mr. Alban Gordon's figures, which we think are the best figures that are available, that that would be about the figure. We consider his demand rate is high because his members are persons who appreciate rather more the value of dental treatment than any other section of the insured community; but at the same time we think his membership is probably among the worst dentally of Approved Societies. Mr. Alban Gordon gives a figure of 5s. 3d. We think it would be safe to reduce that to 5s. We have gone into the question as to the method in which that money should be used, and we have had advice on three separate schemes which we drew up for a proportion of benefit, assuming the 5s. we estimate would not be forthcoming. These schemes were drawn up and submitted to an independent actuary for advice. We were under the impression, when we drew these schemes up, that we were to give evidence in April, and, therefore, these schemes which I propose to hand in as a suggestion to the Commission are not perhaps quite as digested as we should like them to have been, but they do show an indication of what we have been doing.

(Document handed in.)

REPORT BY MR. R. MACNAIR JONES, F.I.A., ON  
SCHEMES OF DENTAL BENEFIT IN CONNECTION WITH  
NATIONAL HEALTH INSURANCE.

I beg to submit my opinion of the financial feasibility of the following schemes of dental benefit for all persons insured under the National Health Scheme.

*Scheme A.*

Dental benefit for all insured persons on the following terms:—

- (1) Payment in full of the cost of all operative treatment.
- (2) Payment of 50 per cent. of the cost of dentures.
- (3) The balance of the cost of dentures to be either—
  - (a) Paid by the patient, or
  - (b) As an additional benefit by the patient's Approved Society.

*Scheme B.*

- (1) Payment in full of the cost of all operative treatment.
- (2) The insured person to be eligible for denture treatment at the rate of 13s. 4d. per annum spread over a period of nine years, e.g., to a total denture benefit of £6 in nine years. The total sum may be exhausted at any period during the allotted time, but if so exhausted the insured person shall lapse from denture benefit until he has redeemed his claim to benefit either by lapse of the necessary time or by payment made to the Insurance Committee either by the insured person or by his Approved Society as an additional benefit.
- (3) In addition to the limit of £6 in each nine year period it might be necessary to fix an overriding limit for the whole period of insurance.

For example, £6 in each nine year period with a total limit of £12.

*Scheme C.*

- (1) Dental benefit (both operative and dentures) to be available for each insured person at the rate of £1 per annum over a period of 6½ years. The total sum may be exhausted at any period during the allotted time, but if so exhausted the patient shall lapse from dental benefit until he has redeemed his title to benefit either by lapse of the necessary time or by payment made to the Insurance Committee, either by the insured person or by his Approved Society as an additional benefit.
- (2) An overriding limit would probably be required in this case of a similar nature to that suggested in Scheme B, and could be either—
  - (a) applied to all treatment, or
  - (b) confined to dentures.

*Note.*—The intention of para. (1) of this scheme, and para. (2) of Scheme B is not that the insurance periods should be fixed periods running from definite dates to other definite dates, but rather that the insured person should be allowed to mortgage his right to benefit for that period of years.

In each case it is assumed that the insured person would be entitled to have his claim to benefit calculated on the whole period of his insurance.

For example, a person having made no claim for nine years under Scheme B, or 6½ years under Scheme C, would not be required to mortgage his claim to benefit for future years.

I am informed that I may assume that the average total cost per case is to be taken as £4 1s., and that the average cost of operative treatment may be taken at £1 7s. per case and of dentures at £2 14s. per case.

It is also to be assumed that there is to be no increase in the weekly contributions paid at the present by and on behalf of insured persons.

Probably the most important factor to be considered is what proportion of insured persons would in any one year take advantage of the dental benefit, and the main difficulty of the question is the paucity of data on this point.

From figures in the possession of the British Dental Association, drawn from the experience of those Approved Societies that have given dental treatment as an additional benefit, it would appear that the proportion of insured persons receiving treatment in one year varied from about 3½ per cent. to 5 per cent. In these cases the patient paid at least one-half of the cost of treatment, and the demand tended to



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decrease as the proportion paid by the patient increased. There are also data to show that where treatment is given free of cost to the patient, the demand increases considerably, and in this connection data drawn from the experience of a society where necessitous cases are treated free, show that the demand increased to nearly 10 per cent. per annum, and in a section of the experience the demand was markedly more than 10 per cent. per annum.

It is evident that the question of part payment by the patient has a very considerable bearing on the demand rate, and I have come to the conclusion that it would not be unreasonable to assume, on the information at present available, that the demand rate is likely to be 5 per cent. per annum where the patient bears one-half the cost, and 10 per cent. where the whole cost is covered by insurance, and that as the proportions paid by the patient decreased from one-half to nothing the demand would proportionately increase above 5 per cent.

I propose to report on Schemes B and C in the first case, and am of the opinion that at the present time these Schemes are not financially practicable.

I understand that it is proposed to make a fixed payment to cover the cost of dental benefit to the central authority, which payment is made possible by the value of the contributions exceeding that of the benefits as originally calculated, or in effect the dental benefit is to be met out of the surpluses that have been disclosed, including in such surpluses that part of the Contingencies Fund retained at the 1918 Valuation, which as a result of the 1923 Valuation will be set free to provide further benefits.

If the whole of these Contingencies Funds were so set free and surpluses were disclosed at the 1923 Valuation to the same extent as at the 1918 Valuation, I estimate that the average amount available for the next five years would be about 5s. per annum per insured person, and this figure probably would not vary greatly subsequently. This is, however, the extreme case, as it would certainly be necessary to keep a part in hand as a precautionary measure of sound finance, and further there would be without doubt very strong opposition on the part of the Approved Societies to a measure that would, generally speaking, result in very little surplus in the future for such additional benefits as they have given in the past.

It may therefore be concluded that this figure of 5s. per annum per insured person can only be distantly approached.

It has been suggested for Schemes B and C that there should be an overriding limit of total benefit available. If the overriding limit for Scheme C be fixed at two periods of 6½ years each, the maximum benefit that any one person could receive would be a total value of £13. In view of the great probability that more than one-half of the population really need at some time in their lives considerable dental treatment (in fact estimates have been given that over 75 per cent. have such need) it does not appear prudent to place the average present value of this benefit at less than £5 per insured person after making the necessary allowance for those the cost of whose treatment is comparatively small, and this is probably a low estimate.

This present value, namely £5, would require an average contribution of about 6s. per annum per person to liquidate it and the scheme would therefore not be practicable in view of the outside limit of 5s. referred to above.

Scheme B is even more difficult to estimate, but it would appear likely to cost at least as much as Scheme C, and would therefore be equally impracticable.

I may add that I am confirmed in my opinion of the impracticability of Schemes B and C by approaching them from another point of view. The opinion was expressed at the meeting on Tuesday last, that people in better circumstances generally spent more

on dental treatment than on medical, and some inquiry has led me to agree that this is broadly true. If it is assumed that the cost of complete dental benefit would be the same as that of the medical benefit under National Health Insurance, then deducting one-third in respect of the overriding limits imposed, an annual cost of rather over 6s. per annum is arrived at.

Scheme A or a modification of it appears to be more feasible. The patient would pay on an average one-third of the total cost, and therefore on the assumption as to demand set out earlier there would be an average annual demand of about 6 per cent. In this case the average annual cost per person insured would be 3s. 3d., so that if the demand was at the rate anticipated this scheme would be feasible financially.

It is, however, possible that in view of whole payment being made through insurance for operative treatment, the demand would be rather higher. If it rose to 7½ per cent., the average annual cost per person would be just over 4s., which would, I think, probably be regarded by the National Health Authorities and the Approved Societies as too high under present circumstances. I therefore am of opinion that although it is possible that the scheme would prove feasible in practice, it must be regarded with considerable doubt, as it so greatly depends on the rate of demand.

In view of the uncertainty and smallness of the data available, any scheme put forward must be of an experimental nature to be modified in the future when more statistical data have been accumulated, and I therefore, with all reserve, put forward for consideration the following suggested modification of Scheme A as a possible practicable compromise which, although not what is wholly desirable in the way of proper dental treatment of all insured persons, appears financially feasible, and might be generally acceptable.

- (1) Payment in full of the first 15s. of operative treatment in a fixed period of two years, beginning with the two years following a date fixed for those already insured, or with the two years following entry into insurance for new entrants.
- (2) Payment of 50 per cent. of the remaining cost of operative treatment and 50 per cent. of the cost of dentures.
- (3) The balance of the cost to be borne by the patient or by the Approved Society as additional benefit.

I estimate that the average cost of this benefit would probably be a little under 3s. per annum per insured member, and would, therefore, be covered by a payment of 58d. per member out of the weekly contributions and the corresponding State grant.

The drawback to schemes of this nature is their application to necessitous cases. It appears that the Approved Societies have power among their additional benefits to appropriate a part of the disposable surplus to meet cases of want and distress, so that in many cases it would be in the power of the societies to ameliorate this feature.

It is not improbable that a difficulty in bringing such a scheme into operation would be the further partial pooling of surplus or of Contingencies Funds that would be necessary to enable the weaker societies to carry it out, as there would appear to be some element of dislike of further pooling among the representatives of the more prosperous societies.

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The Officers and Secretary,  
British Dental Association.

9248. (Sir Humphry Rolleston): With regard to the function of dentistry, you ally it with medicine. If dental benefit is carried to its logical and ideal

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conclusion, it would be much more preventive than anything else, would it not?—(Mr. Richardson): Yes.

9249. It might in an ideal condition be a purely preventive service?—That is what we would like to see at any rate.

9250. In that way it ought really to have a prior place to medical benefit: it ought to be analogous to, say, vaccination?—Just so.

9251. You would be quite prepared to consider that it should in an ideal State be put down as a prior condition to medical benefit?—We think it ought to have been in the first Insurance Act.

9252. You did not quite take that point of view. You are anxious, and I am sure we should be glad, to welcome you on the same footing as medicine, but it really has a prior claim?—Quite, from the preventive standpoint.

9253. As regards propaganda, could it not really be brought into school education?—(Mr. Badcock): Yes, I think it could. I think it should be. It is to some extent now, I believe. It should be the duty, I think, of the school dental officer to give talks to his patients and to their parents, and generally to give what instruction he can on dental matters.

9254. With regard to the question of clinics versus the panel arrangement, if you had clinics in a large town you presumably would employ whole-time men?—(Mr. Richardson): Not necessarily. We would not care for that arrangement. We would prefer part-time dentists paid on a fee per session, because, unless it allowed all dentists in the area to come on the clinic, it would tend to injure a man's private practice and would arouse great local hostility.

9255. Still, it would be a very convenient way of utilising the young qualified dentists for a time, would it not?—It would perhaps have that advantage, but I do feel, seeing that you would be dealing entirely with the insured population, you would almost ruin the men who were doing industrial practice in a big town, the very men who have been catering for that type of patient in the years that have gone.

9256. The more this scheme of preventive dentistry is elaborated and made perfect, the greater the encroachment on private dental practice?—To some extent; but I think that would be met by having all the dentists taking part in the scheme, and we think it would be to the advantage of the insured population and of the profession that everybody should share in a scheme of that kind.

9257. As far as your Association is concerned, you would prefer for convenience, and perhaps for other reasons, that the administration of it should be run by some central body, probably through local branches, than that it should be in the hands of 500 or 5,000 Associations and Approved Societies?—Quite. (Mr. Badcock): We think it should be under the same administration as medical benefit.

9258. It should be under a body such as the Ministry of Health?—Quite.

9259. Have you considered what would be your view of a State Medical and State Dental Service?—I think a State whole-time salaried dental service would be objected to most strongly by the profession on several grounds. First, it interferes with, or it is feared that it would interfere with, the responsibility of the dentist to his patient. He would feel he was not only responsible to his patient, but responsible to some authority as well. It would be contrary to the feeling of most patients, we believe. Patients like to be able to choose their own doctor and their own dentist, and to change him if they want to. Only in such a way can you get that feeling between the patient and his doctor or his dentist which ought to exist, that feeling of confidence on the part of the patient, and that feeling of kindly interest on the part of his medical or dental attendant, which tends to the best work. A State service would, we feel sure, not tend to that end.

9260. Do you think it is a necessary part of a State service that there should be an absence of choice of dentist and doctor?—I was speaking particularly of whole-time service.

9261. Do you think it is necessary to abolish free choice?—It would limit it very materially, would it not? The patient would have to go to the State doctor or State dentist.

9262. That question has been raised before. It has been assumed that if there was a State doctor or State dentist he would be the only one just in the same way as one has not got free choice of income tax collector. Would that necessarily apply to dentist and doctor?—Until one knows the details of the service it is rather difficult to answer the question, but as far as we understand it at present, I am quite sure the whole dental profession—our Society, at any rate—is absolutely opposed to a State service.

9263. In some ways the improvements which you suggest might be met by a central organisation which might perhaps, with some little change, be the same as a State service?—(Mr. Wood): Have you any view as to a State service running a free panel in the same sense that the Health Insurance panel is a free panel? That is a different proposition altogether from that which Mr. Badcock is dealing with now. It is not quite clear to my mind as to which you are aiming at.

9264. Perhaps you would not mind explaining what you have in your mind?—As I see it, it is a whole-time salaried service. (Mr. Richardson): A whole-time salaried service in which if a patient elected to go to the dentist of his choice the whole State service would be sitting doing nothing, and gradually, because of the inherent dislike in the British mind for any State service, the whole of the work might be taken away from the salaried men and done by ordinary civilian dentists at fees and, therefore, the salaried dentist would be doing nothing.

9265. I see. I was imagining there would be a number of State dentists, and that a man would have his choice out of those, and probably would get somebody whom he liked?—(Mr. Badcock): His choice would be very much more limited, would it not?

9266. It depends on what the State service eventuated in, whether it eventuated in a very large number of the dental profession being their servants?—I think people feel that they would be under a good many irksome restrictions, and they would very much prefer to be free to do their own work in their own way, and they feel that they would do better work than they would do if they were servants of the State in that sense.

9267. In order to make your service effective it is most essential, if it is preventive, that you should have the opportunity of inspecting your patients twice or more often during the year. That is so, is it not?—(Mr. Richardson): Yes, as a matter of inspection, but there is the bogey of cost. I personally have a feeling that if dentures had been restricted entirely to insured persons over 25 years of age, and people from 16 to 25 were confined entirely to operative treatment, and some slight inducement given to young insured persons to go to a dentist once a year for inspection, it might be a great gain to the community. What I suggested was that a dentist might have authority after an inspection or any operative treatment, to prescribe a toothbrush and dentrifice. It is laid down in the medical service that there must be sufficient and necessary medicines, and it seems to me idle with insured persons to instruct them how to take care of the mouth, how to keep the gums healthy, how to brush the teeth, unless you provide them with means to do it. Dentrifice is expensive if bought in the ordinary way, but I estimate that a brush and what is necessary could be provided for 8d. per visit to the patient, and it would be a very low cost considering that 2,000,000 or 3,000,000 would probably require very little denture treatment indeed. It is surprising how a thing of that sort

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spreads. One girl in a factory would begin to get her teeth filled, and other girls would enquire about it, and, like an epidemic, it spreads, and we have to make it spread in order to get the young insured person to realise the necessity for cleanliness of the mouth and the desirability of preserving the natural teeth.

9268. Would it not be an economy from a national point of view to pay for an inspection of the mouth twice a year?—I believe it would.

9269. Rather than let the thing slide as it does more or less at present and then pay for dentures?—As a solution of the problem I believe the dental profession would welcome that. They feel strongly that it ought to be based on its preventive and not its curative side. (*Mr. Badcock*): It would be very difficult to insist on inspection. It is very desirable, but it is difficult enough to get one's patients to come for inspection as it is. Whether you would get the rank and file of insured persons to come for inspection twice a year I very much doubt. I do not see how you could compel them to do it. (*Mr. Richardson*): I am not suggesting compulsion. I am only suggesting what is an ideal. It is as well to have something in view, though it is a long way off.

9270. Can you suggest any means such as a capitation fee for attending?—I had thought along that line. Could there be any remission of the ordinary contribution in the case of a person who did submit to an annual inspection? I am not an actuary or an accountant, and I felt that I was not competent to deal with it, but as a step I would say a toothbrush and dentifrice. To some people I feel it would be an inducement.

9271. (*Sir Andrew Duncan*): I gather you visualise a state of society when care of the teeth is commenced when a child starts to have teeth and ceases when the person dies?—That is what we think it ought to be.

9272. At the moment the State has begun that kind of process to the extent of insisting on a certain amount of school dental service?—Yes.

9273. I think you also indicate that there is some dental service at an earlier age than school age; what is that?—At Child Welfare Centres. That is largely educational.

9274. How are these two services run?—(*Mr. Wood*): By salaried officials.

9275. The child has no choice?—It is rather too young.

9276. That is compulsory?—No, quite voluntary; the children are not compelled to come.

9277. Is there any risk, if you ally dental service with the National Health Insurance Act, of this complete picture which you have in mind being hindered rather than helped?—(*Mr. Richardson*): No, I do not think so. I think if it was only an instalment it would be a valuable one, that is to say, though we did not get all the inspection and early treatment that we desire. We quite realise that a great part of the industrial population have such hopelessly bad mouths that nothing but extraction and dentures will do, but as a matter of fact we do not wish it to be thought that that is our goal. We want something better for the population coming on, and that is why we wish to press the preventive side of dentistry.

9278. Is this the best next step you can take? Can you suggest no other step that would be better than this particular step?—I am afraid we cannot at the moment.

9279. Is there no solution along the line of the Public Health Authority?—(*Mr. Badcock*): If the school dental service carried the child up to 16, and then the National Insurance Act took him on from 16, you would have no gap.

9280. But you have a gap now?—Yes.

9281. Is there no suggestion that can be made for filling up that gap between 14 and 16?—(*Mr.*

*Richardson*): There are the two possibilities I mentioned when I was giving evidence on previous questions. One was that the school dental service should carry on till 16, or that you should now make the insurance age 14, which has been suggested before this Commission.

9282. As I understand it, not all children under 14 who are at school have this service?—No, it is very incomplete at present.

9283. I am assuming for the purposes of my question there is not money for everything, and I am wondering whether there is not any other direction in which the money can profitably be spent until there is money for everything. I gather from paragraph 43 of your Statement that this service will not be anything like an ideal service?—No.

9284. I am wondering whether there is not any other suggestion you can make for more properly filling in this picture which you have in your mind?—The British Dental Association has all along maintained that the only possible solution of the dental question is to start at the earliest age, continued treatment in school, and carry it right up to adult life. That is undoubtedly the picture we have always pressed. At the same time we realise that whilst you are dealing with the child you have a large part of the community who are doing the work of the country who are neglected from a dental point of view, and we feel that something ought to be done for these people who cannot afford to do it themselves. It is the old question of stopping the tap. We do wish to stop the population getting to this condition and we believe that that would be the best solution, to start young and go on up to adult life, but at the same time we are going to leave millions of the population in a hopelessly bad dental condition without any possible remedy.

9285. You are satisfied that this would not hinder fulfilment of the larger scheme?—I am quite sure it would not. (*Mr. Wood*): One would have thought it might stimulate the demand for a complete service.

9286. There is another view, but still that is a possible view?—Yes.

9287. I should not have been surprised if someone had said it would hinder the fulfilment of the complete scheme. Still I have the answer, and I am quite satisfied. Do you regard the relationship between doctor and patient as in the same category as the relationship between dentist and patient?—(*Mr. Richardson*): Almost precisely.

9288. Is there the same degree of confidentiality about it?—I should certainly venture to say it is more at times because the dentist has the power of life or death in his hands and, excepting cases of major surgical operations, that does not apply to the doctor.

9289. That is not the kind of case we are contemplating as an average case. I am thinking of the average case?—That is why we insist on free choice of dentist, because unless a patient has confidence in the dentist there is no likelihood of his going once in 10 years, let alone twice a year.

9290. I am speaking of the ordinary case. Do you suggest the relationship is the same in the ordinary case?—(*Mr. Badcock*): Dental work to be done well is very difficult. You can only do it under the most satisfactory conditions, and you can only do it if you have the absolute confidence and trust of your patient, and you are more likely to get that if your patient has chosen you as the man whom he likes to do the work.

9291. Does it not help considerably if the patient has brought himself into the frame of mind of having his teeth attended to at all?—To some extent, doubtless, but not to the same extent.

9292. (*Mr. Cook*): With regard to cost, 5s. would, you suggest, provide full dental treatment?—(*Mr. Wood*): That is our view.

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9293. Would that include the provision of dentures?—It would. We estimate that roughly two-thirds of that 5s. on the present basis would be required for the provision of dentures, but we look forward to that cost dropping and operative cost rising as the insured population become educated to the value of operative treatment. But we still think that 5s. would carry on. It would not be altered very much.

9294. And would include dentures?—And would include dentures as well.

9295. You make out a very strong case for universal dental treatment. You point out the diseases that are directly attributable to bad conditions of the teeth and mouth. That being so, do you not think it is almost a necessity that there should be a system of dental treatment based on some sort of State system that would be available to everybody?—Available to the insured population, yes.

9296. Not only to the insured population, to practically everybody, young and old alike?—Yes.

9297. Yet you are opposed to a State dental service. You point out the danger to health that the nation is presently suffering from on account of the bad condition of the teeth of the population. Do you not think the only real solution is a State dental service that would be freely available to everybody?—(Mr. Richardson): Might I reply to that question? I dare say it is within the knowledge of the Commission that the Army Medical Service is probably one of the best in the world: they have particularly highly-trained men, and the examinations to get into the Service are extremely stiff; and yet every practitioner knows that the wives of soldiers and their children, though they have free medical treatment open to them, almost invariably contract out and go to a private practitioner and pay the bill. It is not that the Army doctor is not a first-rate man. It is because he is there, and, as I have heard it said, they do not like being barked at. It is inherent in the race.

9298. Is not that a stupid prejudice which ought not to exist?—It may be. I say quite freely and sincerely that I believe the Service in the Army is magnificent, but there is that British prejudice against having one man, and not the man you have chosen, to whom you pay nothing. The Briton wants to pay something for what he gets.

9299. (Professor Gray): You set out at the beginning of your Statement certain examples where joint action had been taken before the National Insurance Act came along—Brighton and Reading. Do these examples give any information which would be of interest to us with regard to the cost and the conditions under which the Brighton dental service and the Reading Public Dental Dispensary worked?—(Mr. Wood): As far as cost is concerned, neither Brighton nor Reading was ever an economic proposition.

9300. Did they more or less cover the whole scheme of things?—They covered the whole of treatment, but they both practically amounted to rather less than one man's work on full time. They were manned by part-timers working just a small portion of the day, and in no case did the dentist ever get a proper remuneration from them. It was practically charity as far as the dentists were concerned.

9301. You mention further examples, centres established during the War at Bournemouth, Brighton, Bedford, Birmingham, and so on. Do these give any indication of cost?—Those were all staffed in the same kind of way. They provide no figures that give a reliable indication of what the cost of running a full scheme would be.

9302. With the Insurance Act additional benefits you mentioned something in the nature of a panel. It is not a panel in the sense of the medical panel?—No, it is a voluntary organisation.

9303. You make arrangements with Approved Societies?—Yes.

9304. And I suppose with the National Insurance Beneficent Society? Does not that come into the picture?—Yes.

9305. But under the agreement you make, a society does not preclude itself from going to other dentists who are not on your panel?—That is true. In some cases it does, but not in the majority of cases.

9306. In the same way I suppose, as far as the panel is concerned, the insured person in question has a right to change his dentist when he likes?—Yes.

9307. I suppose there are a good many agreements made between societies and their members with regard to dentists who are not on your panel at all?—That is to say, they sanction treatment by those dentists, yes.

9308. The suggestion you make is that dental benefit and medical benefit are alike to a considerable extent. Are there not at least two points of difference which I think must react in any kind of general scheme. Is it not the case, so far as dental treatment is concerned, that there is always the possibility, apart from cases of pain, and so on, of treatment being postponed? There are very few insured persons, or any kind of persons, who could not have something done by a dentist if they went to him?—You mean there are very few persons who do not need some treatment—yes.

9309. But they only go when the need becomes urgent?—With the industrial classes that is the tendency.

9310. In many cases nothing serious happens if treatment is postponed for six months or a year?—I should not like to say that.

9311. In any case, delay does take place?—Delay does take place at the present time. It means more work all the time.

9312. Delay does not take place with regard to medical benefit?—Perhaps not to the same extent, but it does take place, surely?

9313. Is there not another point of difference? The dentist has, perhaps more than the doctor has, a certain choice as to what he will do. If a person goes to a doctor there is an obvious illness to treat, and an obvious thing to do; but when a person goes to a dentist there is always the option at least of having the tooth out or mending it. Is not that so?—Yes.

9314. I imagine that if it comes to mending it there are various ways of mending it?—Quite.

9315. Does not that make a great difference in the kind of work a dentist may do from the point of view of payment? You suggest that a capitation fee is not a suitable way of meeting it?—I do not want to be taken as saying it would never be possible. I can conceive circumstances in which it would be not only possible but desirable.

9316. Possibly in the remote future, when all arrears are worked off and treatment is begun from the beginning?—When treatment is begun from the beginning, then it might be both practicable and desirable.

9317. (Sir Andrew Duncan): I understood your reply to Lord Lawrence to mean that you had not at the present moment the data?—At the present moment there are not the data on which to base a capitation fee.

9318. Is the absence of data as material a reason for not having a capitation fee as the answer you have just given?—Yes, I think absence of data is the main reason.

9319. (Professor Gray): With regard to the other basis, payment by attendance, it is the fact, is it not, that the dentist would have a choice of pulling out a tooth, which is perhaps an easy job, or of spending three hours on mending it?—Then it comes down, from the point of view of payment, to a question of so adjusting the scale of fees that it shall give the same remuneration on a time basis for every operation.

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9320. If a dentist has a patient on the panel system and he is not very busy he might, I suggest to you, spend a great deal of time and work on cases that come to him?—Yes. I have heard that put before. I have generally been satisfied in my own mind that certainly on the average the dentist who spends a lot of time on doing fillings rather than taking teeth out is probably a conscientious dentist who ought to be encouraged, not discouraged. In any case the check of abuses of that kind is one of the functions, we say, for the regional dental officer who, we suggest, should be appointed.

9321. Supposing you had 5s. per head more or less fixed, you suggest that that should be paid out on an attendance basis. Is not that your idea?—Yes.

9322. Would you be prepared to have the payments scaled down if there was not enough money?—To bind ourselves here and now?

9323. No. What is your suggestion? Dental treatment, I suggest to you, is a big gamble: you do not know how much work has to be done. You suggest on your present information, without committing yourself to it, that 5s. is somewhere about the sum required. In actual fact, when the thing comes along, you may find a good deal more treatment is necessary than you expect. Would the dentist be prepared, having agreed, for the sake of argument, to 5s., to scale down?—(Mr. Richardson): If it was found by the Ministry at the end of six months that there was not going to be enough money to go round, then we would like to see the dentures restricted. You could not restrict the treatment, and it would not be wise to do so, but you could cut down the cost by restricting the denture service.

9324. Your suggestion is we should start this experimentally for a year on some basis—it does not matter what—and at the end of a year we shall have some idea as to how the money is going. If there is not enough money then you take your definition of dental benefit and cut out some of the extras?—(Mr. Wood): I think one thing we suggest is that you should cut down the amount of dentures. Supposing 5s. allows 100 per cent. of dentures, cut the percentage down till you find it meets the demand.

9325. You have given us certain figures which were derived from Mr. Alban Gordon?—On that may I say that these figures have been supplemented by later ones.

9326. Where are those?—I have them here. Mr. Alban Gordon has put them in.

9327. You are referring to paragraph 27. It is, I take it, rather a difficult matter to split up illnesses into dental illnesses and other illnesses?—There are broad lines on which you can go. You can say that certain illnesses are more likely to be caused by bad dental conditions.

9328. I am going rather out of my depth here. You would not say that rheumatism was always due to dental illness?—Not always, but very often.

9329. Does rheumatism come from dampness or is that an exploded idea?—(Mr. Badcock): Largely exploded, I think.

9330. Most of these illnesses which you classify as dental illnesses may also be caused by other things?—Yes.

9331. There is no hard and fast distinction. Can you tell us the proportion of one column to the other? They are both arranged here with, if I may use the word, the index figure of 100 for 1915, but what proportion in fact do dental illnesses in 1915 bear to the other illnesses of that year?—(Mr. Wood): In 1915 the illnesses due to bad teeth were 25.5, and illnesses due to other causes 78.7, roughly 1 to 3. That is the number of new claims per 1,000 of membership.

9332. There are 25.5 claims per 1,000 of membership which fall under dental illnesses, and 78.7 which fall under other illnesses?—That is right, and the corresponding figures for 1924 are 18.4 and 95.6.

9333. The big decline is on the much smaller group of illnesses?—Yes.

9334. It is also the case, is it not—it may be within your knowledge—that most societies show a somewhat similar decline to this in the general sickness incidence? There is a drop—I do not say it goes in the same curve as this—but there is a drop from 1915 onward?—I am afraid I am not familiar with that.

9335. If you tried to get a curve which would unite both these columns, loading your "other illnesses" in the ratio of three to one, you would get the curve for "other illnesses" much less steep than the curve for "dental illnesses"?—It would be dropping much slower than the other curve.

9336. Quite so, and I suggest to you that other societies show a somewhat similar curve to what that would be. This is the point: these figures, if you combine them together, are perhaps not so different from what you would get in other societies which have not specialised in dental benefit?—I have no knowledge of that.

9337. These figures represent, I understand from the answer you have given, number of illnesses not sizes of illnesses?—That is so, the number of new claims.

9338. That, I suggest to you, also has some bearing on the interpretation of these figures?—Quite.

9339. Because obviously if one group had smaller illnesses in duration it might make it difficult to draw any conclusion?—Yes. It might be the other way.

9340. It leaves an uncertain factor which is not quite explained by these figures?—That is so.

9341. To understand these figures completely one would have to know not merely the number of illnesses but their magnitude?—Yes.

9342. I should like to give you an opportunity of re-stating your position with regard to lay responsibility. I am a layman. You agree that any profession or any trade has a certain responsibility to the public at large?—(Mr. Richardson): Undoubtedly.

9343. You quoted the case of the medical service. To whom are the medical people responsible and how are their payments fixed?—(Mr. Wood): They are responsible to the Ministry in the ultimate end, or to the local Insurance Committee.

9344. It is a lay negotiation, is it not?—That is on terms of service, not on treatment.

9345. It is the question of payment you are troubled about. You suggested that laymen would not be able to appraise the value of the article?—(Mr. Richardson): What I had in mind there was the question of laymen coming into a clinic. Suppose there was one on a committee and he came in and observed you doing some sort of dental operation, root filling, or something of that sort; supposing he said to the dentist, "If you extracted that tooth it would only cost 2s. 6d., why do you do root filling?" that would be very irritating and viewed as exceedingly stupid by the dentist. That is what I had in mind, not financial matters on which the layman might be of more value than a dentist.

9346. I think if you read your answers you will find that they rather give the impression that the layman is to be excluded from expressing an opinion as to how the thing is running, or even at one point from appraising the value of the article given, that is to say, the fee to be paid?—No. The point there, too, was the question of the appointment of certain doctors or dentists. It has arisen frequently. I can give you a case. If an ordinary dental surgeon wants an assistant he would do one of two things: he would write to the Dean of his school and ask, "What sort of student was this, what is his record, what prize did he take, is he a conscientious operator?" and he at once gets down to bed-rock, the ability of the man to discharge a professional function. But when the ordinary body of laymen appoint, sometimes, a school dental officer I have known them to pass over three

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first-rate men and take an ordinary man simply because they had not gone to the fountain head to get information. They were not able to appraise from a professional standpoint the value of the man.

9347. (*Sir Andrew Duncan*): You have known prizemen not be anything else than ordinary men?—Yes, I was thinking of the nature of the prize he won. (*Mr. Wood*): We have in view, too, the actual fact that we have met Approved Society officials who have said that a particular kind of service was a more efficient kind of service than another. Obviously from the details they gave, they had not the least idea of what was an efficient dental service, and what was not.

9348. (*Professor Gray*): I am not concerned to argue the point. I wish to give you an opportunity of elaborating certain answers which I think are liable to be misunderstood. A good deal has been said about annual inspection and bi-annual inspection. Do you know of any scheme where in fact provision is made for such a thing taking place?—It occurs in the school dental service, of course.

9349. I am thinking of the National Insurance Act?—(*Mr. Richardson*): Children under the Poor Law are constantly done. They have contracts for bi-annual inspection and treatment.

9350. You are not aware of any scheme under the National Insurance Act additional benefits, under which there is provision made for an annual inspection?—No, I know of none. (*Mr. Wood*): That is one of the difficulties. Approved Societies look askance at a person who asks for dental benefit twice in the same year.

9351. Such a thing could perhaps only be done in the case of an Employer's Society where the society is run by the employers with a certain hold over the employee. It might be done there?—It might be done there.

9352. With regard to the question of confidence between dentist and patient, what is your experience as a dentist yourself? Do not you find in a way that people are more conservative with regard to dentists than they are with regard to doctors?—(*Mr. Richardson*): In the sense that they do not change so much, I think that is so.

9353. In the sense that when they leave Edinburgh and come to London they may go back to Edinburgh to their dentist?—Yes.

9354. Is it the case that most dentists do in fact have patients scattered all over the country who come to them?—(*Mr. Wood*): Undoubtedly.

9355. (*Mr. Bramley*): Have you any general statistical evidence to submit to this Commission showing the effect of bad teeth on the general health of insured contributors; in other words, could you indicate by general statistical evidence to what extent these proportionate reductions in dental illnesses could be effected?—Statistical evidence on that point, I am afraid, is not available.

9356. There is nothing on record?—I do not know of anything.

9357. Can you give us any information of a general character indicating the probable increase of insurance liability due to illness caused by bad teeth?—(*Mr. Richardson*): All one can say about that is that one finds in practice the thing constantly arising. After two or three years a medical man says to his patient, "Well, I have told you to have your teeth attended to for years; unless you go and have your teeth attended to, no further medical treatment is of any value." One sees that in one's own practice. They come, and one is horrified to find the condition of the mouth. It is obvious that no improvement in health could take place till the mouth is put into proper condition. That is not an isolated case. I am attached to a dental hospital. We get a lot of insured persons there because there is no adequate and full treatment of dentistry under Health Insurance. We are constantly getting insured

persons who come with most hopeless mouths and get them put right.

9358. Apart from statistical or professional evidence of that general character, are you prepared to suggest that the cost involved in a dental service such as you have suggested, could be recovered by reduced liability amongst all insurance contributors out of Insurance Funds? Would there be some saving effected?—(*Mr. Wood*): There would be some saving. To what extent it is almost impossible, I should say, to estimate.

9359. Have you any opinion regarding the financial re-adjustment that may take place?—One's own opinion, for what it is worth, would be that you could certainly save one-third of the cost of dentistry and possibly more.

9360. I am trying to get evidence which would indicate that the increased cost in one direction could be compensated for by reduced cost in another direction. Eventually the question of cost will be the determining factor. If you could give us any evidence indicating that the cost of dental service could be compensated for by a reduced cost of medical benefit or sickness benefit, in other words, if you could indicate to us that the cost of Health Insurance administration could be relieved in some way by improved health due to dental care and attention, that would be very valuable. That is the point I was dealing with. With reference to proposed propaganda in schools by means of charts and other things to instruct children how to take care of their teeth, would you suggest that a similar kind of propaganda would be useful in factories?—(*Mr. Badcock*): Most useful, I should say, wherever it can be introduced.

9361. Therefore you would suggest that a general system of propaganda regarding the care and preservation of teeth would be extremely valuable?—Most valuable. Of course at the present moment the Dental Board of the United Kingdom has a committee sitting on that question, and the British Dental Association is represented on it.

9362. With reference to the suggested difficulties between laymen and professional medical men, I am specially interested in that question. Do these difficulties arise from individual prejudice or do they arise from the collective policy for which the British Medical Association as a body may be held responsible?

9363. (*Sir Andrew Duncan*): Or the Dental Association, I think?—(*Mr. Wood*): The charge is not against us, the charge is against the British Medical Association.

9364. (*Mr. Bramley*): That is the point. Do the difficulties arise from individual prejudice—or if not prejudice some other word to describe some sort of professional safeguarding policy—or is there any collective difficulty created due to the operations of the medical profession acting in accordance with their professional policy?

(*Sir Andrew Duncan*): I do not think the witnesses before us can answer for the medical profession. They are here for the dental profession.

9365. (*Mr. Bramley*): Quite so; but when they call our attention to certain difficulties I take it we are entitled to ask them if they have any evidence showing that these difficulties are Trade Union difficulties created by the profession, or whether they are individual difficulties?—(*Mr. Richardson*): The point I raised, Sir, was the old medical club. The old medical club was a body—they might be miners, they might be any trade—who met together and decided that they would have a doctor and pay him so much a week. It was under that system that the abuses I spoke of arose. I cannot go into it, I have not all the facts. It had nothing to do with professional prejudice at all.

9366. With regard to the question of providing a sufficient number of fully qualified dentists to give an adequate service to 15,000,000 insured persons, you are aware, of course, that the number of insured

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persons may be increased within a few years' time?—  
(Mr. Wood): To what extent?

9367. I am not able to measure exactly to what extent. I think I had better in the first instance limit my question to the 15,000,000. You do suggest that there are in existence a sufficient number of fully qualified dentists to provide the service that you outline in your scheme?—That is to say, dentists on the register, yes.

9368. I do not know where they are, but you say there is a sufficient number?—The term "fully qualified" is my trouble. If by "fully qualified" you mean dentists on the register the answer is Yes.

9369. There is no indication in your Statement as to where they are: the only suggestion is that they are there somewhere, they are in existence?—Quite.

9370. I suppose you are aware of the fact that a very large proportion of insured contributors are not receiving dental attention at the present time?—That is true.

9371. I think it would be safe to say a very large percentage of the wage-earning population receive no dental treatment of any kind whatever?—Or very little.

9372. Very little after school age?—Yes.

9373. And a large number of them none?—Yes.

9374. Supposing the qualified dentists were called upon to meet this contingency; you suggest that it could be done?—Yes, I feel quite confident about that.

9375. What are the dentists doing now; are they unemployed?—There are quite a considerable number unemployed, but there are a great many more who are under-employed. The great thing in calculating this is the demand rate. After all, these insured persons who need treatment and who have not had it are not going to rise up in one body and come and demand it straight away. Dental treatment is not so popular as all that, popular though it may be.

9376. That is the difficulty I have in reading what I take to be your assertion that there are a sufficient number of fully qualified dentists?—(Mr. Richardson): What do you mean by "fully qualified"? I do not think we quite understand.

9377. It is not my term.

9378. (Sir Andrew Duncan): Lord Lawrence asked you whether in your view there were enough fully qualified dentists to undertake this service, and you answered that in your view there were enough dentists on the Register to undertake it?—Yes.

9379. That is what Mr. Bramley is referring to. (Mr. Wood): Number of dentists on the register? That is the point we are addressing ourselves to.

9380. (Mr. Bramley): That is the point. What I am concerned about is setting into motion a scheme of this kind and then discovering subsequently that we have not a sufficient number of qualified persons to work it?—If I may elaborate that, the figure I gave in evidence was based on a 5 per cent. demand. The United Women's Insurance Society have been working a scheme of dental benefit for nine and a half years. Their membership consists of a class to whom dental benefit will probably be more attractive than to any other class of the insured community; they are more likely to demand dental benefit than anybody else; and their demand rate at the present moment after nine and a half years is 9 per cent. of those eligible for benefit. Therefore I take it it is a perfectly safe supposition to work on a demand rate not exceeding 10 per cent. at the moment. It will rise above that in the future. That 10 per cent. gives four new patients per dentist per week, working on a figure of 7,500 which I do not believe is anything like the figure. I do not think there is any practising dentist who will say that service will not be forthcoming quite easily. It might need some adjustment in the distribution of practitioners, but there are enough young men to work the service quite easily.

9381. (Sir Andrew Duncan): It might mean working more than eight hours a day?—Yes, but it could be met—I am sure of that—without any undue strain on the profession.

9382. (Mr. Bramley): Taking into consideration the enormous number of persons involved in the scheme, taking into consideration the enormous increase in dental labour that would be needed to work it, taking into consideration your suggestion that a system of special propaganda in schools and factories should be inaugurated, and that there should be a system of proper care of teeth beginning at a very early age, followed through the school into the factory, do you suggest, taking all these things into consideration, that the dental profession would only be reasonably employed if the scheme was worked?—Taking into consideration the fact that all these things must be things of comparatively slow growth.

9383. Take the question of propaganda, you could not have your propaganda run entirely by people who were not members of your profession?—(Mr. Richardson): Oh, yes.

9384. You would have to have propaganda based on dental knowledge?—Yes.

9385. There would have to be some proportion of your profession devoting their attention to work of that kind. Taking into consideration all these things, the care of the teeth of children from an early age to school, from school to factory, and from factory to a later age, do you think you could staff the dental service you suggest?—(Mr. Wood): If you ask me to envisage a complete scheme as we suggest absolutely in being and working at the present moment the answer is no, certainly not, but if you envisage it growing up then I think the dental profession may be relied upon to meet the demands of the scheme as it grows. (Mr. Richardson): There is this point. Four new cases a week might mean 20 hours, or even more than 20 hours, work by the mechanic in the workroom. There is an enormous number of unemployed mechanics and they could be absorbed readily. It does not mean all dentists' time.

9386. I am concerned about the unemployed dentists' mechanics. A great number of them must be spending a good deal of their time, half their potential professional time, in doing nothing?—Not quite as much as that.

9387. (Mr. Jones): I am sorry to come back to the question of lay control, but I want to clear my mind on a statement you made. My recollection is that in describing the control of the professional services you suggested a dental panel who would decide finally—I think that was the statement made—on the question of the quality of the service. Am I right in that?—(Mr. Wood): Yes, as to the satisfactoriness of the work or otherwise.

9388. You will agree, I think, that the scheme of committee control such as exists for medical benefit would reasonably meet your requirements?—Yes.

9389. Take the analogy of medical benefit. Have the doctors that privilege?—Is there any sort of tribunal which can question the actual nature of the professional treatment that a doctor gives?

9390. There is the Medical Service Sub-Committee under the Medical Benefit Regulations. They do not take into question whether the doctor has diagnosed diphtheria correctly unless it was a habitual thing?—That is the sort of thing one has in mind, as to whether a particular filling or particular denture is or is not professionally a satisfactory job.

9391. If the doctor made up a wrong prescription with injury to the patient—and that is not without precedent—would not you think that was a matter that should reasonably be inquired into and considered by the governing body?—Established that he had made up a wrong prescription, yes.

9392. Supposing an insured person made a complaint to that effect, would it not be a reasonable function on the part of the governing body in the case of medical benefit through the Medical Service

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Sub-Committee to inquire into that and to have the complaint established or otherwise?—On the ground of carelessness, yes.

9393. You would not propose to exclude such items as that which affected the efficiency of the service, would you?—(Mr. Badcock): I do not think we can deal with the medical point of view.

9394. I am only taking the analogy. There is a Panel Committee which considers medical service. They do not have the final power of determining matters in relation to the quality of the service as regards medical benefit?—(Mr. Wood): No, there is nobody that has that power as far as treatment itself is concerned.

9395. The Insurance Committee, I think, might express an opinion if it thought fit. Something analogous might arise in connection with dental service. Is it reasonable to ask that you should have your case wholly determined by a professional committee when the medical profession do not have it?—What I had in mind was the question of unsatisfactory dentures. That is the main thing.

9396. Let me take the case of unsatisfactory dentures. Is it not reasonable that the authority which is paying the cost should be able to satisfy itself, arising out of a particular complaint, as to whether the insured person had received proper dentures, and whether the authority as a whole was receiving a proper return for the money it was spending?—Who is going to judge that? A lay committee cannot judge whether a denture is satisfactory or not. A professional committee can be trusted to settle that on the facts. What is to be done after the facts are established is not the function of the dental panel committee at all.

9397. Is there any limit on the functions of Insurance Committees under the Act for investigating any aspect of a complaint?—I am not cognisant of any case where the pure question of the suitability of the treatment itself, as apart from breaches of terms of service, has ever gone before a Medical Service Sub-Committee.

9398. There are medical members on the Medical Service Sub-Committee and there are laymen. Do you think it is reasonable that the dental profession should ask for something that the medical profession have not got?—I did not think we were. I thought we were suggesting something that does exist in the case of medical benefit. (Mr. Richardson): Our intention was that it should be absolutely on all fours; that purely professional matters should be examined by a professional committee who would report to the Dental Service Sub-Committee who would decide what was to be done.

9399. (Sir Andrew Duncan): On a question of fact which can only be established by professional evidence you think the profession alone should be concerned. The fact being established, the committee, however formed, might decide what action should be taken?—(Mr. Wood): Yes. Medical cases are dealt with in the same way by the Medical Service Sub-Committee.

9400. (Mr. Jones): The Insurance Committee has the final decision in the matter?—Quite.

9401. You are asking for something more than the medical profession have. Again, with regard to school dental clinics, you say that is a very valuable work. These clinics are governed by the Education Authority. Is that a lay body?—Yes.

9402. You have also a series of clinics—public health services, maternity and child welfare and tuberculosis, governed by the Town Council. Is that a lay body?—It is, and we have consistently urged that the authorities concerned with all these services should be controlled by dental officials.

9403. Is it reasonable to ask that somebody should have control who is not responsible for payment?—Administratively, certainly.

9404. You think the British public are likely to agree to it?—I admit administrative control but not any lay detailed control. Certainly not.

9405. Have you ever heard of any lay member of an Insurance Committee, or Town Council, or Board of Guardians, seeking in any way to interfere with the professional man in his treatment of a patient?—In a general sense, yes: in a general sense that a professional official has been urged to give treatment on certain lines rather than on other lines.

9406. My experience, which is fairly wide, is very much to the contrary, that the professional man is left entirely to exercise his own discretion in the professional treatment of his patient and that the lay control is limited entirely to what you would call administration and what one might call disciplinary control. Do not you agree that is a reasonable division?—Yes.

9407. Is not that how it works out in actual practice?—With the ordinary reasonable layman, if I may put it in that way, that is how it works out, and there is very little objection to that. The trouble comes when you get the unreasonable layman who does insist on having more control than he ought to have.

9408. Have you ever heard of any member of your profession being seriously prejudiced because of the interference of one individual?—Yes.

9409. Did not the other reasonable individuals on the Committee uphold your professional man?—They tried very hard to.

9410. One individual is not the governing body?—In some Approved Societies one individual approximates very closely to being the governing body.

9411. You are not visualising government by Approved Societies which is not regarded as popular government in any sense?—That in the case of clinics is the very thing we are afraid of, the establishment of clinics by Approved Societies.

9412. I am not visualising clinics administered by private bodies, but clinics administered by public bodies. Is not your fear on the question of lay control (and no doubt your profession would get representation in the same way as the medical profession have) somewhat exaggerated. After all, has it seriously prejudiced the profession?—(Mr. Richardson): The point I mentioned in reference to that was entirely Approved Society control. We would have no objection to what you have visualised now, provided there was some dental representation on the governing body. That is educated control. We do not mind that in the least.

9413. (Mr. Evans): With regard to school clinics, you spoke highly of the work done in them?—Yes.

9414. You are satisfied that where the work is done it is done well?—I would not say in every case, but in a large percentage of cases I believe it is very well done. It has to be well done, because if work is badly done for a child it comes home to roost very quickly.

9415. If the work is well done under those authorities why are you so afraid of a State Dental Service? You have it in miniature there, have you not?—Yes, but it does not deprive a large part of the population of choice of dentist. It is purely voluntary, and if a child, having been examined, is advised to take treatment, it need not go to the clinic.

9416. Must it not go somewhere?—It is not forced.

9417. It is almost compulsory, is it not?—To this extent, that they make it annoying to the child if it is not done.

9418. If a child wants to go to a secondary school it must have its teeth attended to?—If not they would probably bar it.

9419. Could you tell us to what extent School Clinics and Infant Welfare Clinics during the last ten years have effected improvement in the teeth of the population? The children of ten years ago are the young manhood and womanhood of to-day. To what extent has the general health been improved by that service?—It would be very difficult to say, and certainly impossible to give statistics, because it has been an incomplete service. The only case I can



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quote where the service has been anything like complete is that of Cambridge, and the improvement there has been remarkable. The Commission can easily get the figures. They show the wonderful effects that can be achieved by school dentistry when it is applied to almost the whole of the school population.

9420. If a panel system were established for dentistry, the treatment of teeth and the quality of the dentures would necessarily vary?—Yes.

9421. Do you anticipate any difficulty at all in arriving at the various charges that must be made under the panel system for these varying types of treatment and the different kinds of dentures supplied?—No. You must have only one scale of fees. You could not have one dentist paid a certain remuneration and another dentist paid another remuneration unless you were to allow the patient to elect to pay a proportion. Supposing a patient wants a gold case, you cannot say that is a health service; it is too expensive, but if the patient elected to have the gold case and it was desirable and the regional dental officer said there was need for it, e.g., for a public speaker or singer, then the Insurance Committee might allocate the ordinary charge for that service and allow the patient to pay the extra. That is the only way in which it could be done. The control of what we would call defective work would be in the hands of the regional dental officer, and if the work was repeatedly bad the Insurance Committee would have to take action and report to the Minister, and such a person would be removed from the panel. That is the discipline we want to see established to ensure that public money is not wasted by bad work.

9422. We have been told here that the medical panel service is not altogether satisfactory, particularly in London?—I must allow London to speak for itself.

9423. How do you feel yourself? Are you satisfied that if you had a similar service in dentistry you would obviate that dissatisfaction?—It is a difficulty of supervision, and that is why we insist on supervision. I believe if a regional dental officer was appointed for a group of Insurance Committees the actual amount of work he would have to do by way of supervision would be small, the effect is largely psychological; but I think it would have a marked effect if the dentist knew that a man of wide experience and training were going to look at his work.

9424. (*Miss Tuckwell*): You began your evidence by saying that you hoped to get the condition of people's teeth back to that of 60 years ago. Were they all right 60 years ago?—They were enormously better than they are to-day. I am not saying they were all right. There has always been need for dental work. There is no question when you come to see what we describe now as the older generation but that they had wonderful teeth. Even now one comes across people of 70 years of age with complete dentures, a thing which I am afraid will not obtain if present conditions go on in the industrial classes.

9425. You think increased economy would be effected by a large dental scheme for teeth as well as for general health?—Yes.

9426. And that gradually you may be able to run the whole thing a great deal less expensively than when it is first initiated?—(*Mr. Wood*): Certainly.

9427. I should like to know what a qualified dentist is. Once or twice when the question has been put to you the answer has been given with hesitation. Do you mean a man on the Register?—The term is used in two senses. It is used in the sense in which the Chairman used it, anyone legally qualified to practice dentistry, that is to say, a dentist on the Register, and it is used in its restricted sense, a dentist who possesses an academic qualification, not necessarily academic, but a qualification by examination from the Royal College of Surgeons or from a University. That was our difficulty in knowing quite what the question meant.

9428. (*Sir Humphry Rolleston*): Would it not be satisfactory from the point of view of this Commission if they were assured, as I believe they can be assured, that these two terms which seem to have created a good deal of bother, "Fully qualified" and "Registered," are practically synonymous?—(*Mr. Richardson*): No, not quite.

9429. For the purposes of this Commission?—That any dentist who was on the Dental Register should be eligible to treat National Health Insurance patients, yes, certainly.

9430. (*Miss Tuckwell*): You mean he is good enough to treat anybody?—Yes, he is legally qualified to treat anybody.

9431. I still do not understand. There seems to be hesitation as to this gentleman's qualification. You represent the cream of the profession, do you not? I want to know if these people who are on the Register are, all of them, good enough from your point of view to treat anybody?—That is an extremely difficult question to answer. We would not like to cast a slur upon anybody. (*Mr. Badcock*): They have been recognised by the Government as being efficient and put upon the Register. When the Act of 1921 was brought in a number of men were placed upon the Register who had not obtained any qualification in the sense of having undergone any training, and they were put upon the Register practically by reason of their vested interests. They had to show that they had been practising for a certain number of years as dentists, and when they could give that evidence they were put upon the Register without any other question being asked, and they are now legally entitled to practise dentistry. Nobody who is not on the Register may practise dentistry now. It is a penal offence.

9432. So that when you answered Mr. Bramley's question that there would be plenty of men to take it up you meant men on the Register?—(*Mr. Wood*): Yes. But you must bear in mind that later on when the men who were taken in under the 1921 Act have passed out of practice the Register will be wholly composed of men who hold some, what we may call for convenience, academic qualification.

9433. How long will that be?—The lifetime of this generation, presumably.

9434. In the meantime the dentistry will not be as good as it will be in another generation?—I think that is quite a safe thing to say. (*Mr. Richardson*): Not over the whole profession.

9435. You said very often medical men sent you patients. Do not oculists send patients to the dental profession also?—(*Mr. Wood*): Yes.

9436. You suggested that dental benefit was on all fours with medical benefit, that dental benefit should go hand in hand with medical benefit and not any quicker? What did you mean by that?—(*Mr. Richardson*): We felt it had gone slower for so many years it was no use suggesting it should now go quicker.

9437. But representing the profession and feeling the importance of it, you would not put any limitation on the dental scheme, would you?—Compared with anything else, no, certainly not.

9438. If we have a complete system of dental treatment at school clinics and at maternity and child welfare centres for the treatment of children, why do you want them in again as dependants in your scheme under Health Insurance? Are not the two things contradictory?—(*Mr. Wood*): But there are other dependants of insured persons, such as the wives, who would not be eligible for treatment at the maternity centre. It is not every wife who is eligible for maternity benefit.

9439. In your scheme you are eliminating the children?—Yes.

9440. You have not thought of these as two alternative schemes?—They are supplementary, surely?

9441. They may or may not be. If you take adults and their dependants you might treat them in their

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homes, might you not?—Rather than at the school clinics, you mean?

9442. Yes?—We had always thought of the school dental service going on.

9443. I see that, but I wanted to be sure in what way you distinguish children from dependants?—Yes.

9444. As dental treatment provided at maternity and child welfare centres and for children of school age is free you are thereby making your scheme not so expensive as it otherwise would be?—Yes.

9445. In paragraph 41 of your memorandum you seem to me, if you will excuse my saying so, rather to hedge. You there talk about the complete scheme being too expensive. Do not you think the repair of the economic loss, gradually improving the efficiency of the nation, will make up for that?—We have no hesitation in saying that a complete dental scheme is desirable, and on national grounds would probably be justifiable on financial grounds alone, but it is certainly desirable. We do not wish to run away from a complete scheme at all.

9446. It is such a pity that you introduce finance. I think that might be left to the Commission. It would be so useful to get your views as to what you want and to leave the question of finance to the Commission. You do feel the enormous importance of a complete scheme, do you not? May I direct attention to the first economy you propose? You say if it is found too expensive give up dentures. We had evidence at the last meeting of the Commission that 92 per cent. of the people who want their teeth looked after cannot afford dentures. Supposing you drop dentures from your scheme, what is going to happen to those people?—(Mr. Badcock): It depends whether you are thinking of the present or the future. It is the children and young people who are really important from the point of view of the future. (Mr. Wood): If you have to limit your cost it is better to concentrate on your young people and prevent them getting into a state that needs dentures. If you need not limit your cost, by all means give dentures. We agree that it is desirable, but if you have to limit it, it is more desirable to give up dentures than to give up operative treatment.

9447. You really would be prepared to advocate a scheme under which you take people's teeth out and do not give them dentures in cases where they cannot afford to pay for them?—No, we expressly reserve the necessitous person. We think he ought to be supplied with dentures where he requires them from the point of view of health. But in the vast majority of dental cases a good many would be better without teeth than with the teeth they have got, though they would be better still if they had dentures. A clean mouth is the first essential. (Mr. Badcock): A toothless mouth if it is clean is better than a mouth with teeth in if it is dirty, apart from dentures.

9448. I suggest to you that it really is not a possible proposition. Nobody offering himself with a toothless mouth could get work. That is what made me say it is a pity that the proposition was put forward. It would be better to recommend to us the entire scheme without suggesting any economy like that?—(Mr. Richardson): We do most unreservedly then. (Mr. Wood): The suggestion of limitation of cost was put to us; it was only a question of which was the best way to do it. (Mr. Richardson): We hear so much about economy in various Departments that we hesitate to suggest anything.

9449. (Sir Arthur Worley): I take it you do recommend the whole scheme?—Yes.

(The Witnesses withdrew.)

Sir FRANK COLYER, K.B.E., and Dr. E. W. FISH, called and examined. (See Appendix XX.)

9462. (Chairman): You are Sir Frank Colyer, President of the British Society of Dental Surgeons?—(Sir F. Colyer): Yes.

9463. And you are Dr. Fish, member of the Council of that Society?—(Dr. Fish): Yes.

9450. It was put to you that assuming it was not possible to have the full scheme, what are the points on which you would concentrate, and your answer to that was that you would concentrate on the young person, because by that means you would prevent in the future many cases requiring dentures?—Quite so; we should concentrate on the operative side.

9451. The figure you indicated was 5s. per head per annum, which would mean a cost of £3½ millions?—Quite right.

9452. I think you have indicated that there might be, looking forward to the future, not immediately, a saving in sickness and medical benefits of perhaps about £1½ millions. So that from a commercial point of view, looking at it as a matter of debit and credit, we are going to be short by £2½ millions. We are going to pay £2½ millions for which we shall not get benefit, because the whole benefit comes back in the £1½ millions or £1½ millions, whichever you choose?—We maintain that it comes back in the health and comfort of insured persons.

9453. There are two words there—health and comfort. This is not a comfort scheme at present?—No, when I talk of comfort—

9454. I am putting it to you that your figures go to show that the cost is £3½ millions, and I am not at all sure that that £3½ millions is large enough, because I am not at all sure that it will not be on an ascending scale?—We believe so, but we hesitate, in the absence of definite figures, to say so.

9455. With regard to that 5s., how much is for material and how much would really fall into the pockets of the dentists in the shape of fees. There is a certain proportion you have in your mind?—(Mr. Wood): This is quite a rough approximation. I would estimate that the cost of producing the dentures, that is the mechanic's time and material and everything else, might be taken roughly at 1s. 8d. I do not want anybody to bind me down to these figures, particularly my own professional brethren. That is roughly what it amounts to; 1s. 8d. out of 5s.

9456. This scheme, a complete service for 5s., would roughly put £500 a year into the pocket of each and every dentist?—No, not in addition. Some of that has already been paid, quite a considerable amount.

9457. You said before that none of these people, or very few of them, ever went to a dentist?—I never said so. I particularly did not say that.

9458. What I have in mind is this: that you have 7,500 dentists, and either they are fully employed or they are not. You say they are not fully employed. Obviously to cope with such a large influx as is represented here, even allowing that a proportion of these people do go to the dentist at the present time, it would be a very substantial sum, and I was thinking that ought to be a matter that you should take into account. That is additional money that would come in without any further on-cost in any shape or form?—It does mean some increase of cost.

9459. Only in the dentures. It does not mean more in the house. I am not going to argue it. I put it to you, because at a later stage it may be brought up again. It does strike one as a large addition that 7,500 gentlemen should have £500 a year each placed at their disposal?—I would much sooner you took 10,000; that is much more likely than 7,500.

9460. £10,000 a year?—No, 10,000 dentists rather than 7,500.

9461. I am quoting your own numbers?—I gave that as the absolute minimum.

(Chairman): We are much obliged to you, gentlemen.

9464. Would you indicate to us the constitution and representative character of the Society, namely, what type of dental surgeon it represents, what is its membership, and to what extent it is representative of the dental service of the country at large?—

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(*Sir F. Colyer*): That is rather a difficult question to answer in public, as a matter of fact.

9465. Tell us what you can?—At the time of the passing of the Dental Act which admitted the "1921" men to the Register, the British Dental Association only included properly qualified men. Then they passed a resolution giving power to admit the "1921" men. The British Society of Dental Surgeons was then formed because some of us maintained that we must have a society representing purely qualified men. Directly the British Society of Dental Surgeons was formed, the British Dental Association had a referendum which completely altered the whole thing and for two years they did not admit these men. Two thousand people agreed to join the Society of British Dental Surgeons, but when this alteration was made by the British Dental Association we fell to 250 or 300. Six months ago they decided to admit the "1921" men. We then called another meeting, and, to make a long story short, they have put off the question of admission for two years. If the British Dental Association alters its bye-laws and admits "1921" men to its membership, there will be an addition to the strength of this Society of about 2,000. As far as the Society is concerned, they will only have amongst its members those who have had a proper hospital training and are qualified dentists.

9466. I suppose we may take it from paragraphs 2 and 3 of your Statement that you are fully convinced of the serious and widespread nature of dental defects and that the time is fully ripe for dealing with these by some wide extension of the public dental service?—I have written on that for 20 years, and I think there is no question about it.

9467. And also that the present condition of the teeth of the population is having a continuing and grave effect on the general health?—Yes.

9468. And that therefore these facts being generally admitted, the problems we have to consider in this matter are mainly those of scope of the treatment, administration of the treatment and finance?—Yes, undoubtedly.

9469. In paragraph 4 you give a brief description of the existing schemes. We are concerned most with that given in paragraph 4 (d), the National Health Insurance Additional Benefits Schemes. These you criticise on the ground that they only provide for insured persons in certain societies, that the treatment given is incomplete, that an arrangement under which the patient has to pay part of what may be an expensive service is unsatisfactory, and that the administration of the service and control of the practitioners by Approved Societies is undesirable. Does this seem to be the position in your opinion?—(*Dr. Fish*): Yes. I think that we might elaborate slightly the point of the control of the scheme by the societies. The objections that I should raise to that are under two heads: First, that I think it would lead to bad public health, and, secondly, it would be objectionable to the practitioner. I think it would lead to bad public health because apparently the object of the societies is to provide a large number of dentures for the people. They make matters worse by bargaining with the dental profession for the cheapest possible supply of dentures. The result is that they have at last succeeded in getting a denture provided, including the surgical treatment which precedes that—the extraction of the teeth—at a sum which pays for the average cost of the denture and the average overhead expenses of the dentist during the time that he is working and leaves him £1 for his hours of work in connection with the extraction of the teeth and the provision of the denture. That means that you do not get efficient service. From that point of view I think the scheme is bad. Further, I think that the worst possible service you can give a patient is to provide him with partial dentures except under very exceptional circumstances. They lead to stagnation in the mouth and to ill-health. From the point of view of the

practitioner under the recent arrangement introduced by the Approved Societies they do not pay at all for the surgical work (extractions), but merely for dentures. They treat the profession not as a profession but merely as a means of providing certain pieces of apparatus. That scheme will never attract the highly qualified men. Sir Thomas Neill, I think it was, deplored the fact that the scheme did not attract the highly qualified men. It obviously cannot; it is simply an arrangement for providing dentures. A year or two ago the scale of fees was altered. The type of alteration sums up very adequately the objection we feel to lay control of this work. The societies found that a large number of patients were having teeth extractions and dentures put in. This is an expensive type of service and it did not please the societies. To modify that they arranged to pay more for fillings and not to pay at all for extractions but merely for the dentures. That is not the way to influence professional men in their decision as to the treatment they think right for a case. Obviously the ethics of such treatment are far removed from those in the profession. Another objection I could raise is the way in which the work is distributed amongst the practitioners. It is distributed actually by the agents of the societies. I have heard of cases, and I know of one case in which an agent attempted to induce the dental surgeon to take up a private policy with their company, and offered as a bait the suggestion that they would send him a lot of panel work. He does not do panel work, so that it did not matter. But still it shows the type of thing to which we object very strongly.

9470. Do you think the Approved Societies encourage the provision of dentures?—I think if they had realised the importance of other forms of dental treatment they would have formed a different scheme.

9471. Your proposal, then, is that dental benefit should be made a permanent benefit under the Act available at least to all insured persons and financed entirely out of National Health Insurance funds?—(*Sir F. Colyer*): Yes; I think that dental treatment should fall within the National Insurance Act. I think dental treatment is a necessity.

9472. You are satisfied that the situation is ripe for this large step forward and that such a step would receive the approval of the dental profession?—It would, of the intelligent part of the dental profession.

9473. We may accept your argument in paragraph 6 that prevention is, in this matter particularly, better than cure. Perhaps you would amplify to us a little your views as to the manner in which the public could be educated in this matter?—That is rather a big question, but I think everybody is agreed, with regard to the treatment of the teeth more than any other part of the body, that prevention is the right course to pursue. But how it is to be done is a matter that we think calls for very careful consideration. I am a strong believer in public lectures and things like that, and the general spread of knowledge. I have given lectures myself for years. I do feel that any money that is spent in teaching prevention is going to return many-fold the amount you spend on it. In fact, after 35 years at the hospitals I came to the conclusion that the work we do there is remedial. The trouble with dental disease is that you may stop half-a-dozen teeth for a patient to-day, and he comes back with another half-a-dozen to be stopped, in a year's time. That practically means it is a recurring expense under any scheme. It is no good stopping half-a-dozen teeth for a patient to-day unless you ram into his head the way to keep his teeth right and so prevent his teeth decaying.

9474. In paragraph 8 you suggest that there should be co-operation between the dental treatment of the infant, the school child and the adult; all these services, if possible, to be dealt with by one authority.

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Would you go so far, then, as to suggest that instead of extending dental treatment under the Insurance Acts, such treatment at all stages should be dealt with on a public basis by a single local health authority?—(Dr. Fish): We are referring in this paragraph to the scope of a complete scheme. We originally used the word "ideal," but we altered it because we felt no scheme could be ideal. The feeling was that it is much better for an individual to be treated by the same dental surgeon and under the same scheme from infancy upwards. It seems wasteful administratively to have mother and child welfare centres and school clinics and a scheme for the adults. It seemed that if ultimately the dependants of the insured persons were brought in under any modification of the National Insurance Act, then it would be automatically the people who now attend the child welfare centres and the schools to a very large extent who would be treated as dependants of insured people, and consequently fall under the same scheme.

9475. Coming back to possibilities within the framework of the Insurance Scheme I will question you first on paragraph 9. You give there five items of treatment; perhaps you would tell us what you consider the order of importance of these items on the assumption that a limited service only could be given at first?—(Sir F. Colyer): I think the idea of all dental treatment should be to concentrate on rendering the mouth healthy; that is to say, the replacement of teeth should not be the first aim and object of dental treatment. What I think one has clearly to realise is that loss of teeth does not cause anything like the harm to the general health that the presence of bad teeth does. Obviously the order in which one would suggest treatment would be first of all the removal of septic and infected teeth; then the general cleaning of the mouth, and fillings; and last of all, the restoration of the lost service by dentures.

9476. Do you consider that it would be really satisfactory to leave out any of these items?—There is no harm in leaving out the restoration of dentures. (Dr. Fish): The softness of modern diet has at least the advantage that it enables a patient to live quite comfortably without dentures of any sort. The provision of dentures therefore is not at all an essential to health; but I admit it is very largely an essential to people nowadays for matters of appearance.

9477. Would you rely at all on the possibility that if a partial service were given, the patient at his own expense would be more ready to pay the remainder under the advice of the dentist who had given the public service?—Yes, I think he very probably would, because the best way of educating the public is by practical demonstration. He would realise the benefit he got from having his mouth quite clean, and he would then want to keep such teeth as he had remaining.

9478. In paragraph 12 I gather that while you think the extension of dental benefit to dependants is desirable as soon as possible, you feel that at present we should confine ourselves to the insured population?—Yes. I feel that if medical benefit is extended to dependants, undoubtedly dental benefit should be co-extensive with it.

9479. In paragraph 13 you return again to the question of the scope of the benefit. Do you suggest that it should be limited to the extraction of tender or hopelessly infected teeth and scaling of the remainder? You say that this would eradicate infection and would not be concerned with æsthetic details. But would you say that the leaving out of fillings in carious teeth was merely an æsthetic detail?—(Sir F. Colyer): Obviously if there are means and funds for filling teeth, then that should be done; but I think the filling of a tooth is secondary to the removal of septic teeth. (Dr. Fish): We were feeling when that paragraph was drawn up that the funds would be difficult to find. It appears that more funds are available, according to some of the evidence that has already been given by the Approved Societies, and we

should like filling if possible. Fillings would be very desirable if they could be arranged for; but the difficulty is an administrative one. If you give too big a benefit to begin with it is going to be very much of a venture when you suggest a capitation fee. It might be added within a year or two, as soon as we get an idea of how the scheme would go.

9480. Would you say that provision of dentures is only an æsthetic detail? Does not such provision have an important effect on health?—(Sir F. Colyer): Dentures are inserted for two reasons; one for æsthetic purposes and, secondly, for restoring the masticating area. Nobody maintains that dentures are essential for æsthetic purposes. A certain number are put in for that purpose and a certain number for mastication purposes.

9481. In what proportion?—I could not tell you.

9482. Assuming that a limited service is provided, do you think there would be any great difficulty in defining the scope. Would it, for example, be less difficult than the definition of the scope of medical benefit?—(Dr. Fish): I think it would be very much easier to define the scope if a note were made on the card that a person was entitled to have his teeth extracted or cleaned, scaled and scraped, and that fillings would have to be paid for privately.

9483. Are you satisfied that there is a sufficient number of duly qualified dentists to give an adequate service to the 15 million insured persons, especially at the start of the scheme, when naturally a large mass of arrears would have to be overtaken?—It is impossible to answer that. I think there would be enough. I am quite satisfied there would be enough if the "1921" dentists were admitted to the scheme.

9484. In paragraph 16 you suggest that the payment should preferably be made by capitation fee in the same way as for medical benefit, so as to save administration charges. Do you think the dental profession would accept the principle of a capitation fee?—I think they would accept it for a limited service including only extractions and scalings, and perhaps fillings, and I think they would accept it when they realise that a scale of fees under a Government scheme would be certainly dependent upon the money available, because if the Government should not undertake to pay the full scale to everybody and a larger number of bills were sent in than could be met, they would only get a proportion. I am quite sure when they realise that, that they would be willing to take the money. I think it would involve an experiment of some considerable importance to the dental profession, however, and the matter of fees would have to be very carefully considered. There should be provision for a revision at a very early date because it might mean ruin to some practitioners in industrial areas if the scale of fees were too low unless there was a very early revision.

9485. You are quite satisfied, are you, that there is nothing in the nature of dental service which weakens the argument for a capitation fee as compared with medical service? In particular you know that drugs are not provided under a capitation basis generally. Is there not some analogy between dentures, for example, and drugs?—I do not think the dentures can ever be provided under a capitation fee. I do not suggest that dentures should be provided for a very long time, and I think some subsidiary service, such as that for drugs in the medical service, ought to be utilised to deal with dentures. We think there is a very strong line to be drawn between surgical work and prosthetic work.

9486. You recommend definitely that treatment should be entirely paid from Insurance funds, including the normal State allowance, and not in any proportion by the insured person?—We feel that is very important.

9487. In paragraph 14 you suggest that the cost would be approximately 3s. per insured person and 6d. for administration in respect of a dental treatment limited to extractions and scaling. Could you

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[Continued.]

amplify for us at all the basis of this estimate?—Not very helpfully, I am afraid. Let us assume that one in ten persons would apply. Then the service I suggest, namely, the extraction of six teeth and scaling, could not be ordinarily done for a less sum than about 30s.

9488. In paragraph 15 you suggest that the money could be provided by ½d. a week from the insured person and ½d. a week from the employer with the usual State grant. Do you feel that this additional burden of contribution, at a time when both employers and employed persons are feeling their financial burdens very much, would be justified?—I did not consider that side of the question very much, but since the Approved Societies have given their evidence it would appear that they are quite willing for a ½d. to be taken off their share of the benefit, and I think that if the State were to take over, as will be suggested, possibly, by other witnesses, the control of the surplus fund, under which the dental treatment could be started, I do not think, from what I can see of the evidence that has gone before, that it would really be necessary to increase the contribution, but that the money might possibly be diverted from other sources. The sickness benefits would certainly be so markedly reduced that whoever is getting money for sickness benefit might be able to afford a contribution.

9489. In paragraph 17 you suggest administration through the Insurance Committees. You would, no doubt, agree that, in order to secure uniformity, the general arrangements as to scope of the service and rates of payment should be laid down by the Ministry of Health?—That would have to be in careful consultation with the dental profession; but once it was decided, I think the rules should be laid down by the Ministry.

9490. And that the Insurance Committees would be concerned with the detailed administration, such as preparation of lists, issue of vouchers, payments to individual dentists, and so on, just as in the case of medical benefit?—Yes; but if there should be any reason for altering these committees as the result of this Commission, of course, I should suggest that the dental administration be altered *pari passu* with the administration of medical benefit.

9491. You suggest that a Central Dental Committee should be set up which would conduct with the Ministry the general negotiations as to terms of service, and you describe the constitution of this Committee. You consider this a preferable plan to negotiating with any of the dental bodies already in existence?—Yes.

9492. In paragraph 19 you recommend that the patient should have absolute free choice of dentist. Do you consider this just as important as in the case of the medical profession? Perhaps you would amplify your reasons?—Yes, I think so, because exactly the same relationship exists.

9493. In paragraph 20 you refer to the cost of the provision of anaesthetics. This would involve an addition to the contribution over and above what you previously suggested, would it not?—No. 1d. a week would give 4s. a year, and we only suggested the spending of 3s. 6d. of it; the other 6d. I thought would meet the cost. I think I refer to that in one of our paragraphs. In paragraph 15 the last phrase is, "the surplus to be allotted as explained later for anaesthetics."

9494. I should like you to amplify your views on clinics which are referred to in paragraph 27 in the Appendix to your Statement. Are you against clinics altogether, or merely against those which are managed by laymen and in which the dentist is remunerated by salary?—I think against those which are managed by laymen and in which the dentist is remunerated by salary. For two reasons: the first is that we object to lay control of any professional matters; and the second is that where you introduce a salaried dentist you

immediately depreciate the vested interest of the practitioners in the district. I do not say that it is an interest which they have any right to claim, but, at the same time, we do not like it.

9495. (Sir Humphry Rolleston): Would you consider that if we accepted those "1921" dentists who are on the register, there would be a certain amount of potential danger or damage to the people who were attended by them?—(Sir F. Colyer): I think that the "1921" men are better equipped to do mechanical work than surgical work.

9496. Do you consider that teeth have been taken out unnecessarily with the conceivable object of proceeding to the provision of dentures?—I am sure it is sometimes done. (Dr. Fish): His whole livelihood depended on it. He seldom did any fillings, and, when he did, generally did them very badly, I think.

9497. Is that a reason why a suggestion has been made that there should be a limitation of the ages between which dentures should be provided?—That is not in our evidence.

9498. Do you suggest there is any means of getting over that difficulty?—(Sir F. Colyer): Our suggestion is that any dental benefit that comes under the Insurance Scheme should be limited to surgical operations—extractions and fillings—and that if patients want dentures they should provide them out of their own pocket.

9499. What proportion of insured people do you suggest would apply for dental benefit?—(Dr. Fish): It would be very difficult indeed to make any estimate, but I think if you suggested that they should have the complete gamut of dental treatment you would have a very large number of people applying. But if you only arranged for them to have their mouths rendered clean and infected matter removed, I do not think you would have so many applying, and you would probably have to educate the people to apply. The doctors, however, would very quickly do that, because they would be extremely relieved to find that their patients could have their mouths rendered healthy.

9500. You have no basis of 10 per cent. or 5 per cent.? (Sir F. Colyer): No. Judging from hospital work, I should think that they would be very few.

9501. But that number, of course, would be increased as a result of education?—I agree with you.

9502. Do you think that this education ought to be part of the instruction given in schools?—My own feeling is that what was done at the Royal Dental Hospital years ago should be continued. I think public lectures should be given at the hospitals. I think that they would carry great weight.

9503. Do you think they would carry more weight than if the subject formed part of the instruction at the ordinary elementary schools?—Yes, and if they are given by the House Surgeon, more weight still. The public has an idea that the House Surgeon is a very important person. I think the lectures must be given by somebody of position if they are going to carry weight.

9504. (Sir Andrew Duncan): Would it be possible to confine dental benefit to cases which were certified by a doctor?—If I had my way, I would not allow any dental benefit to be given unless it was certified by a doctor, because I think the dental benefit should be primarily for the health of the patient.

9505. (Mr. Cook): Do you suggest that Approved Societies, if they make arrangements for dental benefit being given to their members, really contract for a cheap quality of denture to be supplied? I think that statement was made. (Dr. Fish): I think that the scale of fees under treatment as provided for the Approved Societies is undoubtedly inadequate. I have some figures here collected from 300 qualified men in the southern counties. Some 65 replies were received from them which show that the remuneration which the dental surgeon would receive at the present rates would amount on the average to about 3s. an hour. I consider that is very cheap.

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9506. So that this additional benefit as presently given by the Approved Societies with the necessary means evidently is not quite as valuable as it ought to be?—I should not think it was the slightest use. If the dentures were made economically at that price—that is to say, if the dentures were supplied so that the man received any reasonable remuneration from it—they would not be of the slightest possible benefit. I think in some cases the dentures are put in, and the one who suffers is the dental surgeon. I am thinking now of the qualified dental surgeon who is probably not a good business man.

9507. You attach a good deal of importance to dental treatment of insured persons. I think in your statement you give a list of the diseases that result from inattention to the condition of the teeth and mouth?—I attach an enormous importance to the health of the teeth of insured persons, but I do not think that is directly dependent upon treatment in the very slightest. I think it is dependent far more upon habits of hygiene and diet. Therefore, I think that careful education of the people should be undertaken only by one definite central authority, which should have represented upon it the Dental Board, the Ministry of Health, and, say, a central panel committee, so that any teaching which is given would be definitely *ex cathedra* and could be relied upon as being useful. I mean it is idle to urge people to use this, that and the other toothpaste and to brush their teeth; that is not the root of the matter.

9508. But if there is a considerable amount of disease that has to be treated medically to-day resulting from the fact that the teeth of the population are not attended to as they ought to be, then is it not almost imperative that in considering the question how the health of the community could be improved something, at any rate, should be considered whereby the teeth of the whole community—not merely of a section of them, not merely the insured section but the dependants also—should be examined and treated where necessary?—Yes, I do think so, but I think you should start with a smaller scheme than you are outlining now; simply because it would be an experiment. It is not fair to suddenly suggest to the private practitioner that you would give him a capitation fee of this, that or the other amount for treating 88 per cent. of the population.

9509. I am speaking really for the whole population.—Yes; it is a very big section. Do not you think we had better try it on smaller lines?

9510. It is only a small proportion of the population evidently that has the benefit, apart, of course, from their own private means and wishes?—I think we quite agree that everybody should have it, but we do not think they should have it straight away, because, first of all, you might involve us by that suggestion in a scheme of pure Socialism. I should not like to commit myself to such an extent.

9511. Even if it did go into a scheme of State Socialism, the point is, would the health of the population benefit?—Yes, it would.

9512. That is the important thing. We are not easily frightened by names; we want to reach a certain objective; we want to improve the health of people?—You could feed them first if it comes to that; that is perhaps more important.

9513. Yes, but that does not come within the scope of this inquiry, while the question of health does. The question of the teeth of the people is a very important factor in the question of health?—(Sir F. Colyer): May I say that if you had a widespread scheme of education right away from the child up to the adult, you would get rid of 85 per cent. of disease, and there would be little treatment required. That is the only way to deal with dental disease in this country—to deal with it at its source; that is to say, stop it. Remedial treatment is hopeless.

9514. If we had a system whereby dental treatment could be universally given, the chances are that it would reduce enormously the amount of sickness and illness in the country?—Yes, I admit that. The point is if you have £10,000 to spend you will spend

it much more efficiently if you spend it on prevention rather than on remedial treatment. That is, I think, the intelligent way, speaking after years and years of experience, that you will deal with dental disease in this country efficiently. You have to go to the root of the matter.

9515. But suppose the country comes to realise the enormous value of this treatment and is prepared to find the money?—(Dr. Fish): You may make your patient's mouth clean, but if he goes straightway and proceeds to litter it up again with food debris, you will not have done him a ha'porth of good, and you could only prevent him doing that by either legislating to alter his diet or educating him. It would be very difficult to legislate to cut out all the glucose—the mono-saccharides, such as treacle and toffee—and put a tax on white bread and compel people to make loaves which were crusty.

9516. I quite understand the value of educating the community with regard to how they ought to protect their own health, but that is a very big job?—You will not improve their health by putting a lot of partial dentures in.

9517. We want to treat the disease which is at present existing in the community, and, as far as possible, to prevent it recurring day by day and year by year?—(Sir F. Colyer): It will recur if they do not look after their teeth. It is no good my filling half-a-dozen teeth for a public schoolboy if he goes to the tuck shop and does not look after his teeth; he will come back in a year with another half-a-dozen to be filled. The idea is to teach a mother that a biscuit and milk before going to bed is very harmful. That is the way to get at the thing.

9518. If you have half-a-dozen teeth all right to-day and in 12 months you find another half-a-dozen have gone wrong, at any rate you have had some benefit; you have simply to make the remaining half-a-dozen sound?—(Dr. Fish): You have met one evil of civilisation with another. But patients' mouths are getting gradually full of fillings and their mouths are getting full of food debris and you are doing harm by too much treatment. I think you might well have a scheme which did not include dentures.

9519. Have you formed any opinion as to what it would take to provide dentures in addition to the other treatment you have been speaking of?—I have not done that.

9520. Do you suggest something in the neighbourhood of 3s. or 2s. 6d.?—I think to provide dentures you will have to undertake that the dentist gets an average fee of £4 10s. 0d. for each denture.

9521. Would a capitation fee of 5s. supply reasonable dentures?—No, it would not.

9522. (Prof. Gray): In one of your earlier paragraphs you say that the forms of disease which have the most harmful effect on the body cells are generally of a chronic type and frequently are not accompanied by pain. Does not that rather imply that to be effective you require some sort of annual inspection?—(Sir F. Colyer): Of course an annual inspection would be useful, but that does not alter the fact that the dental disease interferes with the cells of the body.

9523. But if a person has no pain how is he to know that he ought to come along?—An annual inspection would be useful, no doubt.

9524. In the type of case you have in mind, what would the treatment normally be? Would it be extraction or treatment of the teeth?—That is a very difficult question to answer. Some might say: "I should always take them out." You mean to say that if a person has got a septic mouth, what is the right thing to do for it?

9525. In the kind of case where there is no pain and where the insured person or whoever it is either comes along at a periodic inspection or is sent by his doctor, is it usually a case of extraction?—Not necessarily. I think what we are referring to here is that there is a very large amount of dental disease that the patient is unconscious of simply because he has no pain. (Dr. Fish): It depends on the depth

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of the infection. If the infection is superficial, that is, limited to the surface of the gums, if you clean the teeth and put the patient on a hard diet he will get perfectly healthy; but if it is deep down in the bone he would probably have to have the teeth extracted.

9526. Extraction need not be a consequence of this?—No.

9527. You have emphasized the importance of education and propaganda. I suppose you would agree that that is hardly a subject for an Insurance scheme?—(Sir F. Colyer): Why not, if you spend money? You take £80,000 away for medical research and surely you have a right to take money away for prophylactic purposes, which is treatment.

9528. You regard propaganda and education as a proper first charge on insurance funds?—Undoubtedly.

9529. I was not quite sure whether you thought that education in schools would be effective?—(Dr. Fish): We say it would be. (Sir F. Colyer): What would the education be that is given in that way?

9530. Teaching the children whatever you want to teach them?—About their teeth?

9531. Yes?—Undoubtedly that would come under propaganda.

9532. Then you mentioned also the question of lectures. Do you find that people turn up to lectures?—My personal experience, and I have given many public lectures, is that they do turn up to lectures. I have had some rather tragic interviews after lectures, especially with mothers who have learnt for the first time that it is necessary to keep their children's teeth clean.

9533. The point I had in mind was whether a lecture attended even by a crowd gets far enough. After all, even the biggest attendance at a lecture would be a small number out of the population?—If the mothers go they teach their children. Anybody who has had years of hospital practice will realise the enormous improvement that takes place if you drill into the mothers' heads the necessity of keeping the children's teeth clean. One sees that when the children come back with clean teeth. (Dr. Fish): You would find on the whole that the provision of wholesale treatment for everybody would stimulate an enormous interest in the subject. If you advertise that it is possible to obtain free leaflets or even a book which might pay for its publication to the more educated class of the community, you would have a very ready distribution and sale for it because people's interest would be stimulated.

9534. Is anything being done at the present moment along these lines?—The Dental Board have just had a conference to consider the advisability of it.

9535. On the question of the scope of benefit, your suggestion in paragraph 13 is for the present to confine it to propaganda, extractions and scaling. Does not that scheme involve this danger, that if that were all that were provided under the Insurance Act, when an insured person came along for treatment, the dentist would have the option between pulling out the tooth and leaving it in, in a bad condition, whereas it might be a case where the proper treatment was to cure the tooth—fill it?—Yes; but if the patient was so destitute or so indifferent that for one reason or the other he was unwilling to pay for the filling, it is not likely that it would be much good to fill it, because it would only be one of many other fillings that would be needed later, and he would neglect the others and ultimately lose the tooth.

9536. In the case of anybody who could not or would not pay what was required you would take out a tooth which might be made a good tooth?—No; it would be left.

9537. You would leave it in a bad condition?—No. Cavities are of two kinds; a simple little thing which would not amount to anything, or a larger one which would involve pain.

9538. The little one you would leave?—Yes; until it got to the point of infection.

9539. And then you would take it out?—Yes.

9540. So that it might have been pulled out beforehand?—Yes. We would like to provide fillings, but we are afraid that some people would not be able to provide what would be useful for the public health.

9541. In the Appendix to your Statement you say that there might be a tendency to extract teeth which if treated could be made useful. A scheme which aided that tendency would not be a very defensible scheme, would it?—(Sir F. Colyer): A scheme which suggests dentures is much more likely to get rid of good useful teeth. (Dr. Fish): The first question which we thought would arise in the minds of the Commission was: would not that suggest taking out teeth? We give reasons why it would not. The first is that it would give the dentist unnecessary work which he would not want to do. Secondly, the patient is not going to submit to the extraction of his teeth if it is not necessary. If you say to a patient: "Your teeth are bad. You can have them made useful or you can have them taken out and have dentures, but if you have dentures you will have to pay for them," the patient may turn round and say, "Let me keep my teeth."

9542. But you leave them until they get so bad that they have to come out. Will not a tooth which is beginning to go wrong get worse?—If there was a hard diet used, I do not think it would.

9543. Would not age affect it?—To some extent.

9544. Do you think a scheme of that kind would be a popular scheme?—Do you mean from a political point of view?

9545. No. I am not concerned with politics; I mean from the point of view of the suffering population?—Yes, I think it would relieve an enormous amount of suffering.

9546. But would they face up to it?—Yes. As soon as they were educated. Your teeth will make you go and have them dealt with.

9547. Referring again to your paragraph 24 on the extent to which the benefit would be taken up, you rather implied I think that the insured persons would have to put up with certain inconveniences, and that therefore they would seek early treatment for themselves and their children?—Yes.

9548. Does not that rather suggest that they are going to be urged to making efforts themselves in order to avoid the inconvenience of your scheme?—No. It is suggested that they want to take early advantage of this scheme so as to avoid inconvenience to themselves.

9549. But the children do not come under this scheme?—No. Parents would seek private treatment for their children until there was a scheme for the children or treatment through the school clinics, and we do suggest that ultimately this scheme should be extended so as to include the dependants.

9550. What are your grounds for saying that the schemes, as usually adopted by societies, rather treat the profession merely as machinery for providing dentures? Do not most of the schemes actually adopted by the societies make provision for filling and treatment?—Yes; but the fact possibly that was in my mind then was that the greatest part of the work we have had under the schemes is the making of dentures, and I think that the reason for that is that no provision has been made for educating the population in good dental hygiene with the result that dentures are necessary.

9551. But you must remember of course that you have got the population as it is?—Then another thing I strongly disagree with is the provision of partial dentures. We object to their providing dentures at all; we think it is the worst form of helping public health.

9552. You have not much faith in dentures?—No.

9553. You rather suggest that there is no harm if you lose all your teeth?—You have got to have some thing in.

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9554. I think you said there was no harm in leaving out dentures. I am not referring to your evidence but to your statement made in examination. You said there was no harm in leaving out dentures?—In paragraph 25 of our Statement we say: "Moreover, patients invariably increase in weight and improve in health after total extraction of septic teeth even before dentures are fitted." We cannot recognise our patients when they come back, not because they have lost their teeth, but because they look so much better.

9555. You think it might be part of the propaganda: "Have your teeth out and grow fat"?—Yes. It is not essential in any sense to have dentures.

9556. Your suggestion that people can get along without teeth is perhaps one solution. We might all have our teeth out at 16; but I suppose our teeth are of some use?—They are, so much so that I would cheerfully spend £50 to save one of mine.

9557. (*Miss Tuckwell*): A workman would not be able to get work without any teeth?—I do not see why not.

9558. Do you think employers would take workmen without teeth?—Yes. I have never yet heard any employee say that he could not go on with his work because he had no teeth, except perhaps a girl in a shop who had lost her front teeth.

9559. Do you think they would take waiters and waitresses without any teeth?—(*Sir F. Colyer*): Is not that rather an æsthetic question than a health question? The waitress is just as good without her front teeth as far as her health is concerned.

9560. Do you think it would be possible for servants to get places or for employees generally to get on without teeth?—(*Dr. Fish*): Yes. One might add to that that there are other ways of obtaining dentures if they are needed for other reasons than merely health reasons. They should be obtained privately or possibly as additional benefit or in some way like that; but I do not think they form part of the main health scheme.

9561. (*Mr. Besant*): With regard to paragraphs 13 of your Statement (Scope of Benefit), 14 (Cost of the Scheme), and, incidentally, 25 (Value of Treatment), I feel a little confused by some of the answers as to whether you advocate dentures, which I think you more or less are against, or keeping teeth in by stopping when they can be made to serve for a certain number of years, or whether a diseased tooth should be taken out in place of being stopped. Would you mind amplifying what you would suggest as the ideal scheme apart, for the moment, from the question of cost?—(*Sir F. Colyer*): The ideal scheme is to render the patient's mouth healthy. In order to render a patient's mouth healthy you must get rid of all septic teeth and septic processes in the mouth. That treatment consists in, first of all, removing the teeth which cannot possibly be saved by means of filling or other treatment, and also getting rid of any gum trouble round the teeth. That means getting the patient's mouth clean and healthy, and that is the primary object of dental treatment.

9562. Put it this way: If you could get the mouth clean by means of stopping, you would keep the teeth in the head?—Perhaps it is a little difficult for a lay person to understand what we mean by getting the mouth clean. It has really more to do with the septic processes round the necks of the teeth and the septic processes deep in the bone. The tooth may want filling, and yet there may be septic processes deep in the bone which necessitate the removing of the tooth. On the other hand, a tooth may have a small hole in it, but the bone round the root may be perfectly healthy and the gum may be healthy. That is a tooth that can be filled and rendered useful. But the primary object of dentistry is to get a mouth healthy.

9563. You talk about the difficulty of explaining to a layman. I am merely a layman who sometimes sits in a dentist's chair and asks his dentist for the best advice he can give with regard to my teeth.

He says with regard to a certain tooth that he can keep my mouth and gums clean and keep that tooth in my head, and he does not advise taking it out while that tooth can be serviceable and is not a source of infection. I wanted to gather from you whether you think in a national scheme, if a tooth would take a certain amount of bother and time and expense in order to cure it from its defects, you would advise that tooth being kept in the head, or whether you would advise clearing it out, suggesting, as you do in paragraph 25, that a man could bite better with a few sound teeth than with a larger number of teeth which might do a certain amount of septic mischief?—As a dental surgeon, if I had to decide whether it would be better as a general rule to retain a tooth which had a septic pulp or not, my answer would promptly be to have the tooth out. A septic tooth can practically never be got healthy.

9564. Passing from that, I think that from the second half of paragraph 13 your main recommendation would be elimination of mouth infection?—Undoubtedly. You eliminate mouth infection by getting rid of your septic teeth, and also incidentally by stopping a patient breathing through the mouth.

9565. And that would involve, I gather from what you have just said, quite a large number of teeth extractions?—Yes; one only has to take the experience of ordinary hospital life.

9566. Then in paragraph 14, when you come to deal with the cost, you make a supposition and you say, "If we suppose that at first only one in ten persons would apply each year for treatment," then such and such a cost would be involved. Would you mind explaining that a little, so that one can gather what basis you have for fixing a cost on what appears to me to be assumption?—(*Dr. Fish*): The difficulty is that one has to assume the number that will apply. No figures that are available could be of any help, because no scheme of the kind has even been tried.

9567. But I imagine that in an ideal scheme ten out of ten people ought to apply, even though in some cases there might be no need for much work. But when you say: If we suppose that at first only one in ten persons would apply, and then base your cost upon that—?—Suppose for the first ten years one in ten applied, once one has made a mouth clean, provided it is followed up by proper dietetic and hygienic methods afterwards, that mouth will not ever be likely to require as much trouble taken over it again.

9568. But if only one in ten applies, it seems to me that you will have an enormous amount of latent mischief going on amongst the nine who have not applied?—You will.

9569. And therefore, when you educate your public on the lines that you are advocating, you will get a much larger percentage than one in ten, and therefore you will get an enormous addition to the estimated cost on the basis that you have put forward?—Yes; that is why I think it is extremely important not to include fillings. I do not know that I gathered quite from your first question whether you meant did we consider fillings were for the good of the patient's health. I think we might say that if they enable one to save teeth, they are. But I think that the most important thing is to get the mouth clean from gross infection. By gross infection, one means the infection round all the teeth, and not the minute infection of the individual cavity. I think you must start your scheme with a small amount of treatment, or else you cannot do it on a capitation fee, and if you do not do it on a capitation fee, it means a tremendous amount of administrative work.

9570. I want to know what would be the cost of a service which is effective?—Figures can and will be made available from other bodies. Certainly some figures I have can be made available to the Commission showing what it costs a dental surgeon to give treatment. The only way of finding out how many people will apply for benefit is to try the scheme.



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9571. I think your estimate as put forward here is a good deal lower than certain other figures which have been put before us?—I am only including extractions and scaling.

9572. It seems that if you based your assumption on there being one person in five who would apply, you would have to adjust your cost and make it double, because there would be double the work involved?—Yes.

9573. Therefore, it seems to me that the estimate you have given is very hypothetical?—I must plead guilty to that.

9574. It is a little dangerous to put a concrete figure in that way, which is based on a foundation which is, as I say, entirely hypothetical?—I quite agree. We considered carefully whether to put forward a definite figure such as 3s., but we felt it was very important to indicate some sort of figure as a basis of discussion.

9575. But as a matter of fact, as education went on and the people were better looked after and more and more people applied, that cost would go up quickly?—No, it would go down, because people would eat food that would keep their teeth better.

9576. But the immediate cost would go up if the number of people who ought to be looked after applied to the dentist?—Yes, quite.

9577. I wanted to clear up the point with regard to this particular estimate of cost, and to show that it is entirely based on the assumption that only one in ten would apply?—Quite.

9578. Therefore, I think it is just a little dangerous in that sense when we know that what we want is ten in ten to apply?—Quite. I had in my mind to suggest that the surplus funds might be used as a pool from which money could be drawn to cover any added cost in case it was found that we had underestimated.

9579. (*Sir John Anderson*): You told us about the importance of propaganda and education, Sir Frank. Would you say that the members of your profession have in the past made proper use of such opportunities as they have had of inculcating sound principles into the minds of the people who have come before them?—(*Sir F. Colyer*): That is rather difficult for me to answer, but I think that the students I have had to deal with at Leicester Square have had it put into their heads, and the student becomes a teacher afterwards in practice. Is that what you mean?

9580. I will put my question in another way. I take it that in your profession, as in others, there are different schools of thought?—Yes.

9581. Is it the ordinary practice, as far as you know, of a dental practitioner to make a point, when a patient comes to him for treatment, of emphasising the importance of mouth hygiene, or whatever you call it? Is that the ordinary practice of the profession to-day?—I should say that the average dentist fails to give his patient prophylactic treatment. I can only judge that from the new patients who come to me and who have not had any at all.

9582. He confines himself practically to manipulative treatment?—Yes. I think the dentist is beginning to realise that part and parcel of his duty is to teach prevention; that is slowly coming.

9583. So that the education of which you spoke will not be confined to the laity?—That is so.

9584. First educate your doctors, and then let them pass it on?—Yes; but I think if you were to take the modern student who has been educated in the last ten years you would find that he has had well brought home to him the desirability of teaching the patients individually.

9585. In paragraph 14 you give an estimate of the cost of a limited service. As I understand it, that estimate works out at the equivalent, on the assumptions you make, of five shillings per extraction?—No; you have omitted the scaling there.

9586. I was going to say with the scaling thrown in?—Oh, no. Why not 30s. for the scaling with the extractions thrown in?

9587. 30s. for each person treated?—Yes.

9588. The treatment to be confined to extractions, which you estimate at six on the average, plus scaling. Is scaling a big operation in relation to the extractions?—(*Dr. Fish*): Yes, it is a very difficult matter to go over the whole surface of every tooth in the mouth. If that were done it would take hours. Naturally much or little can be done. The fee suggested is a fee of 7s. 6d. for four visits.

9589. That is the basis upon which it is arrived at?—Yes, the 7s. 6d. representing a fee for half-an-hour's time, 5s. remuneration and 2s. 6d. for overhead expenses.

9590. Then there is no allowance for fillings in that estimate?—No.

9591. Is it conceivable that a national scheme could be launched that made provision for extractions and scalings and no provision at all for fillings?—Is it conceivable that one could be launched?

9592. Just visualise the position. After all, any national scheme must commend itself not merely to professional men, but to the laity at large?—I think it would be better if fillings could be included.

9593. Do you think that a convincing argumentative case could be made for a scheme limited as you suggest?—I would like to answer it in two ways. I, personally, would feel very willing to argue the advantage of such a scheme, but if you say it would not be of interest to the public at large, then I would say: "Provided you can get the funds, let us have the fillings as well."

9594. But, of course, if it is a scheme which you could not get through at all, then it might as well be dismissed?—I really cannot answer that.

9595. Look at it from the layman's point of view. Parliament and the electorate are composed mainly of laymen.—I think the insured population would be pleased to get so much; they would be pleased to get their bad teeth out and get the remaining ones cleaned up. I think that would be a very sound thing to do.

9596. Do not you come up against the awful snag of the hopeful tooth that is decayed?—I quite agree with you that that is a most unfortunate thing. The thing that led us to leave that out was the expense. That was the only thing. I would like that to be very clear.

9597. Suppose the Commission came to the conclusion that a partial scheme could not be expected to commend itself to the public at large, could you give us any estimate of the additional cost that would be involved in providing fillings? I leave out dentures?—You can only say that you must take an average cost of about 7s. 6d. for each filling. If you set yourself to look for every possible opportunity of making a filling in a patient's mouth, I should imagine that you could put a large number in and you cannot expect any human creature merely to select the most difficult teeth to fill and to fill them only. I think you will complicate the scheme enormously by including the fillings.

9598. The conditions of human life are complicated and that is what we have to deal with?—What we proposed to suggest was that the scheme should be started on a limited basis until the knowledge and technical skill available are known. Then we can add fillings.

9599. What is the answer to the insured person who has got one of these unfortunate teeth in an early stage and you would admit that it could be saved? He says: "What is the good of this scheme to me? I have either got to let my tooth go from bad to worse or I have to lose it altogether." What would happen in ordinary middle-class practice?—Many patients would leave their teeth.

9600. I assume that the patient goes to the dentist. What does the dentist say to him?—Let me put a concrete case that could happen. The patient comes to have another tooth attended to and this one is found to be affected. Frequently he says: "Let it go and I will have it attended to later," and he

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refuses to have it filled because he is afraid to have it filled.

9601. Would the dentist acquiesce in that?—No; he would say: "You are very foolish," but you cannot argue half-an-hour with him.

9602. The dentist ought to try and persuade him, ought he not? That is part of the education?—There is the question of professional etiquette. He must not press his services on the man; but he would say: "You are very foolish not to have that tooth filled." That would be my method.

9603. And from the hygienic point of view that tooth ought to be filled?—Yes.

9604. It is going to get worse?—Yes, but it would not be decaying.

9605. It is going to collect food, is it not?—Yes.

9606. By the ordinary process of cleaning the mouth it cannot be properly cleaned, can it?—No. I think I can clear up the situation. If you would first of all start a scheme which you know would not lead you into water which is too deep and you know you can finance a scheme for extractions and scaling teeth, that will interest the whole public and you will get them to take so much interest in it that you will be able to educate them. You will improve their diet; you will find their health improves, and the number of fillings will be small. You will then be able to attempt to deal with the question of fillings. But to attempt to cope with the question of fillings at present would be impossible unless you had the coffers of Cræsus.

9607. In your view is it better to leave the cavity than to fill it up improperly?—Yes; the most frightful results might happen.

9608. (Sir Arthur Worley): I see in paragraph 13 you estimate that the complete scheme would be about £4 per person treated?—I am quoting figures which I have heard casually, but I see that one society—I believe the Hearts of Oak—told you that it amounted to more in the case of their people.

9609. You are not tied down to this estimate. Out of that £4 what would you say in your own mind was the cost of dentures?—Under the present scheme no payment is made for extractions if a denture is fitted, and I should think the average treatment is for clearing out most of the teeth and fitting a denture.

9610. But from a practical point of view you say if the average is £4, so much of it would be purely for dentures?—(Sir F. Colyer): You know what the actual cost of the denture comes to—the actual material.

9611. What would you estimate your charge for the denture to be out of the £4? Could you say whether it would be 30 per cent. or 50 per cent.?—(Dr. Fish): Do you mean how many of these people have had dentures and how much filling has been done for these people? There is very little of the latter. I think.

9612. You say the average cost of the whole dental treatment including extractions, scaling, filling and dentures, under the present scheme, is £4?—It is nearly all the dentures, I think. I believe very little other work has been done under the scheme.

9613. Mr. Alban Gordon gave us figures to some extent and I suppose his is the most complete set of statistics on this question?—Yes, quite.

9614. I cannot quite follow that the whole of it, or the big proportion of it, is for dentures, because

in each case before you get on with that you would have to do your extractions?—They do not pay for them.

9615. It is paid in the £4?—No; that is only paid for the dentures, and you have to do the extractions free. They pay you for the denture exactly the same whether you do the extractions or not, and that is one of the objections to Approved Society control. It is a most irrational arrangement.

9616. You are quoting from some other scheme?—No; it is the scheme under which all these people work.

9617. You, as practical dentists, know that when you take out teeth and then put in dentures a certain proportion of the cost would apply to the dentures?—Yes.

9618. How much of it would you say is dentures? That was all I asked?—I should not consider that the fee of £4 would pay for the dentures. But I am afraid I cannot help you. We have different conceptions of the question.

9619. What I have in my mind is that taking the £4, that equals 8s. per person. Therefore, if you could have told me what the dentures were, that would have left a sum which was the equivalent of the extractions, scaling and fillings. It may be that I should probably get wrong because there would not be much filling if you had taken all the teeth out?—That is not practical. I do not think you can get a result in that way.

9620. May I take it that your pronounced view is that the real thing in the health of the nation, as far as the dentist is concerned, is severe propaganda all the way down?—Yes.

9621. After that come extraction and scaling?—Yes.

9622. And having done that you have practically covered the field so far as immediate health is concerned?—Yes, except that if you do not do fillings you are allowing teeth to go.

9623. So that there is a good deal to be said for fillings?—Certainly; by all means include them if you can.

9624. I am thinking of what the cost of it is on these figures. With 7s. it would cost £750,000 a year, and you would be justified in saying that that covers the extractions and cleaning, and you would be justified in saying that in your estimate very soon the effect of all these people getting fat and strong would be to reduce sickness liability, which would probably approximate to that cost. I suppose we are spending in sickness £8,000,000 or £9,000,000 a year, and probably you would say that 30 per cent. of that arises from defective teeth?—You have made me a little shy of figures, but I should think a large proportion, certainly.

9625. But as far as real health is concerned, you say that the main portion of the preventive side is covered by these benefits and the propaganda, by the extractions and scaling and by filling, if it could be done?—Yes.

9626. And that the other is a benefit in some cases, but not in the bulk of cases?—That covers the whole ground of the statement.

(Chairman): We are very much obliged to you. If there is anything you would like to add to your statement after the questions you have had put to you, perhaps you would send it in to the Secretary.

(The Witnesses withdrew.)

Mr. R. J. MELLER, M.P., and Mr. E. F. SPURGEON, called and examined. (See Appendix XXI.)

9627. (Chairman): I understand, Mr. Meller, that you are Secretary of the Prudential Approved Societies?—(Mr. Meller): Yes.

9628. And you, Mr. Spurgeon, are Treasurer of the Societies?—(Mr. Spurgeon): No, I resigned the position of Treasurer as from the 1st January of this year, but you can put me down as a member of the Committee of Management.

9629. I understand that you gentlemen are giving evidence to-day on behalf of the four Prudential Approved Societies, and that your evidence is supplemental to that which you, Mr. Spurgeon, gave when you were before us as a representative of the National Conference of Industrial Assurance Approved Societies and that therefore we need not cover the whole ground again?—That is so. We have not a

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great deal to add, but frankly we felt that it was our duty to come and submit ourselves for examination, and we may be able to give you other information which was not included before.

9630. Will you, in the first place, tell us what were the reasons for the establishment of four separate societies instead of a single society?—(Mr. Meller): Originally we had six societies. We had men, women, agricultural and rural workers, miners, laundresses and domestic servants. We started off with the idea of men's and women's societies only—designedly separate societies for men and women—because it was anticipated (an intelligent anticipation, perhaps) that there would be a very marked difference between the experience of men and women, and further, it was thought that the volume of data with regard to women was comparatively small, and that if we were going to get anything like a large society it might be very useful to have the separate experience. So far as the Miners' Society is concerned, that was set up upon an application from miners in different parts of the country. There, again, it was felt that they should have their separate experience; indeed, I think it was suggested by some of the representatives who were seen at that time that it would be well to have a separate society, and they anticipated, I believe, in those days, that they would have a very special sickness experience. The Laundresses' Society was contemplated by the Launderers' Association. They found some difficulty, I think, in setting the machinery going, and they approached us, and we said: "Yes, we will set up a separate society." With regard to the agricultural and rural workers, there was again an application from the rural societies of the country, and we said: "Yes, their experience might be better than that of the men's society," and we agreed to set up a society there. The domestic servants came in in the same way. There was a good deal of discussion, you will remember, with regard to domestic servants and sickness insurance. That is how that came about. Subsequently, however, the experience before the last Valuation—not the one that is in progress—resulted in its being decided that it would be better with the experience of the Miners' Society that they should be merged in the Men's Society. It was a comparatively small society, and the merging only affected to a very small decimal point the surplus of the Men's Society. The laundresses' sickness experience was bad, and it was thought that it would be very much better if the laundresses were merged in the Women's Society; so that we come down at the present time to four Approved Societies.

9631. Will you tell us what is the position as regards separate valuations of your Societies for the different parts of the United Kingdom, and what were the reasons which made you adopt these arrangements?—(Mr. Spurgeon): Northern Ireland is valued with England as one unit. Scotland is a separate valuation unit. Wales is another separate valuation unit. At the time when it was optional to treat the different countries as separate units for valuation, we ascertained the feelings of the members in those countries. Scotland and Wales elected to stand alone. At the present time the Welsh members would be only too willing to be valued with England, and we have placed in your hands a suggestion for the possible combination of valuation units. I would like to give you some figures when I come to that suggestion, if I may.

9632. The tables given in paragraph 5 of your Statement are very interesting, especially as they cover three million people in all sorts of occupations. In Table I, have you any explanation of the high sickness experience in Wales as compared with the other countries? For the four Societies the figures for Wales are 85 (men) and 113 (women) as against 63 (men) and 83 (women) for England. I am quoting the 1923 results?—(Mr. Meller): Wales has been for a good many years a matter of very great concern to us, and with Mr. Spurgeon I have given a great deal of personal attention to the subject, both in

London and in Wales, and in conjunction with the members of the Welsh Board. I am bound to come to the conclusion that whether it be from the ordinary occupations of the people there, or whether it be from the housing conditions, it does seem to me that the health condition of the people in Wales is very much lower than in other parts. Tuberculosis seems to be very much more rampant in Wales, and I think that is borne out by the steps that have been taken in Wales. In the rural areas the housing and sanitary conditions are very much behind the times. The people in the rural areas, particularly in the West, seem to be very far removed from doctors. Whether they get the treatment that other people get, I cannot say; but there does seem to be some slackness in the issue of medical certificates. Some slight improvement has taken place since the appointment of regional medical officers, but I am bound to bring this fact before you, that whereas in other parts of the country there have been arbitrations arising out of the dissatisfaction of an insured person upon the action of a society in ceasing to pay benefit because they thought the person was capable of work, in Wales there appear to be practically no arbitrations at all. In the course of twelve years there has only been one appeal from an arbitrator. That means one of two things: either that the people are satisfied that if they go to arbitration the result will be against them, or, secondly, that the doctors themselves are not prepared to support the insured person when the question arises as to whether they are capable or incapable of work.

9633. In Table II, we have the same features as to Wales. In the Women's Societies the percentage of actual to expected disablement benefit experience is in 1923, 190 as compared with 134 for England, and 146 for Scotland. What is your theory as to this?—(Mr. Spurgeon): I do not think there is anything fresh to add to what Mr. Meller has said.

9634. It is really covered by his previous answer?—I think so. There is just this, that in Women's Societies you do get a very large number coming on to disablement through the linking up of short illnesses, and where you find the general sickness experience is heavier you perhaps get a larger proportion coming on to disablement benefit, so that would make Wales again heavier than England or Scotland.

9635. In Table IV. (maternity benefit experience), Scotland and Wales are substantially above England, notably in the Women's Societies. Have you any explanation?—I am afraid that is beyond our control. May I interpolate that I have another small table here which I am sure Mr. Besant will find very interesting. It sets out sickness and disablement benefits for the ratio of the actual experience to be expected in certain age groups. It shows clearly that the weight of the disablement experience and the loss from disablement benefit occur at the younger ages. (Table handed in.)

## SICKNESS AND DISABLEMENT ENGLAND.

Rates per cent. of Actual to Expected.

Age Group	Men.		Women.		Single Women.		Married Women.	
	Sick.	Dis.	Sick.	Dis.	Sick.	Dis.	Sick.	Dis.
16-24 ...	59	205	76	231	70	230	165	252
25-34 ...	68	211	86	220	78	246	101	158
35-44 ...	64	129	84	157	81	172	88	139
45-54 ...	59	70	86	118	31	119	80	116
55-69 ...	64	58	80	93	89	93	65	92

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9636. (*Mr. Besant*): With regard to Table I, have you any suggestions or advance figures in regard to 1924, as to whether 1924 has been a year of heavy sickness?—Yes. 1924 again showed a very heavy experience owing to an influenza epidemic in the early months of the year. So that there is in the first quarter, and in fact over the first half of the year, a very serious rise in the curve of sickness.

9637. I think from the point of view of anyone outside actuarial circles it is a little startling that these percentages on the whole are so much below the standard expected under the tables issued by the Ministry of Health. I wondered whether you could amplify at all what views you have, either as to the standard which has been issued or as to these percentages?—No. I think in reference to men that the sickness experience is lighter than was anticipated. In the case of women—of course, you are speaking of Table I—

9638. I am speaking of Table I for men, and dealing with men.—I think it is the general experience, certainly in England and Scotland, that the sickness is lighter than was expected; but I do think that it has been materially affected by the extensive unemployment and the existence of the Unemployment Benefit. It is not quite so easy to trace that in regard to the men, but in the case of women—and if you will pardon me I would rather like to draw attention to the women (England) for a moment, where it seems to me to be a little more pronounced—in 1919-20 in the Society for Women (England) you have a very light sickness experience. In 1921 it is decidedly heavier, and that, I think, is because of the number of women passing out of employment. 1922 was, of course, a year of serious unemployment, and the rate is very heavy indeed as compared with previous years; but, of course, we must not lose sight of influenza attacks; and again, in 1923. In the Men's Society I think you do not meet quite the same variation following the excessive unemployment, because of the Unemployment Benefit. In the case of the women, for instance, you get a very large number of domestic servants who presumably would not draw Unemployment Benefit. Whether they do or not is, of course, always a doubtful question. But I think it is in the main decidedly a feature that the experience as a whole was lighter than was anticipated at the outset.

9639. What I wanted to get at was whether, taking all the factors into consideration, the sickness is permanently lighter than in the tables which have been issued, or whether you think it has partly been due to adventitious circumstances which may not be permanent?—It is a little difficult to give a definite opinion on that, because we have been passing through such abnormal times. There have been special conditions, and special arrangements made to meet special contingencies. So far as one can tell, it does indicate that the actual experience is a little lighter, but one hesitates to form a definite opinion, because in my view so far we have hardly had a normal period over which to compare the experience.

9640. That was, in effect, what I wanted to get from you—namely, your professional view as to whether, so to speak, these figures are sufficient justification for changing the permanent standard, or, at any rate, for changing it much?—No; I hope I have made it clear that what I mean is that there seems to be an indication in the direction of a lighter experience, but I do not think we have had a long enough normal period on which to base a definite opinion as to actual rates for the future.

9641. You would say, would you not, that you would have to use such figures as these with care, and with certain limitations, before you could say that there had been such a large lightening of the

sickness experience as appears to be indicated?—That is the point I am trying to make, but I have not put it so clearly as you have.

9642. That is why I began by asking you whether you had figures for 1924?—Then again we have had an influenza epidemic. One has to take one year with another. If we could get a period of five years of what one might term normal unemployment figures—of course, one would have to include in that case the epidemic periods—you could then talk more precisely. At present I am not prepared to say that we can take these figures as more than some indication of the lighter experience.

9643. Would you give us the benefit of your views as to the association, or otherwise, of a light sickness experience with light disablement experience, or whether you consider they are closely associated?—In the first place, they are closely associated so far as general conditions go, but when you compare the Society for men with the Society for women you have, of course, as I think I have already indicated, in the experience of women a larger number of short illnesses linked up, and so coming on to disablement benefit at a comparatively early time. That would mean that you would have heavier claims comparatively in the case of women. If I may make a suggestion, the real test is in my view a comparison of the actual with the expected cost in sickness and disablement combined. There, I think, is a feature that wants careful consideration. Amongst women the actual experience, taking the two combined, is in excess of that allowed for in the tables, and so far as we can see it is still increasing.

9644. And as far as you can see that is not due to any adventitious or outside causes, but is inherent?—I think that is inherent in women's sickness; so much so that the provision for disablement benefit amongst women made in the tables is inadequate.

9645. (*Mr. Jones*): I have no question on the points of evidence, but might I ask you, Mr. Spurgeon, what is the period to which this particular table applies, which you have just handed in?—That is 1923.

9646. A single year?—That is a single year.

9647. And that was a heavy year?—Yes. It was simply to get the figures distributed over the age groups.

9648. (*Professor Gray*): You have told us how you came to have six societies at the beginning in response to various suggestions?—(*Mr. Meller*): Yes.

9649. And these have now become four by the absorption of the two smaller ones in the men's and women's?—Yes.

9650. When you had six societies, how far did you adhere to the policy of segregation? How far did you insist on a miner going into the Miners' Society or allowing him to go into the Men's Society?—He had the choice. He could go into the Miners' or into the Men's Society, but he had to qualify as a miner in order to join the Miners' Society.

9651. And it would be the same with regard to the laundresses?—It was the same with regard to the laundresses.

9652. And the position is, I presume, the same with regard to the two remaining ones—the domestic servants and the rural workers?—Yes.

9653. Those who are domestic servants, and rural workers, have the option of going into either?—Yes, a great many domestic servants have come into the Women's Society, as a fact. I do not think the rural workers join the other Society.

9654. The rural workers are almost entirely in the Rural Workers' Society?—Yes; they do not elect often to go into the Men's Societies. (*Mr. Spurgeon*): May I say that once a man is in the Rural Workers

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there is no rule compelling him to transfer when he changes his occupation.

9655. Do you ever have any applications for transfer from one Society to another?—(Mr. Meller): Yes. After the last valuation we had applications for transfers from the men's side to the Rural Workers.

9656. (Mr. Cook): I do not suppose that you have any information with regard to the proportion of miners in the men's section?—(Mr. Spurgeon): There were only 11,000 members of the Society for miners at the time of the transfer to the Society for men.

9657. It was practically negligible?—Yes.

9658. You refer to the heavy sickness experience in Wales, and I think the implication underlying your answer to the questions put by the Chairman was that this excessive sickness was due to the presence of tuberculosis?—(Mr. Meller): Yes, that was one of the causes.

9659. Which was due to bad housing and sanitary conditions generally?—In the rural areas.

9660. Does that embrace the mining areas?—It would to some extent, if you are going up some of the mining valleys in South Wales. From what I have seen of the villages there I should say that the conditions are very much like what they are in the rural areas.

9661. Are they worse, do you think, than the housing conditions in the rural and mining areas of Scotland?—I have seen some very good housing conditions in Scotland; I have also seen some very terrible pictures shown in "Coal and Power," which was issued quite recently. But I should have said from exterior appearances that the conditions in Wales were not very much different from mining areas elsewhere, except, perhaps, some of the very select areas in the districts in Scotland that I have seen.

9662. Are you suggesting that the sanitary and physical conditions in mining areas are worse than in rural areas?—I think they are. That is not from my own personal observation; it is from information I have endeavoured to glean on the spot.

9663. (Sir Arthur Worley): With regard to this table you have put in, I was struck with your remark that you thought that the true test was perhaps to combine experiences when you were referring to men and women. It does not here show the combined experience of these ages. You have got ages 16 to 25, which show 59 per cent. for sickness, and 205 per cent. for disablement. I do not know what the combined rate would be for them. It is, however, very interesting information. The suggestion has been made to include an earlier age, and to bring them in at 14. The general idea has been, I think, that that would have been a very good age from a profit point of view, whereas on this experience it would not appear to be so?—(Mr. Spurgeon): I am sorry I have not that combined experience in ages.

9664. It would be pretty bad, would it not, taking the first two, 205 and 211 and so on. It must make the combined experience pretty bad?—That is so. We have the average of the disablement in Table II. There you get the average of 80. At the early ages it is very bad indeed.

9665. You say you have got 80 as against 205 and 211 and 129 at the younger age groups, in 1923?—Yes.

9666. And yet the combined average there comes out at 80 for men, so with these extra it looks as if it would be over 100 per cent.?—Of course, the number exposed to risk of disablement at the younger ages would be much smaller.

9667. Quite; and that would affect it; otherwise it would be over 100 per cent. a very good deal. It would be interesting, perhaps, if you could complete that statement by making them combined, because of its effect on the consideration of including comparative juniors in the scheme?—I will make a note of that, if I may, and send it to the Secretary.

(The Statement promised in answer to Q. 9667 is here inserted for convenience of reference.)

## ENGLAND.

Combined Sickness and Disablement Experience, July, 1922, to June, 1923.

Ratio per cent. of Actual to Expected.

Age Groups.	Men A.S. 136.	Single Women A.S. 137.	Married Women A.S. 137.	Women A.S. 137.
16-24	70	82	173	88
25-34	98	113	111	112
35-44	85	111	103	107
45-54	64	105	96	100
55-69	60	92	82	88

9668. (Mr. Besant): Take from age 16 to 24. Can you tell us why the disablement benefit paid for men and single women and married women works out so high?—I cannot tell you that. Of course, the expectation of disablement at those ages is very small, so that if you get any at all coming on the disablement benefit it is quite likely to be in excess.

9669. On the other hand, if you had one or two less than had been expected, it might easily turn out less than that?—Yes. A very slight variation would affect the percentages.

9670. Take the next block, 25 to 34. The disablement figures there are still high, especially for the men. Then in the next block it falls, and it falls continuously. Have you any idea why that is?—I cannot tell you. As a matter of fact this table has been in my hands but very little longer than it has been in yours.—(Mr. Meller): Might I hazard a suggestion that the ages from 20 to 35 are the child-bearing ages?

9671. That would not apply to the men?—I thought you were dealing with the women.

9672. (Sir Arthur Worley): The married women are rather better?—Yes; I see now they are.

9673. (Mr. Besant): Your figures are a little startling, but we must leave it at that.—(Mr. Spurgeon): They are startling, but as I did not anticipate coming here again I thought I would let you have them. I will endeavour to amplify them and let you have that as well.

9674. (Miss Tuckwell): Have you ever made any comparison of these figures affecting women with the figures of other societies which have women and men in them?—It is a little difficult to find another society which is in a position to get out these ratios. I have made quite a rough comparison with one society, but I do not think that is sufficiently reliable to talk about it. The majority of societies, however, are certainly not in a position to produce statistics of that kind. If you want to pursue that point I am afraid the only place is the Government Actuary's Department.

9675. (Sir Arthur Worley): The one society which is merged in yours would not make a difference?—Their women's disablement benefit was materially worse than ours.

9676. It would not better these figures from our point of view?—It would make them worse; but I am not prepared to speak as to the distribution over the ages.

9677. (Chairman): In paragraph 6 you recommend that Class K be abolished and the option of a marriage bonus be given. Is your proposal based on simplification of administration, or would it provide, in your opinion, a better or more popular scheme for the married women? Or is it for both reasons?—I think I was cross-examined on this very fully on the previous occasion. I have no hesitation in saying, as I said then, that simplification of administration is a matter that weighs with us fairly considerably in this connection. But we should not raise it on that

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[Continued.]

score alone if we were not satisfied that the trouble and expense involved is out of all proportion to the value of the assistance to the members. I think I might perhaps tell you how we have to arrange matters. We have a special department for dealing with marriage cases and Class K in particular. That department was formerly much larger than it is now, because the introduction of Class K by the 1918 Act was such a material simplification of the previously existing system that we were able to reduce the staff very considerably. But we still do have this separate department for dealing with marriage cases, and because of these conditions we deem it necessary not only to refer applications for Class K benefits to that department, but to refer every application for benefit for a woman member within two years of her marriage, so that the experts on the marriage conditions of the Acts can investigate them thoroughly. That, of course, does lead, as a matter of fact, to just one day's delay in the authorisation of benefit. It has to go to the department for examination, and then, if it should turn out to be an ordinary employed contributor, it goes back to the ordinary benefit department for authorisation.

9678. Have you had any substantial demand from your women members for the marriage bonus proposal? With your machinery for securing that the Society shall be under the absolute control of its members, I imagine that any such demand would at once have found expression?—We cannot say that we have had any direct demand for this, but we believe that the marriage bonus would be a very popular benefit with our members. It was certainly received with acclamation when it was thought that it was going into the Bill drafted by the Ryan Committee.

9679. You consider that it is more to the advantage of the newly-married woman to have the lump sum than to be insured as in Class K? You do not fear she might spend the money unwisely at such a time?—There would probably be cases of the money being spent unwisely, but we believe that the majority of the women are able to look after their own affairs in a thoroughly efficient manner.

9680. Is such a marriage bonus really a Health Benefit at all?—It may not be directly a health benefit, but I suggest it would be a benefit which would be very often very beneficial to health. I should like to add at this stage that we were largely influenced in putting forward this scheme by the fact that it was a direct recommendation of the Ryan Committee, and actually passed through the House of Commons.

9681. Would your proposal not stimulate others to clamour for surrender values?—I do not think so. I think that the contribution contains a definite payment for some benefit on marriage, and it is a question as to how the cash value of that benefit on marriage shall be applied, whether as a marriage bonus or on Class K benefit or otherwise; so you are providing a definite benefit which you are arranging for in advance. Surrender value seems to me on altogether a different plane.

9682. In Table VI you state that 150,512 of your Class K women claimed maternity benefit. Could you divide this into first year and second year cases?—Not directly, but I did make a test of 5,000 cases. I found that of those, in 3,600 the confinement occurred in the first year of marriage; in the other 1,400 it was in the second year of marriage; but I think I ought to point out that a large number of those 1,400 would have occurred in the first year in Class K.

9683. Only 7 per cent. of these women claim sickness benefit. Does this not indicate that as a class they are in that year healthy above the average, and that, therefore, the six weeks' sickness benefit instead of twenty-six weeks is really an appropriate arrangement, and one which frees moneys for their other peculiar needs in these early years of marriage?—I am afraid I do not quite understand the question. I can deal with the first part, perhaps—

namely, that the 7 per cent. indicates a comparatively low experience, but I am inclined to qualify that by saying that after marriage a good many of them forget all about sickness benefit until their confinement, when they think of the maternity benefit. I think I advocated before that if there was to be any extension of Class K benefit, it should be in the direction of maternity benefit.

9684. I assume from paragraph 7 that you stand for the present system of segregation and do not consider the inequalities of benefit rate which have emerged to be a defect in a national scheme supported by a flat rate of contribution. Would you amplify your views on this?—(Mr. Meller): May I say that on the question of segregation I think we agree in so far as our own Societies are concerned with the proviso that we should not object to the merging of the Domestic Servants' Society in the Women's Society; but with regard to the Rural Workers, I think I should still stand upon the desirability of segregation there. Treating the subject as a whole, I think it would be a violation of the promise held out to societies at the beginning, that they might form themselves into separate groups, and that separate groups, when formed, should have the advantage of segregation. I see no reason to-day to alter that opinion.

9685. What are your criticisms of a proposal we have had in evidence to institute a system of territorial societies, each under local control and catering for all the insured persons in the area?—First of all I preface what I have to say on the subject by this statement. So far as I have seen this scheme of a territorial system it is very nebulous, and to that extent it seems to me rather difficult to criticise. I believe that a system on a territorial basis would not work so well from the point of view of the insured person if, as I gather, the management of a society is to be given over to some local government body with a committee of management or its substitute comprised of persons who have no interest, or perhaps a passing interest as members of a committee. I am sure that the Approved Societies to that extent would not prosper as they do to-day. I have had a fairly large experience of local government work, as a member of a rural council, a district council, and at present a county council. I think I know something of the interest which may be taken by members of a local government body. To a very large extent it is bound up with the district, in some cases the particular ward from which the representative comes. It would be a disadvantage that on every occasion when there was an election there would be likely to be a change, or possibly pressure brought to bear on the candidates for a direction of benefits in a channel which was particularly suited to that part of the ward. Moreover, you would not have the continuity of management which I think is essential to an Approved Society. It would mean the scrapping of the society system, which I believe would not be to the advantage of the insured people. It would do away with that competitive spirit to which we have referred, but which in my mind does not mean a competitive spirit as applied to the businesses of the companies, but means the competitive spirit which desires that its organisations should run so well that it will be a pattern for organisations for a similar kind. I can see no advantage, indeed I can see many disadvantages, in the proposed territorial system.

9686. What would you say to the setting up of local societies in each county and large town to absorb the deposit contributors of the area and the insured persons who are at present members of societies having a very small membership in the area?—There is probably no objection to the setting up of a society of deposit contributors, if you are going to run it upon an insurance basis and not as at present. In that case there could be no objection, I think—certainly not from my point of view—to the absorbing of what I may call the stray insured members, provided they were there on an insurance basis.

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Perhaps it might be an advantage, and might be welcomed by some of the smaller societies, to have their oddments taken up for the time being; but if you have that, I think you are bound to have a minimum number for any recognised society, and the minimum number must be such a number as will enable the insurance of the members to be carried on on a hopeful basis with regard to possible division of surplus.

9687. You do not think that such a system would lead to economies in administration charges, *e.g.*, one society in Glasgow with one office and staff and visitors instead of 384, with membership in that City ranging from 1 to 53,000, each with its independent staff, *etc.*?—I cannot imagine any society with one member having a separate organisation and office, and that sort of thing. There may be the oddments floating around there, but I cannot imagine that the societies are so keenly interested in the interests of one member that they will set up a special body of people to look after one member. I think that is rather an exaggerated view to take of it; but from the point of view of economy, I certainly think that the previous proposal would be the better one, namely, the development of the deposit contributors' side.

9688. You lay some stress on the value of the competitive element in the present system. We do not have the competitive spirit—in that commercial sense at any rate, though we may have it in its higher manifestations—in the administration of public health, education, poor relief, and other localised public services. Do you make any comments on this?—From personal experience I do not think the competitive element enters into it from the commercial point of view so far as my Society is concerned, because there is no advertising to obtain members. Having got the first lot in, I think the later members come naturally. There is certainly no incentive by way of special payment to the agents to obtain members; indeed, in the earlier stages of the working of the Insurance Act, we discouraged transfers from other societies, and entered into an arrangement with some hundreds of societies that we would not accept transfers from them, and they would not accept them from us, except in very special circumstances where it was a convenience to the members to join because they were placed in the position which you have mentioned with regard to Glasgow—one stray member wandering without an office to which he could go, and therefore having to use the post.

9689. In paragraphs 8 to 15 you outline a scheme for financing treatment benefits. It looks like a mitigated form of pooling, but I cannot quite see why the same results would not be got by assigning a part of every contribution to a society fund for these benefits and probably increasing the contribution to the Central Fund in its present form so that the increased volume of deficiency could be met. Your proposed Central Fund is apportioned exactly in proportion to membership after the deficiencies have been met?—(Mr. Spurgeon): I think I made a statement when I was before you last, and I am sure you do not want me to repeat it; it was rather long. I do not think the two things are exactly the same, because in the early stages of dental treatment we are anxious that those societies which have not yet been able to provide dental treatment at all for their members should be given some advantage. I think I brought that out clearly at the time. If I may just refer to it, I think it was at Question 5294. I made quite a long statement there. I will repeat it if you like, but I do not think I should take up the time of the Commission. Sir Alfred Watson said at the time that my oral statement put more into the question than there was in the original printed statement. I am afraid that was so, but I thought it best to let this go through in the same way. As a matter of fact, what really happened was that the Prudential separately, and the National Conference as a combined body, decided both to put this system forward.

9690. It would be difficult, would it not, to carry out your plan for the retrospective contributions to the Central Fund, in view of the fact that the present valuations have gone so far?—That would be extremely difficult. I am not sure that it is possible at this stage, but I think I said last time I was here that the difficulty of a suggestion of that kind, if we thought it would be of considerable value, should not prevent us putting it before the Commission. We imagine the Commission is able to do great things.

9691. You would not recommend that the Insurance Committees should administer the treatment benefits under your scheme, would you? Perhaps you will amplify your views on this?—(Mr. Meller): I think that there are many reasons why the administration of dental benefit and the additional benefits in kind should be left in the hands of the Approved Societies. For example, dental benefit, assuming a scheme such as has been outlined were adopted, would mean a minimum benefit, and we contemplate the possibility of some societies with a surplus being able to supplement the minimum benefit by an extra benefit for dental treatment. It would necessitate in any case an Insurance Committee communicating with the Approved Society to know whether or not the applicant was entitled to additional benefits. Secondly, in the case of supplementing, I think the discretion as to what supplementary benefits should be allowed should rest with the society who had to pay the money and not with some body who had no direct interest in the administration of the individual society proposing to give the benefit.

9692. Arising from paragraph 16, can you explain why they seem to get on all right without a Central Index Committee in Scotland? Have you had any difficulties in this matter?—Scotland is always peculiar compared with the other countries. (Mr. Spurgeon): We are not prepared to admit that they get on all right in Scotland without a Central Index Committee. On that, too, I made some remarks in answer to Question 5452 when I was here before—that we know there is considerable inflation in the Insurance Committee records in Scotland, and we are not satisfied that with the continuance of that inflation the division of the medical fund amongst the Insurance Committees can be carried out on a proper basis. We feel that that inflation is growing. I happen personally to be a member also of the Central Index Committee, and I know they are placing figures before you which will at least throw considerable doubt on the accuracy of the distribution on their basis in Scotland. We strongly advocate in any case a Central Index Committee for Scotland, but we urge most of all one Central Index Committee for England, Scotland and Wales.

9693. (Sir Arthur Worley): I do not want to press you unduly on this question of pooling, as I can see there are difficulties in the way; but I think you will at least agree that the contributions made are made by three people, that is, the State, the employer, and the insured person, and, apart from any statement made when this Bill was introduced, one can imagine that the State would like to see a certain amount of uniformity. I take it that the employers do not take any interest whether their men are in the Prudential, the National Amalgamated, or any other society. They are not concerned as to which society the men are in, taking the body of employers on the whole?—I think, whatever happened at the beginning, that is the case now.

9694. Therefore, perhaps it would not be unfair to assume that an employer would rather look on it that his men should be treated equally well, if possible. You cannot imagine any employer saying: "I would like those men over there to be better treated than these men"?—You spoke of pooling in the first instance and then you seemed to speak of the levelling up of societies.

9695. I am not sure there is much difference; but I do not want to press you on pooling. I am taking

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an individual case, that an individual employer of labour does not care what society his men are in, but he would say: "I would rather all my men got the same benefit"?—(Mr. Meller): I should have thought the employer in that case would have said: "You want to get the best, do you not, for your contributions and for my contributions. Why don't you seek the society which gives the best. You have got specimens here in the works. Why don't you have a chat together, and go into the society which seems to be able to give you the best benefit?" I should have thought that was the best explanation.

9696. Assuming he was big enough minded and logically enough minded to do that, and they followed his advice, there would be a dilution, so that the same thing would come round from this point of view. There must be a dilution if you get them all, good and bad, into one society. I want to put it to you that the people who are materially concerned in this financially must have a certain bias in that direction?—(Mr. Spurgeon): I think to a certain extent we go along the road you indicate. We feel, as I have already said in reference to the suggested scheme for dental treatment, that if we can assume that existing contributions under present conditions as regards sickness experience, rate of interest earned and so on, are sufficient to provide something more than the benefits laid down in the Act, then the most important of the other benefits—dental treatment—should be provided universally within the amount of the fund that is found available. But we do not think at the outset that it should be driven too far; that is, the levelling up. It is impossible to tell at the outset, without further experience, what the cost of a benefit like that is going to be, and we attach great importance to leaving to each society sufficient incentive to efficient management and organisation, which I understand you concede is an important matter.

9697. Coming down to the efficient management and organisation, and so on, there is one benefit with regard to which it seems to me the question of efficient management and organisation does not come in, and it is a benefit which is now a statutory benefit, and one where the incidence falls heavier on some claims than others: that is maternity. It does happen, I think that in Scotland, from figures which have been put before us, maternity is a heavier risk than in other cases, due to all sorts of reasons—occupation very often. Is not that a basis which may be common to everybody? I do not think you could claim that any amount of organisation or discrimination or underwriting or anything else would affect that. They are all appealing to a common point and getting a common benefit. It is merely an incident of the territory in which they live, and it punishes some societies much worse than others?—I do not know quite what you mean by "punishes."

9698. It punishes the funds.—I do not know any society where the cost of maternity benefit is in excess of the expected.

9699. You know there are societies where it is greater than in others?—Yes; but I think in nearly every society it is probably within the expected, so that the societies are not punished in any way. They are well within the provision made by the contributions they have received.

9700. Whether they are punished or not, the result of the surpluses that arise from maternity benefits by their being more correct in their estimate as to maternity benefit than the others, is the same. One society pays more per head than the other; but it is not a benefit with which administration or anything else has any connection. In ordinary sickness I would agree that administration may cut down the amount of what is claimed compared with the amount that is due, but in maternity benefit there is no question of that?—I do not think the insured population would welcome the advent of one person calling to pay one benefit and a little later another person paying another benefit.

9701. I am not suggesting that. What I have in my mind is, supposing a certain figure—1d. per week for the sake of argument—was the sum allocated for maternity benefit, if that 1d. a week contribution were put into a fund and there was a distribution per claim, there would be an equalisation between the societies. It would have nothing to do with who paid it. I am basing that on the ground that you cannot discriminate. There is no question of administration or anything else in it?—So long as they are well within the expected, I am afraid I do not see very much in it.

9702. Suppose that one society's expectation was 90 and it was well within it, and another society's expectation was 65 and it was well within it. The mere fact that in the "90" society the maternity experience is high prevents the other members of that Approved Society from getting a benefit in the shape of extra benefits.—I quite see the point, but I am afraid I have not thought it out in all its details. I suppose my actuarial mind is affected by the fact that there is not such a lot in the cost of maternity benefit; it is a very small proportion of the contribution.

9703. It is a question of principle with me, and while I am quite willing to concede your point about management being a factor and how you want still to keep that control and encourage the well-managed society to get benefits, this is a benefit you do not control and you do not do anything for it. You cannot control it and you cannot get better value?—(Mr. Meller): I am wondering whether the excessive maternity claims arise in small societies where the risk is not well spread.

9704. I think the figures I saw were for the whole of Scotland.—(Mr. Spurgeon): We have the maternity claims for Scotland here; they are rather larger than England.

9705. The general experience in Scotland has confirmed that, I think; but it was the Miners' Society that we saw.—I am not sure, knowing that only a small amount of contribution is set aside for maternity benefit, that there is much in it on the funds of the society.

9706. Not much in the case of the big society, but it is in the case of a society which has no surplus?—I am not sure that it would have much effect on their funds.

9707. I am not prepared to argue with you, but I want to take the case of the Miners' Society which has practically no surplus and to ask what would be the effect on their funds of any liability in respect of maternity higher than the others?—I see your point, but I am inclined to think that the effect on the funds would be very slight.

9708. May I take it that if the effect was not slight there would be more in the point?—Yes.

9709. A point is there all right; you have conceded it. Whether it is worth while doing is a question of amount?—Yes.

9710. (Sir John Anderson): Following that up for a moment, do you happen to remember how much is allowed in the contribution for the maternity benefit risk?—I do not want to draw on my memory to that extent; but I think in a women's society it is something like one-sixteenth of a penny per contribution.

9711. You know that it does happen in certain classes of societies that a heavy maternity risk coincides with a heavy sickness experience?—That would probably be so.

9712. I think Sir Arthur Worley's point was that any relief that can be given in regard to the maternity risk would, at any rate, go towards reducing the amount of the deficiency or claim on the Contingencies Fund arising from the heavier sickness experience. Do you see any ground of principle for separate financial administration of maternity benefit by the different societies? There is an obvious ground of principle in the case of sickness benefit which is affected by the standard of administration, but that ground of principle fails entirely, does it not, in the



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case of maternity?—I think it is certainly more on the ground of convenience than on the ground of principle.

9713. But if you could secure the convenience by getting the payment of the benefit in the hands of the societies, would you then object to such a measure as Sir Arthur suggested—not a measure of re-insurance, but a measure merely of pooling?—I do not think I should raise strong objection to it. It is with me at the moment a question as to whether it is worth while.

9714. You do not raise strong objection to it as the matter occurs to you now?—That is so.

9715. (*Mr. Besant*): With regard to Class K, in paragraph 6, you suggest two options, (a) and (b). Would you mind telling us whether you have any personal view in favour either of scheme (a) or scheme (b), and whether, if you had such option, you would induce your member to come down on one side or the other?—It would be left entirely to the member. A limit of a month was put on, of course, to secure the facilities for dealing with the case promptly, but as regards the actual option exercised, I have no choice at all.

9716. As far as you are concerned, speaking for the Prudential Societies, you would put forward scheme (a) or scheme (b) as being of equal value. You would not have any predilection in favour of one or the other?—Your question does not sound to me exactly the same. In one case it was whether it was of equal value and then the next was whether I have any predilection.

9717. I am asking whether you have any predilection?—We have no predilection. If you are speaking of cash value, then the cash value can be made equal by the varying amount of the option.

9718. Looking at it from a wider aspect, we have had a good deal of evidence as to the advantage of a cash bonus on marriage, and a certain number of witnesses have been entirely opposed to that scheme, while others have been in favour of it. You put forward these alternative schemes, and I wondered whether, as a Society, you had views as to whether one or the other would be advantageous for the members?—I think we should be content with explaining the matter fully to each member; but, of course, it would be explained to them by insurance men, and it is quite possible they might point out on various occasions that the insurance alternative was an advantage to the member. They might think that; but I think whether one is an advantage or the other depends on the circumstances of the individual, and whether one is chosen or the other depends rather on the taste of the individual.

9719. If you put it forward in that way, do not you think 99 out of 100 would take cash?—I think a very large number would. I said I thought that the bonus would be the popular benefit.

9720. Yes, but I wondered whether, if in an insurance scheme you would support the cash benefit rather than the more definite insurance which would be operative under scheme (b)?—I am not quite sure that I can add anything to what I said, viz., that I should be content to explain the options quite plainly in print to each woman as we got a notification of her marriage.

9721. In other words, you adhere to the view that you would give these two options—the cash option and the other option—and let them choose?—Yes.

9722. Passing on to Table VI, the Chairman asked a question with regard to the 7 per cent. of the women in Class K who take sickness benefit. Could you tell us whether 7 per cent. is above or below the expected percentage?—I do not think I can speak off-hand as to the expected percentage in Class K; but it is materially below the number that you expect to claim amongst the employed contributors.

9723. The Chairman rather indicated 7 per cent. as being a light percentage?—It seems so to me, and I think it is probable, because a good many of them forget all about sickness benefit.

9724. But would not 7 per cent. be light amongst the comparatively young women who come under this clause?—I have no figures available at the moment.

9725. 7 per cent. in itself, unless you know what it relates to, would not give us much information?—It does not give you any precise information; you would have, of course, to consider the age distribution and other matters. I can only say that looking at it broadly it looks a little light. I am not prepared to go beyond that; I have made no definite calculation. May I say on that table that in this case only 62 per cent. of those transferred to Class K get maternity benefit. Under the suggestion which has been made, of course, 100 per cent. would get the (a) benefit.

9726. Passing on to paragraph 17—the valuation units—you have now only four valuation units, have you not?—We have four Societies, and in each Society we have three valuation units.

9727. Making a total of 12?—Yes.

9728. Is there much variation as between those in the benefits they get?—May I vary my answer a little from your question? In the Society for Men I would like to give you the gross surplus per member in each of the three valuation units as at the last valuation date. In England and Ireland the surplus came out at £1.44 per member; in Scotland it was £1.40; and in Wales it was £.72. If the whole Society were combined into one valuation unit the result would be £1.41. In the Society for Women, in England and Ireland it was £.71; Scotland £.68; Wales £.27, and the whole lot combined £.70.

9729. In Table V of the Report on the 1918 Valuations, the total figure for men only was £142, so that your Society fits in almost exactly?—That is so.

9730. When you come to the women the figure given is £.94, which is a great deal higher than your experience?—I can give you another figure. The figure of the Society for Domestic Servants in England and Ireland was £1.26; Scotland £1.11; Wales £.02, and the whole Society £1.21, which is rather larger than the figure you give. Might I suggest that if the domestic servants and the women were combined (and that would give you an average experience which is really what you have there) you would, of course, add to the £.70 and reduce the other.

9731. Do you find any dissatisfaction amongst your members at some getting more and some getting less?—We have just had the difficulty that some agricultural and rural workers did elect to become members of the Society for Men; and when you have, as in Wales, a Society for Men with no additional cash benefits and the rural workers getting 4s. cash benefit, they do feel a little dissatisfied. Apart from that, I know of no dissatisfaction which has arisen.

9732. But, in fact, with your enormous membership, you have got what is a large measure of pooling by your constitution, have you not; that is to say, you think in millions of members, whereas so many small societies think in hundreds or thousands?—I do not like that word “pooling.” If I may refer back to the evidence which I gave before on behalf of the Conference, I said there that my personal view—and I repeat again that this is my personal view—is that societies should be of a sufficient size and so composed as regards occupations and districts as to produce what is as nearly as possible under ordinary circumstances of efficient management, the average experience of the country. My personal wishes would be that our domestic servants and women should be combined so as to give an absolutely average experience for women in the country. In our Society for Men we have the miners at the one extreme—they are very small in number, being only 11,000 members, but I think they should be in to average the experience—and at the other end there should be the rural workers.

9733. You can imagine putting your 12 valuation units into one?—I should not advocate combining the men's experience and the women's experience.

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9734. But you could imagine combining it into two, making it merely a sex division?—As regards valuation units, I do advocate that the option for combining countries in one society should be again open to societies. I should like to see it permanently open, with the addition that when there is an option for combining the decision should be made at least 12 months before the valuation date. For International Societies, I would like to see them all valued internationally with one valuation unit. That leads me to answer your question directly, and I should like to see our four Societies combined into two and each of those valued as one unit.

9735. In other words, you would get an enormous amount of help to the weaker blocks given by the more powerful blocks who had a larger surplus in their individual valuation?—I prefer to put it like this, that under the National Insurance Health Scheme I should have two societies, one for men and one for women, each of their sex giving the average experience of the country. That, I think, is desirable.

9736. And you would extend that far beyond the limits of your own body; you would make it national. You would take all the men in this country and put them into one society?—No, I should not.

9737. You would limit it to one body?—You were asking me as to my own body. It seems as though I have to emphasise again that I place great value on the existence of Approved Societies. The competitive spirit to which I have referred is only as regards efficiency in running a society—in administration and organisation; so that I do not advocate for a moment that everyone should be placed in one society. But I think there should be a limit as regards the minimum number of members in a society, and that to place persons engaged in one hazardous occupation all in one society is a serious mistake.

9738. Following up that answer, I take it you have an enormous number included in your four Societies. For valuation purposes you would include the whole of those into a man block and a woman block?—That is so.

9739. Then I think each of your blocks has an unlimited potentiality for membership, and you can take up other members from any source and to any extent almost indefinitely?—Not from any source. If you are speaking of persons entering employment and so going into insurance for the first time, I think with our efficient administration we should get our fair share; but we do not encourage transfers either from others to our Society or from our Society to others. We do not seek to get members of other societies, and when I say there should be a minimum number of members in a society I am not advocating for one moment that the small society should be transferred to a large one. I would suggest in that connection a combination of small societies.

9740. But in connection with your Societies there is no maximum you would suggest?—No; but I think there should be a minimum.

9741. Therefore, if you were well administered and your valuation came out well and you gave large benefits there would be a tendency for the community to wish to enter your Societies, and therefore your membership would go up?—I think sufficiently well of the British public to think that they would choose a thing which is good for themselves.

9742. Therefore, you would in effect, when your Societies got larger and larger, get a large measure of what we call pooling?—Why I object to that word "pooling" is that it has been applied so much to pooling surpluses. I prefer to call it "averaging the risks."

9743. I would equally use the word "pooling" as meaning that when the next surplus came along you would merge all these inequalities into a general high level and you would get a surplus in which the members included in your Society would share equally?—That is so; but I am not anticipating that our Society would

grow so much as to be practically the only society in existence. We have 3,250,000 members, but we do not anticipate having 15,000,000. I would prefer that there should be other large societies so that there should be a basis of comparison for our own organisation.

9744. But as your membership gets larger and larger so you will have a larger and larger number of the community who are getting the same benefit for the same contribution?—You are speaking of the membership getting larger and larger. That, of course, is not the experience, because as new members come in other members go out from lack of contributions, increase of remuneration, and all sorts of things. Therefore the increase in membership is very slight, and when you speak of it getting larger and larger you are, I think, picturing a growth which would be quite abnormal and not likely to occur.

9745. I can imagine the probability, however, if your benefits for a large number of people were more attractive, say, than in some of the mining societies?—If you are picturing transfers, then there are limitations on transfer in that a man gives up any additional benefits to which he is entitled in his old society and is not entitled to any additional benefit in his new society for a good time.

9746. A good many witnesses think that may be changed?—A good many witnesses may be seeking for transfers to their societies, but we do not seek them. (Mr. Meller): Of course, if they transferred with the expectation of getting some benefits that are in existence when they transfer, it may be possible that the society would be so swamped with transfers that it could not continue the additional benefits; that is the danger of it.

9747. That is a possible danger?—Take the Rural Workers Society, which is a comparatively small Society. Flooding it with people who desired to come into that Society to get the 5s. extra in cash, would make it impossible to carry the additional 5s. cash for the period of the quinquennium. There must be a disadvantage to the transferee society unless it had brought to it an equivalent amount.

9748. Can you tell us whether your Societies form amongst the largest valuation blocks in the country?—I am in a little doubt. I think the National Amalgamated for surplus purposes lumps men and women together, and that possibly makes them a larger valuation unit.

9749. But, still, yours must be amongst the largest?—Yes, ours would be the largest valuation unit for men only or for women only.

9750. (Sir Arthur Worley): Of course we give you all possible credit for efficiency, and when we speak of competition we understand it is not a question of obtaining transfers; but on the question of expenses I take it of the amount which is allowed to you—4s. 5d. roughly—a certain amount is allocated amongst other things to rent and office expenses, and so on?—(Mr. Spurgeon): As a matter of fact we work under a special system. We have an agreement with the Prudential Company under which they undertake most of the administrative work.

9751. I understand that; but I take it that some figure is worked out. We will take those figures for what they are worth and possibly you will correct them later on. Your valuations in recent years have created excellent results in the reduction of expenses?—You are speaking of the Company, but we are here as officials of the Society. (Mr. Meller): We could answer from the same general knowledge that you yourself have.

9752. Looking at the question of expenses for a moment, in 1914, roughly speaking, the expenses of the Industrial Society were 44 per cent. Your block system, I take it, is a much less expensive way of working the industrial business than the ordinary method, and I suppose it is owing to that, amongst other things, that the expenses have gone down in 1923 to something like 35 per cent. I was wondering

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whether it would not be a reasonable suggestion that the Approved Societies should get some of the benefit of that, because, after all, you work the Approved Societies very much on the block system as well, naturally; at least I think so?—It is all comprised within the same area.

9753. More or less the same system is used?—Yes.

9754. I do not suppose you yourselves thought in 1915 and 1914, when your expenses were nearly 45 per cent., that you would get them down by 10 per cent., as you have done. Is it not a reasonable thing to suggest that possibly a similar thing could be done with the Approved Societies, because as your income goes up year by year it is probable that the ratio of expenses in your Industrial Company will decrease, but your ratio for the Approved Societies remains the same?—The amount that is paid to the agent in respect of Approved Society work is comparatively small, and there has been for some considerable time a feeling that the amount which is paid for the work involved is very much below that which is paid in connection with the Company work. At the present moment I think they claim, and I believe it is conceded, that the remuneration is by no means excessive, and we would find it exceedingly difficult to offer something less.

9755. I was not suggesting, as a matter of fact, that you should offer anything less to the agents. I was thinking that there must naturally be some improvement in what you may call the dead charges, because the larger your income and the more you administer, the greater the benefit to you. There must be more benefit to an agent who works in a confined space than to one who has a rather larger district to cover?—There may be some saving in time. (Mr. Spurgeon): May I put this point? First of all, the economy brought about by the Prudential Assurance Company is not entirely due to the block system. The block system is a necessary point in connection with it. The second point is that the most suitable block for the Company's work is not necessarily the most suitable block for the Societies' work. Then there is the question of the administration allowance, which has been reduced.

9756. It was put up very considerably. It was 3s. 5d.; it went to 4s. 10d., and came down to 4s. 5d.?—Yes, and with that there has been a reduction in the payment to the Prudential Company for the work of the Insurance Societies.

9757. There is also another factor with regard to your Company, and that is that the premiums, roughly speaking, have nearly doubled since 1913. They have gone up from £7,000,000 to £14,000,000. I hesitate to think what they will be this year, but no doubt they will be very much larger still. However, they are double, and doubling the premiums naturally reduces the overhead charges. I do not know that that is a question with which this Commission is concerned; it is certainly not concerned with your expenses; but the Prudential generally leads in this kind of thing, and it struck me that it was a point we should have in our mind that on figures alone there is room for some adjustment?—But the contribution income of the Approved Societies has not increased in the same ratio as the Company's.

9758. But they are occupying the same office and the same proportion of charge is made between the contributions of the Approved Societies and the premiums for the Industrial Company. There would be a self-adjusting factor, whether both want it or not?—I do not think the two things are on the same plane. If you have on the one side the income doubling itself and, on the other hand, the income remaining stationary, you have not the same facilities for bringing about greater economy in working

9759. I do not say the same facilities, but one stands at 100 per cent. and the other has gone down from 45 per cent. to 35 per cent., which is equivalent to a 10 per cent. reduction. In the days when you got 44 per cent. for your expenses, which was in 1914, your charge on

the Approved Societies was 3s. 5d. To-day it is 4s. 5d., and the 44 per cent. has gone down to 35 per cent.?—(Mr. Meller): The conditions were very different in 1914 from 1925 with regard to the cost of materials. Postage is 50 per cent. higher than it was in 1914.

9760. That makes it all the more creditable that you got it down by 10 per cent. But there is the fact that the figure has gone down. I am not saying that the things are in actually the same ratio, but I think you would agree there is something to be said on the other side?—(Mr. Spurgeon): I do not think they are directly comparable by any means.

9761. I have not gone so far. I have suggested that there is something to be said. I think you will agree that if you take the Prudential and some other society that has got a country-wide business which is not worked on your system, that you can work it more efficiently by your system than the other society can. I think you would claim that in the ordinary way, as between two societies, you on your system and the other on the older system, normally you can work it more efficiently and more economically?—(Mr. Meller): There is machinery at the head office which is probably non-existent with some other societies. It is an advantage to the insured.

9762. You would not put the machine up but for the advantages to the insured or the Society. You would not do it to make it more expensive?—Quite.

9763. I think that as between two societies, you on your present system and the other on the old system, there is greater economy now in your case than there was. You would agree with that, would you not?—(Mr. Spurgeon): Yes.

9764. The Health section will not get the advantage of it?—I am not so sure of that. There is of course this reduction in the administration allowance and there is always the point, in connection with economy, whether improvement in efficiency, without reduction of expense, is not sometimes a proper economy.

9765. I am suggesting that you have got the economy now and you have got the efficiency. We all agree about that, but we are not getting a corresponding cash reduction. I think there is something to be said for it, without unduly pressing you on it?—(Mr. Meller): I can only say further that on the question of the amount which is paid for administration by the societies to the Company, that when the agreement comes up it is very carefully considered as to whether any alteration can be made in the amount which is to be paid to the contracting party for the carrying on of the work. It is not done as a mere matter of routine.

(Sir Arthur Worley): I am not suggesting that it is our province to revise your particular agreement. I am just dealing in generalities on the figures, and I am trying to draw the lesson that as certain figures and facts are, the Prudential ought to be able to administer much more cheaply than any other society. Then the question arises whether they should get the benefit of it, or whether the Approved Societies ought not to get the benefit of it.

9766. (Prof. Gray): What is your general impression on the efficiency of the medical service nowadays?—I think the medical service is vastly improved from the earlier days, but I think it still falls far short of what medical service should be; not so much from the point of view of the incompetency of the practitioner, but from the point of view of the narrowness of the service which is given.

9767. How do you get on with Insurance Committees, and in particular with the Medical Service Sub-Committees?—I do not know that we have any very great complaint to make of the Medical Service Sub-Committee. Cases do arise occasionally where there seems to be a strong bias by the medical representatives in respect of their own people, but I think where the body is properly composed—that is where you have got the laymen appearing in the proper proportion and you have not got an excess of medical men due to the absence of laymen—generally speaking, the decisions are very fair.

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[Continued.]

9768. Have you had any experience in regard to cases of claims during pregnancy?—Very large.

9769. Have you any suggestions to make?—I think that there is a very large element in certain parts of the United Kingdom of sympathy during the period of pregnancy; that is, that the medical men do not appreciate the fact that pregnancy *per se* is not incapacity within the meaning of the Insurance Act. They are disposed to give certificates very easily when the pregnant woman comes along, regardless of the fact whether she can work or otherwise. The certificate is given merely upon application, and there is no inquiry as to whether they ought to give it. Particularly do I find that in post-confinement cases. In Scotland there seems to be a general rule that a woman shall have certificates for at least four weeks after the confinement. In many cases I have seen, the doctor has deliberately said: "She is able to go about her work, but I think she ought to have a month in every case. I think she is entitled to a month," and they give certificates accordingly.

9770. Do you find the provisions with regard to compensation work all right?—Very well indeed. I should like to give some figures which have been got out with regard to compensation. We received during 1922, 24,792 cases of compensation. Of that number, 13,768 were referred to the legal advisers, and there was a saving to the funds of £147,000 actually paid as compensation. In relation to payments, it represents, in 1923, a relief of 4.93 per cent. of the total sum that has been paid.

9771. Do you serve notice on employers that you are paying benefit pending settlement?—Yes.

9772. How many voluntary contributors have you got?—(Mr. Spurgeon): I should say roughly 1,900 men and 800 women.

9773. Do you find that there are any number of new voluntary contributors?—I think the number has grown very slightly, judging from my figures here.

9774. Are the voluntary contributors a falling body?—That I cannot state off-hand.

9775. Have you any views about the exempt person and his benefits?—No, I do not think we have given any consideration to that.

9776. You have not considered whether, since they have taken themselves out of the Act of their own volition, they ought to receive benefits?—That has not been a subject of discussion with us.

9777. What about low number of contributions—those under 40 and those below 13?—I do not think I have anything to say about that.

9778. The point I have in mind in regard to the first class is that you are supposed to make certain inquiries?—I am afraid I am a little at sea on this point as to whether, with the Prolongation of Insurance, there is very much inquiry to be made.

9779. Have you any trouble with regard to linked-up illnesses?—I do not know of any trouble. I should like to know what the question really means.

9780. The point I have in mind is that you are entitled, are you not, on the interpretation, to link up illnesses in respect of which benefit might have been claimed, but was not? Do you make any inquiry to find out whether there was, in fact, a small illness in between in respect of which no benefit was claimed, but might have been claimed?—Generally speaking, no. If we have any indication that there might have been an illness we should certainly pursue it. If there is a clear year and there is no indication that there has been an illness we should accept that.

9781. What about accumulation of benefits in the case of inmates of hospitals without dependants?—(Mr. Meller): We endeavour to administer them in a fairly wide way. We ascertain whether there is any payment. We are usually told that some payment is required—that something has to be kept up at home, or something has to be paid to the hospital—and application is made. We treat those cases very generously indeed. If there is a valid reason why some payment should be made, we do something.

9782. Would you be in favour of limiting the amount which might be paid to the legal representative afterwards?—Do you mean something less than the benefit that has accrued?

9783. Yes.—I think not.

9784. You regard that as being the money of the insured person, payable to his representative, even though a fifth cousin?—Yes.

9785. What have you done with regard to section 26?—That is old section 21, and we have not made a great amount of payment under that. During the last five years we did not think we ought to be spending very much money under that, because we wanted to see what the result of the valuation would be. During the second period, till the next valuation, some small use has been made in supplement of benefits which have been required.

9786. Do you regard the scheme of additional benefits as being the thing that matters?—Yes. We prefer to wait till the end of the valuation and not to anticipate it by spending beforehand.

(Chairman): Thank you very much.

(The Witnesses withdrew.)

## NINETEENTH DAY.

Thursday, 26th February, 1925.

### PRESENT:

SIR ANDREW DUNCAN, in the Chair; later, LORD LAWRENCE OF KINGSGATE.

THE RT. HON. SIR JOHN ANDERSON, G.C.B.  
SIR HUMPHRY ROLLESTON, BART., K.C.B., M.D.,  
P.R.C.P.  
SIR ALFRED WATSON, K.C.B.  
SIR ARTHUR WORLEY, C.B.E.  
MR. JAMES COOK, J.P.

PROFESSOR ALEXANDER GRAY.  
MR. WILLIAM JONES.  
MISS GERTRUDE TUCKWELL.

MR. E. HACKFORTH (Secretary).  
MR. J. W. PECK, C.B. (Assistant Secretary).

MR. J. CLIFFORD WING, Col. C. H. HOWKINS, C.B.E., MR. A. H. CONDRY, and MR. P. I. WIGODER, called and examined. (See Appendix XXII).

9787. (Sir Andrew Duncan): Mr. Clifford Wing, you are Chairman of the Public Dental Service Association?—(Mr. Wing): Yes.

9788. You are accompanied by Col. Howkins, Mr. Condry, and Mr. Wigoder?—Yes.

9789. You are representing the Public Dental Service Association of Great Britain, and I understand you will arrange among yourselves to divide the answers to the questions according to the problem dealt with?—Yes.

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[Continued.]

9790. Will you tell us briefly something about the constitution and representative character of the Association and what are its relations to the other three Dental bodies that are appearing before us?—Shortly after the War the British Dental Association formed branch panels with a view to working any additional benefits. About 1920 and 1921 they were being formed. Then the 1921 Act brought in a large number of practitioners and it was thrown open to the whole Register. That meant that the British Dental Association, whose constitution would not admit of dealing with 1921 men, had to relinquish their control, and a Central Committee in London was formed, and the present Association was incorporated in December, 1922. It consists of 13 branches, covering the whole country, Great Britain, Northern Ireland, and some members in the Free State. There are over 7,000 elected members. It represents the whole profession, and not any particular branch. It contains the majority of the British Dental Association members who are doing Insurance work and also the great majority of Incorporated Dental Society members; in fact it contains the great majority of Insurance dental practitioners. Since it started it has elaborated the matter of professional control by means of reference committees throughout the country. A scale of fees has been drawn up and a specification of materials. That has been done mainly in conjunction with the Joint Committee of Approved Societies and Dental Societies. With regard to other Dental Societies, it is obvious that our relations are extremely friendly, because we came out of the British Dental Association and we contain most of the members of the Incorporated Dental Society.

9791. May we take it that you are definitely and whole-heartedly in favour of a substantial extension of dental treatment under the Health Insurance Scheme in the interests of the health and wellbeing of the community?—Certainly.

9792. And that your Association, which has, I gather, been particularly concerned with the provision of dental services to the insured population and similar classes, desires to offer cordial co-operation in a suitable scheme of dental benefit under the Insurance Acts or otherwise?—Yes, we do.

9793. From paragraphs 1 to 10 of your Statement, may we take it that you are fully convinced of the serious and widespread nature of dental defects and that the time is fully ripe for dealing with this by some public scheme?—(Col. Howkins): Yes, it is.

9794. In paragraphs 11 to 17 you describe the existing agencies for providing dental treatment. These, in your opinion, apparently by no means cover the ground. Perhaps you will describe to us what you consider the gaps and deficiencies?—The Poor Law service does very little work indeed; really it does not touch the industrial classes, and of course there must be hundreds of thousands of people who cannot get any relief from it. With regard to dental inspection by Education Authorities, that is being done to a large extent, but the number of dental officers is small compared with what it should be. Sir George Newman mentioned that there ought to be eight times as many to cope with the number of school children. And arising from that, there is this most unfortunate gap between the time when a child leaves school and when it becomes one of the insured population. That is the time when dental attention is absolutely essential. At the present period there is no means really by which that is catered for. It is a gap in which a boy or girl's teeth are liable to decay and the foundation of dental diseases then sets in. At the present time children leave elementary schools, some partly treated, some wholly treated, but the vast majority leave in a state of dental decay. This gap was realised by the Dental Board and they sent out 780 letters to different Approved Societies who had juvenile members asking them if they could not fill up the gap. The Approved Societies did not see their way to do that, first, because, they said it was only two years and they did not think much harm would happen, and, secondly, because they

had no idea as to how much it was going to cost them. It is a most serious gap. There are one or two suggestions I should like to put forward. One is that there should be a certificate given to a child when he leaves school to say that that child has had his teeth properly attended to. The reason is that the child will have less ill-health in the future and it might be an asset to him in seeking a job.

9795. Who is to call for the certificate?—The dental officer of the school would give the certificate. If it were known that a certificate could be obtained it would be an inducement to the child and to the parents to have his teeth put right.

9796. Are you making that suggestion as a means of linking up the school child with the Insurance Scheme?—It would be a great inducement to the child to have his teeth put right at school. That is the idea.

9797. What purpose is the certificate to serve?—It would really be a help to employment for one thing and would give the child a good start in the gap between school age and when he becomes an insured person.

9798. That is what I do not see. What start is it going to give the child?—The desire to obtain a certificate that the child is in good health as regards his teeth is an inducement to the child to have his teeth put right.

9799. In the hope that when he searches for employment the employer would call for such a certificate?—I think it would be an inducement.

9800. That is what you have in mind, is it?—Yes.

9801. You criticise in particular the present arrangements under the Insurance Act on the ground that these are of limited application, varying in scope, and not under satisfactory administrative arrangements. Perhaps you would amplify for us a little your criticism of dental treatment as an additional benefit, in particular on the administrative side?—(Mr. Condry): Dealing with administration, one must take into account to some extent lack of scope in that all insured persons are not eligible for dental benefit, and all Approved Societies with surpluses do not give dental benefit. The great anomaly with regard to the administration of dental benefit is that there is no attempt at uniformity of administration on the part of Approved Societies that administer the benefit. The consequence is that the routine of application for benefit and sanction for treatment is elaborate and complicated, and to some extent acts as a deterrent to an insured person who is not used to making applications of that character. Not only that, but the lack of uniformity leads to very great difficulty on the part of insured persons because I think they obtain most of their information with regard to dental benefit from their fellows who have had experience of it or who know of it, and they find when they apply to their particular society either that they are not eligible for benefit at all or else they have to go through an entirely different routine from that which they have been expecting from the experience of their fellows. Another thing, there is no real provision for urgent treatment in time of pain. If a patient needs a tooth, or two or three teeth, extracted quickly there is no real provision for that, because the patient cannot wait till he can apply to his society for a dental letter and go through the routine of getting sanction; and perhaps find again that he is not eligible. The consequence is he has either to put up with the pain or pay his dentist separately. Another thing, Approved Societies have attempted to set up in some instances what are known as restricted panels, and they have taken from the insured person to some extent the right he enjoys to choose his own dentist, which in some cases is a precious right for the insured person. So far has this been done in some cases that grants have actually been withheld from insured persons who have gone to a dentist in spite of the requirements of their society, and that dentist might have been quite acceptable to, and have actually done work for, other Approved Societies. Another thing, there is a great deal of

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[Continued.]

diversity of office administration. There is no uniform type of dental letter. A patient in one society gets a different kind of dental letter from a patient in another society. Not only that, but he gets it in a different way. He may have to apply direct to his society, he may have to apply to his agent, and in return the agent brings it back to him. That has obvious disadvantages. The type of dental letter is quite different. The type of payment is quite different. In some cases the insured person is called upon to pay quite a large amount, for an insured person at any rate, before treatment is ever sanctioned. Out of a total of £5 or £6 he may find it necessary under some of the schemes of Approved Societies at once to find £4 at least, before sanction would be given to treatment.

9802. How many of these matters you are mentioning are questions upon which you as an organisation could, even under the existing state of things, secure uniformity?—We have attempted to do so, but we find the difficulty is that Approved Societies generally have no existing arrangement whereby they are under one control. We cannot get them all together; we have to tackle them individually; and then we are up against lack of uniformity again.

9803. You are under one control, as it were, are you not?—Quite.

9804. Through that medium would it not be possible for you to make uniform arrangements, particularly in machinery?—We have tried. (Mr. Wing): The Joint Committee of representatives of Approved Societies and Dental Societies to which I referred has brought about a considerable amount of uniformity, but that does not apply throughout. It certainly has brought about a great improvement, and is still doing so.

9805. Are these difficulties found more amongst local societies than the larger and more general national societies?—(Mr. Condry): Not necessarily. I know of no two dental letters that are alike, except possibly two that are something alike.

9806. By "dental letter" I take it you mean the form upon which an application is made?—Yes, immediate sanction for treatment.

9807. That surely is a matter upon which your organisation could secure uniformity?—(Mr. Wing): We are improving that.

9808. There is no change required in the system in order to remedy many of these things?—(Mr. Condry): I think to a certain extent there is. So long as there is a number of bodies, such as the Approved Societies, administering dental treatment, I do not think you are likely to secure uniformity.

9809. What if the Ministry of Health were to draw up model forms in consultation with societies and dentists?—We have made representations to them to that effect, and they are considering the matter, I understand. (Mr. Wing): We are submitting a model form. (Mr. Condry): Even so that might not complete the matter, because even then Approved Societies, unless the model form of dental letter denied them that right, might demand payment first instead of leaving it to the dentist to deal with his patient as far as his share of the payment is concerned.

9810. That comes into a different category from the other purely machinery questions?—Quite. The next thing is that the period of five years ineligibility (which is not due entirely to Approved Societies) is a serious handicap to the maintenance of good dentition at the most critical time of a member's life. The fact that dentistry is an optional benefit and that a member does not become eligible for dental benefit till five years has gone by, during which time he may have received none, is a very serious handicap to him. Then the next thing (which may not be due entirely to Approved Societies) is the inadequacy of the grant. The grants vary in different societies, as I have said, and in most cases they are quite inadequate, and even where a fairly large grant is given the fact that the patient has to find even a small

amount of money as a condition precedent to sanction for treatment is putting a very serious handicap on some insured persons.

9811. I gather that you propose a complete Public Dental Service as a statutory benefit under the Insurance Act?—(Mr. Wing): Yes.

9812. Are you satisfied that there is a sufficient number of qualified dentists to give an adequate service to the 15,000,000 insured persons, especially at the start of the scheme, when clearly a large mass of arrears would have to be overtaken?—I think there is no doubt that on the Dental Register there is a sufficient number of practitioners to carry out the work. I think it works out at about one per three thousand of the population. It has been estimated that one per five thousand is a proper average proportion, especially in industrial practice, for a dentist to be able to make a living.

9813. You say one in three thousand, how many is that altogether?—We have 14,000 on the Register.

9814. What is your suggestion for the local administration of dental benefit, if it were made a normal benefit for all insured persons? Would you be satisfied to have this entrusted to the Insurance Committees with some amendment of their constitution?—Yes, I think we should like to see dental benefit under the same regulations as medical benefit will be.

9815. If the local administration were entrusted to Insurance Committees, what central body should conduct negotiations on questions of scope, charges, and other general problems with the Ministry?—We suggest a committee might be formed of representatives of Dental Organisations with lay representation, perhaps, appointed by the Ministry of Health.

9816. What procedure do you suggest for the hearing of complaints by insured persons against dentists?—We have these dental reference committees set up in the branches. That might be extended and more localised in a bigger scheme.

9817. Under the general supervision of Insurance Committees?—Yes.

9818. What procedure do you contemplate for dealing with individual dentists who give unsatisfactory service?—They could be reported by those committees to superior authorities and penalties inflicted from fines up to suspension from the panel.

9819. Have you thought of any of the professional questions that would arise?—There would be difficulties, of course.

9820. It may be you have not thought of them?—I do not think we have considered them very fully.

9821. Do you consider that there would be any great difficulty in defining the scope of dental benefit?—(Col. Howkins): No, we do not think so. The ideal, of course, would be to have every possible form of dental treatment for everybody.

9822. That is scope of a different character. I am speaking of defining the scope of dental benefit itself?—Dental treatment? We have laid down in our memorandum what we consider should be adequate treatment given to all insured persons.

9823. As outlined in paragraph 31?—Yes, under the five headings.

9824. Is it your proposal that all of these should be included in the benefit under the Act?—Yes, I think they all should be most certainly included.

9825. If it were not possible for financial reasons to include all these five items, in what order of priority would you place them?—As a matter of fact they all ought to be included.

9826. But if for financial reasons all cannot be included?—In that case I think the most important thing would be to remove all septic teeth from a person's mouth, because bad teeth do far more harm than healthy gums with no artificial teeth at all. The great thing would be to clear out all bad and unwholesome teeth and leave healthy gums. Then, of course, comes the question of some artificial substitute. It is very awkward to turn a person away with bare gums,

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[Continued.]

He would then probably suffer from indigestion. So I think really one ought to go for the whole of the treatment. Again, there is the question of prejudice. People will not have bad teeth taken out unless there is a very good chance of having artificial ones put in. They would rather have septic teeth in their mouth than have them taken out and have bare gums. Then there is the question of the filling of healthy teeth which are left in the mouth.

9827. Apart from the teeth that must be extracted owing to their condition, what in paragraph 31 amongst the other items there set out would you place first, second, and third?—First, scaling of teeth and treatment of inflammatory conditions of gums, and then fillings.

9828. Are we to assume that you have here placed them in the order in which you would ask us to give preference?—No, we have not. The first thing would be extraction of teeth.

9829. Will you go through them and put them in order?—Extraction of teeth, scaling and filling I think I should put together, they would run together, and, last, the provision of complete or partial artificial dentures.

9830. Where does propaganda come?—The propaganda which we urge is now taken on very much by the Dental Board. They are agitating by means of films and all sorts of things.

9831. You think they are the right people to do it?—They are more capable, and are prepared to spend a considerable amount of money for this purpose.

9832. Who are the Dental Board?—The Board which administers the whole dental profession and works under the auspices of the General Medical Council.

9833. Propaganda might be done at the expense of the dentists rather than at the public expense?—The Dental Board are a better organisation. They are buying films from America, and doing all sorts of things to bring the matter of ill-health from teeth before the public. (Mr. Condry): I think insurance funds might very well be used to some extent for propaganda purposes.

9834. In the interests of health?—Yes.

9835. But propaganda would also be in the interests of the dental profession?—To some extent, but much more largely in the interests of the public.

9836. I only want to know where you put propaganda. That comes fifth?—(Col. Hawkins): It should come first. It covers the whole thing, from giving lectures and distributing leaflets and having film shows, to the instruction of teachers of elementary school children in dental hygiene, and so forth. It is a very broad and very important question.

9837. We invite your views specifically on the proposal which has been made to give only the surgical treatment and to leave it to the patient to pay the whole or possibly part of the cost of the dentures?—The awkward part about that is that very poor patients would not have a chance of paying the other part of the cost. It would mean that those insured persons with a certain amount of money might get dentures by paying a proportion of the cost, but it seems hard that a poor person would not be able to, because he has not the means.

9838. That is rather a different type of question. What do you say to it from a professional point of view or health point of view?—I think it does become rather a matter of finance. Everybody should most certainly have artificial substitutes for the teeth taken out.

9839. I will put the question in another form. Is it better to have what I understand dentists call a clean mouth than not to have a clean mouth?—It is better to have a clean mouth.

9840. Is it better to have a mouth without dentures than to have teeth in it which are not clean?—The best thing is to have a clean mouth, that is to say, to have no bad teeth in the mouth. A mouth without natural teeth is in a far better condition than a mouth full of bad teeth or that has some bad teeth in it.

There is no doubt about that. (Mr. Condry): I think the point Col. Hawkins mentioned does come in here because if you put into operation this arrangement you will probably find it will defeat its own object. There are many poor persons who will not undertake dental treatment at all unless they can have complete dental treatment. If they find they are going to be left half-way through the treatment, without the provision of dentures, they will still retain their own bad teeth. That is a difficulty we are experiencing now. The fact that it is a condition precedent to treatment that a certain sum of money has to be found is a difficulty we are experiencing now in getting people to take the benefits that the Approved Societies are offering them.

9841. The question I am asking arises out of that state of affairs. Is it better from the point of view of the health of the people that those persons who at the moment are unwilling to part with decayed teeth because they cannot afford to have dentures should have these decayed teeth taken out even though they cannot have dentures?—Undoubtedly.

9842. Your fear is that it might leave a toothless section of the population?—(Col. Hawkins): That is so, and apart from that it would mean special cooking and things like that for these people without teeth which they would not ordinarily have in their own households. That might come under propaganda.—(Mr. Wigoder): There is the additional point that poor people who could not afford dentures would be paying for those who were better off and could afford them. If the money was in a common fund those who could afford it would claim the amount allowed whereas the poorer people would not be able to claim anything.

9843. They could claim the same amount?—But if they could not subscribe their own portion they would not be entitled to anything.

9844. If it were limited to extractions they would be entitled to extractions?—Yes.

9845. Broadly speaking, I gather your view is that dental benefit, if it is to become a normal benefit under the Insurance Act, should be on the full scale that you name in paragraph 31?—(Col. Hawkins): Yes.

9846. Would you rather see no change than a change that stopped at extractions as a benefit under the Act?—(Mr. Condry): We cannot conceive of there being "no change."

9847. If you could conceive of it?—(Mr. Wing): I think we should prefer to see operative treatment come in even though dentures were not possible.

9848. From paragraphs 28 and 29 I gather you are in favour of the panel system as opposed to the clinic system. Perhaps you would amplify to us a little your arguments on this point. Is there not something to be said for the clinic on the points of convenience, economy in equipment and minor degrees of specialisation?—(Mr. Condry): The great objection to clinics is that they are not possible as a general scheme all over the country.

9849. Why?—In congested areas they may be possible, but in rural areas where there are very few people to attend to, it would be very difficult to run clinics as in the towns, and the clinic system would very likely imperil free choice of dentist which we regard as essential and which is incorporated in the Insurance Act in the case of the doctor. It would mean that fresh equipment would have to be provided at the clinics and that the present possibilities in private practice would to a certain extent be lying idle. But the great objection we have to the clinic is that it might imperil free choice of dentist and the fact that people might look upon the treatment accorded to them in a clinic, and especially the dentures, as something like second-rate. We have some experience of how the soldiers regarded the dentures made for them during the war. They regarded them as second-rate irrespective of the merits of the particular dentures.

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9850. Is there any ground for that belief in your view?—In the case of war dentures most certainly there was ground.

9851. I am speaking now of what might be the position in the future?—With regard to the clinic system I rather think there is ground for that belief. People have faith in their private practitioners, and as a general scheme you could not hope to get the whole profession into the clinics, and consequently some of the men who would work the Insurance Act otherwise so far as dental benefits were concerned would remain outside.

9852. The faith of a patient in the dentist does not in itself affect the quality of the work of the dentist?—I think there is something to be said for arguing that it does.

9853. It is with regard to the quality of the work I am asking. Do you think there is any foundation for the belief that the clinic service would be inferior?—We have had no experience of general clinic service except the war clinic service, and there was reason for the belief there.

9854. Arising from different causes?—No, I do not think so. It was arising from the fact that work was turned out in quantities in central places, and that work was done in central places very largely.

9855. You think it arose out of that fact alone?—I think so.

9856. On the question of payment, we would like to hear your views on the relative advantages of the capitation fee and payment by attendance on a prescribed scale of charges?—(Mr. Wigoder): We think the whole question of dental treatment is in too experimental a stage at present to suggest anything like a capitation fee. The vast difference between dentistry and medicine is that in medicine a man may take a plunge and accept patients at a capitation fee because he is only involved in personal attendance; he is not involved in any actual expenditure. On the other hand the dentist may be involved in a very great amount of expense in treating a patient. A dentist may be involved in a cost of £3 or £4 to himself in treating an ordinary insurance patient, whereas he would be getting a few shillings a year for it. We think for the time being the only workable scheme would be a prescribed scale of charges till the scheme has come out of its experimental stage.

9857. It is solely on the ground of lack of experience and data in arriving at a capitation fee?—Yes. (Mr. Condry): Largely on that ground.

9858. In paragraph 33 you suggest the sum of 3s. 6d. per head per annum as the cost of dental treatment for the insured population. Does this sum correspond to the scope as defined in paragraph 31 or to a more limited service?—(Mr. Wigoder): The sum is not altogether a firm figure. It is a sum that was given by an Approved Society as the amount they spent on their members where their members contributed a portion of the cost. It is not the whole of the cost.

9859. The 3s. 6d. is not the whole of the cost?—No, it is only the cost that an Approved Society has paid when some of their members have subscribed part.

9860. This figure of 3s. 6d. is arrived at from actual experience at the moment?—In an Approved Society, who gave us the figures.

9861. What proportion was the Society paying?—At first we understand the Society was paying about two-thirds, and then they reduced their allowance to one third.

9862. May we ask which Society it was?—I do not know that we can disclose the name. It was a figure given confidentially to our late Chairman.

9863. Are you able to give any details as to how the estimate was made up?—Simply on the experience of the number of patients who had been dealt with by that Society.

9864. Over a long period of time?—Over a period of time, a period of 12 months.

9865. And run under their scheme of additional benefits?—Yes, under the present scheme of additional benefits.

9866. It was in the first place two-thirds, and then one-third, that was paid by the Society?—Yes.

9867. On which was this 3s. 6d. based, the two-thirds or one-third?—This was the resultant sum after a year's experience. During a portion of the year they paid two-thirds, and then one-third when they found their funds were not sufficient.

9868. You do not know for how long the two-thirds ran?—No.

9869. You have no figures as to how it is made up at all?—No.

9870. In paragraph 23 you indicate that you consider the best form of dental service would be as part of a localised medical service outside the Insurance Scheme altogether. Perhaps you would amplify a little your arguments on this highly important matter?—(Col. Hawkins): This arose from the report of the Consultative Council on Medical and Allied Services, under which they were going to have a really comprehensive system—in connection with a system of primary and secondary health centres—for the treatment of all medical cases and dental cases. It is ideally a most excellent system. It is only in the air at present, and of course we have no full details as to how it would work.

9871. I gather you approve of a scheme of that kind?—Yes, we approve of it.

9872. Do clinics form a part of it?—Yes. It comes in indirectly with medical clinics; they are all mixed up together. In other words it is a unified service. (Mr. Condry): We approve of it as an idealistic scheme.

9873. What exactly does that mean?—It would have to be put into operation entirely to gain approval at all. It is ideal. It depends very largely upon the administration of medical benefit first.

9874. By "ideal" do you mean it is something that is not necessary?—No, I do not mean that. Probably that is the ideal way of doing it if you have the money, and if you have the other requirements suggested just now.

9875. If all public medical services were co-ordinated on a territorial basis I assume you would desire that the dental service should follow the medical?—(Col. Hawkins): Yes.

9876. You would see no objection, would you, to such a system being financed partly from Insurance Funds, even though the administration were unified under a local Health Authority?—No.

9877. Arising from paragraph 24, do you consider that the time is yet ripe for the provision of dental treatment to the dependants of insured persons?—I think all dependants should have dental treatment, but I think we have as much as we can tackle at the present time in the insured classes.

9878. (Sir Arthur Worley): I want to be clear on this question of the order in which you would put the things enumerated in paragraph 30. We have had it suggested to us from other quarters that extraction of teeth should come first. That you agree with?—Yes.

9879. Second, scaling; and third, filling. I think you more or less agree with that?—Yes.

9880. Then it was put to us fairly clearly that dentures were not necessary for health, that is to say, a person could adapt his food and would be equally healthy and strong without dentures. I am not referring to appearances at the moment. Would you agree with that?—No. One has only to imagine a wretched man without teeth trying to eat tough meat. I do not see how he could digest it without teeth.

9881. The suggestion was not that he should have tough meat, but that he should adapt his diet?—We are talking of the industrial classes. I can hardly



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imagine a miner going home to have rice pudding, and things like that.

9882. Nor can I. Still, that was the angle from which it was put to us, that it was not necessary for the health of an adult that he should have teeth replaced by dentures?—I am sorry to disagree. I entirely disagree.

9883. There is another point you raise, which is an important one, that a person not having a clean mouth and requiring treatment would not consent to treatment unless he knew he was going to have his old teeth replaced. Persons who otherwise would undergo dental treatment would not do so unless they were reasonably assured that they were going to have their bad teeth replaced?—I think that is right, particularly as regards women. They would rather go about with discoloured and broken front teeth than have no front teeth at all. They would prefer to stick to them.

9884. That is more a personal question with them?—It is mixed up with the personal question.

9885. (*Sir John Anderson*): With regard to the financial aspect of the suggestions that you put forward, I understood from a reply you gave to the Chairman, that you were definitely of opinion that a scheme of this kind could not be financed, at present at any rate, on a capitation basis?—(*Mr. Wigoder*): Yes.

9886. If that is so, is it not going to be very difficult indeed, if not impossible, to devise any arrangement by which a dental service of a specified scope should be given for any stated sum of money that may be found to be available?—Yes. If you were to give an exact sum of money nobody could possibly at the present time estimate the amount, but I think from the experience we have got we could get somewhere near an estimate.

9887. It is a question of making some provision for insured persons out of the Insurance Fund. Any such fund is necessarily limited. It is the product of contributions at definite rates. My difficulty is in seeing how a scheme of dental benefit could be provided which was of a prescribed and uniform character without involving the risk of an indefinite charge upon the Insurance Fund. Do you take my point?—Yes.

9888. It is the case, is it not, that hitherto Approved Societies have got over the difficulty by not pledging themselves to any definite provision. You have told us yourselves that a contribution which originally was two-thirds towards the cost of dentures was reduced for financial reasons to one-third. Such an expedient might readily be adopted in the case of an additional benefit, something—to put it colloquially—outside the original contract, but it would be rather a difficult matter if you had a benefit that was statutory and to which insured persons were entitled as of right. Have you thought of any way of getting over that difficulty?—Yes. We have gone into that matter very carefully, and as a result of all our deliberations we are quite satisfied that it would be absolutely impossible to give you exact figures at the moment. We are satisfied from this point of view, that the 15,000,000 of the population that have to be dealt with are in such a state of dental neglect—and it will take a number of years to get over that condition—that we cannot estimate until they are put in some sort of order or condition; and we anticipate that the first few years will be a much bigger charge than following years.

9889. That leads me to this, the more rapid the arrears of dental neglect are made up the smaller will be the subsequent cost, I take it?—Yes.

9890. So that if, because the people requiring treatment come forward at an unexpectedly rapid rate at the beginning, the initial charges, the charges during the first years, were heavier than was anticipated, those increased charges would be, I take it from what you have said, more than set off by the saving in subsequent years?—Yes.

9891. So that looking at the thing over a term of years, which it is possible to do in arranging the administration of an insurance scheme, the question of the rate at which the claimants come forward at the beginning might not really make any substantial difference, at any rate, might not make any difference at all on the wrong side in the long run?—No, Sir, not if dentists were insured for a number of years against the patients. It would be the dentists who were doing the initial work who would have the bulk of the work to do, while those who followed would have very little to do, comparatively speaking.

9892. The question has two aspects, one in which the dentist is primarily concerned, and one in which the Department is primarily concerned?—Yes.

9893. When you said some time ago that in your opinion nothing in the nature of a capitation fee could be arranged for dental service, as has been arranged for medical service, you drew this distinction, did you not, between dental service and medical service, that a doctor can afford to take his chance, because it is only a question of his own personal service. He is not subject to continual outgoings to the extent to which a dentist is?—Yes. I might sum it up in this way: one is service only, the other is service plus materials.

9894. In the case of a dental service which comprises various forms of treatment, is it not practicable to make a distinction between that part of the service which is analogous to medical attendance and treatment and that part of it which in the main involves labour (other than the professional service of the dentist) and materials?—I am afraid every section of the dentist's work involves expense of materials. (*Mr. Condry*): And every section of the provision of materials involves the skill of the dentist.

9895. I know. I am trying to see whether you can separate the service which a dentist renders into that which is analogous to the service of a doctor, and that which is of a different character, involving a substantial element of labour of mechanics and the provision of costly materials?—(*Mr. Wigoder*): If I might amplify that, I want to make it clear that the medical man has no equipment; he has no materials to supply: it is his skill and knowledge which he supplies. The dentist, in addition to his skill and knowledge, has the enormous expense of equipment which is subject to an annual charge on him, and he has the expense of materials which he uses for any operation that he performs.

9896. Let us take the thing by stages. You say he has the enormous expense of his initial equipment. That does not vary greatly with the number of services he is called upon to render, does it?—Yes, because there is the question of the instruments and materials he uses which constantly require renewing. It is rather a big charge on the dentist.

9897. I believe a doctor uses certain instruments in the ordinary course of his practice?—A stethoscope and thermometer may be his outfit. With a dentist it is a question of a very considerable sum of money and the income tax people accept to-day 50 per cent. of a dentist's income as expenses.

9898. Do they?—Yes, Sir.

9899. I want to take the thing by stages, if I may. Take extractions. I suppose the element of professional skill enters substantially into that?—It does.

9900. What about the outgoings?—The outgoings in the case of extractions are the local anaesthetics and the hypodermic needles which he has to use, not big items, but they are a charge.

9901. Can you put a figure to it? What percentage of the fees which a dentist charges for extractions would properly in your view be attributable to expenses other than general overhead charges?—It depends on the fee. One man gets a guinea for an extraction, and another man may get 1s. or 2s. 6d.

9902. Take an ordinary average industrial practice?—Of the cost of an extraction I think you might put down somewhere about 6d. for the material

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he uses. I think 6d. is a reasonable figure for the anæsthetic and the needle that is used.

9903. I do not know what the fee for an extraction is with a local anæsthetic?—Under the Approved Societies scheme it is 2s. 6d.

9904. For an extraction with a local anæsthetic?—Yes, that is the present agreed scale of fees. 2s. 6d. in the case of the first three teeth, the following three teeth 1s. 6d., and after that 1s.—(Col. Hawkins): If I might intervene, for a very short time of my life I did practise as a medical man, when I was very young, and I must say the two things cannot be compared. From what I know now of panel practice, a medical practitioner will see a very large number of people in one hour, whereas it is impossible for a dental practitioner to see a lot of people in one hour. He cannot do it, every case takes so much of his time.

9905. The element of professional time is common to both. I am taking your own ground of distinction between dental service and medical service, that in the one case if a doctor under-estimates, if the service is more than he bargained for, it does not mean money out of his pocket: it means that he is busier than he expected?—Quite right.

9906. When you say the dentist cannot see so many people you are not really addressing yourself to that distinction. I am purely on the question of what goes out of the dentist's pocket. That you have put forward as an argument against any basis of capitation payment, and I am trying to distinguish between the different services that the dentist is called upon to render. We are bound to do that because the suggestion has been made to this Commission that it would be practicable to deal with dental benefit, excluding dentures and the like, on a capitation basis. You have given me a figure of expense in the case of extractions. Can you give me a similar figure with regard to fillings?—(Mr. Wigoder): With regard to fillings, on the basis again of the present agreed scale of fees, I should think about 25 per cent. would go in the cost of fillings, actual material used, excluding time.

9907. 25 per cent.?—Yes. There is only about 5s. allowed for an ordinary filling.

9908. Have you got any particular type of filling in mind?—No; the ordinary porcelain or amalgam filling.

9909. There is very little in the cost of the filling, is there not?—Yes; but there are the burrs and the instruments. To do the work properly, you can only use them on one or two teeth, and you may have to use half a dozen burrs for three or four fillings. That is a cost of 2s. straight away.

9910. I was trying to see whether the percentage would differ considerably according to the type of filling used?—No.

9911. I was putting it to you that the actual material put in the teeth to constitute a stopping is quite a trivial matter unless it happens to be gold?—Oh, no; it is not quite trivial. I should think on an average it would work out at somewhere about 6d. for each filling. The cost of filling material is fairly high, you know. From an ounce of amalgam which costs 12s. 6d.—that is apart from the question of mercury or anything else one uses—I do not think one can on the average get more than 25 fillings.

9912. You have given me a figure. I cannot press you further on that.

9913. (Sir Humphry Rolleston): To complete the evidence with regard to the expense of these processes might we know what proportion of cases are extractions with a local anæsthetic?—All, except in cases where there is inflammation and where a local anæsthetic cannot be used, in which case one has to use gas.

9914. In all cases an anæsthetic of some kind or another is used?—Yes.

9915. (Sir Arthur Worley): The old days of having a tooth out without an anæsthetic are gone?—Yes. The patient would not come back again if the dentist tried that.

9916. (Sir John Anderson): As regards dentures, I suppose in the case of dentures you would give quite a different percentage?—Yes; a much higher percentage.

9917. What would you suggest?—I should think at least 50 per cent.

9918. 50 per cent. attributable to materials and mechanic's labour?—Yes, but including overhead charges.

9919. In the case of dentures is there not a very considerable scope for individual taste? Given a certain condition of the mouth, all extractions done and dentures to be put into position, what sort of control could be exercised in practice over the type of dentures to be supplied?—We have agreed with the Approved Societies a specification of materials, and the materials as a matter of fact are all first rate materials only. We have the specification here and the order that was sent out by the Central Committee to all its members. I can hand it in if you wish? (Document handed in).

PUBLIC DENTAL SERVICE ASSOCIATION OF GREAT  
BRITAIN, LTD.

*Specification of Materials to be used in work for  
Members of Approved and Co-operative Societies.*

1. All filling material to be of first grade quality manufactured by the best-known manufacturers and suitable for each individual cavity.

2. In prosthetic vulcanite work, if pin teeth are used, all pins to be of (a) platinum, (b) nickel gold-cased, or cased with other precious metal, or (c) nickel alloy gold-cased, or cased with other precious metal, such as are made by the best-known manufacturers.

N.B.—Pins, gold or platinum sheathed (i.e., anchored) within the porcelain, are within the above specification.

3. If diatorics are used for anterior teeth, they are only to be used in cases where artificial gum is necessary and the upper anterior teeth must be wired in.

4. (a) All vulcanite partial cases must be sufficiently rigid.

(b) Metal strengtheners must be compatible with vulcanite and not liable to corrode in the mouth.

5. All rubbers to be of first grade quality manufactured by the best-known manufacturers.

6. (a) Where gold has to be used for dentures by special estimate, it must not be less than 16 carat and must be of adequate strength.

(b) Bands and wires to be of not less than 16 carat gold, and bands to be not less than 7 gauge.

ISSUED BY ORDER OF THE  
CENTRAL COMMITTEE.

26th July, 1924.

9920. It has been found possible in practice to work to a specification of this sort?—So far as we are aware. This is exactly the same treatment as is given to one's private patients, unless exceptional work is undertaken, the same specification of materials.

9921. I suppose the use of gold would be excluded?—The use of gold is a special estimate where it is absolutely essential.

9922. Your opinion is that if a scheme of dental benefit were introduced it would be possible to confine within fairly narrow limits the types of service to be rendered?—Yes.

9923. Is there a scale of charges for these dentures?—Yes. The scale of charges can also be handed in. It is an agreement come to between the Approved Societies and ourselves. (Document handed in.)

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PUBLIC DENTAL SERVICE ASSOCIATION OF GREAT  
BRITAIN, LIMITED.

Agreed Scale of Dental Charges for Members of Approved Societies taking effect as from April 2, 1923, together with the Modifications and Additions as approved by the Joint Committee of Representatives of Dental and Approved Societies December 10, 1924, to come into operation on January 1, 1925.

	£	s.	d.
1. <i>Scaling</i> ... .. per individual	0	5	0
Where special gum treatment is necessary, a special estimate to be submitted for approval to the Approved Society.			
2. <i>Fillings:</i>			
(a) Simple ... .. per filling	0	5	0
(b) Contour ... .. " "	0	7	6
(c) With Root Treatment:			
Six front teeth, upper or lower			
per tooth	0	10	0
Remainder, upper or lower " "	0	15	0
(d) Crown, including all necessary preliminary treatment	1	1	0
3. <i>Extractions:</i>			
(i) Without anæsthetic ... per tooth	0	1	0
(ii) With local anæsthetic:			
First, second and third tooth ... .. " "	0	2	6
Fourth, fifth and sixth tooth (additional) ... .. " "	0	1	6
Above six teeth, each additional tooth ... .. " "	0	1	0
Maximum fee for upper or lower ...	0	10	0
Maximum fee for upper and lower ...	1	0	0
N.B.—Extraction fee not chargeable where full or nearly full denture supplied.			
(iii) Under Nitrous Oxide:			
(a) Administration: Only one administration fee to be charged to each patient ... ..	0	5	0
(b) Fee for each tooth extracted ...	0	2	6
(c) Maximum (including administration) for upper or lower ...	1	0	0
Maximum (including administration) for upper and lower ...	1	10	0
(N.B.—Extraction fee not chargeable where full or nearly full denture supplied.)			
(d) Where teeth are extracted in both jaws and dentures are supplied in both jaws, the extractions to be counted as continuous.			
(e) Where there are extractions in both jaws and no dentures are supplied, the extractions are to be counted as continuous.			
(f) Where teeth are extracted in both jaws, but one jaw only is fitted with a denture, the extractions in the other jaw constitute a separate charge under the scale.			
(Example: If nine teeth are extracted in the upper jaw and a denture inserted, the inclusive fee is £3 5s. 0d. If at the same time three teeth are extracted in the lower jaw and no denture inserted, the additional charge for these three extractions will be 7s. 6d., but if a three-teeth denture is also inserted in the lower jaw, the charge for the extractions and this denture will be £1 3s. 0d.)			

(g) Where a patient desires a medical or outside anæsthetist to attend and to administer an anæsthetic, the patient must make the necessary arrangements, and must pay the fee to the anæsthetist.

4. *Dentures.*

	£	s.	d.
(i) Partial: One to three teeth on vulcanite plate ... ..	1	0	0
(ii) Above three teeth, up to and including nine teeth, additional per tooth	0	6	0
(iii) Full or nearly full, upper or lower (ten or more teeth) ... ..	3	5	0
Full or nearly full, upper and lower (ten or more teeth on each plate) ...	6	10	0

N.B.—These latter fees (under iii) to include any necessary extractions. Number of teeth on each plate to be stated when estimating.

(iv) The maximum fee for partial dentures, including extractions with gas or local anæsthetic, shall not in any case exceed £3 5s. for one jaw, or £6 10s. for both jaws, even though the individual items as per scale exceed these maxima.

Bands, wires and fastenings to be of gold, without extra charge.

For dentures where precious metals are employed other than fastenings, a special estimate to be submitted for approval to the Approved Society.

When the insertion of a temporary denture is necessary and approved by the Society, the full fee is to be charged for it, and the permanent dentures are to be inserted later on at a fee of £1 10s. per full or nearly full upper or lower, and of £3 for full or nearly full upper and lower. The permanent denture to be supplied within twelve months of the provision of the temporary denture.

N.B.—The second denture is to be additional to the first one, both to remain the property of the patient.

After multiple extractions impressions for the permanent denture are not to be taken within a period of three months from the date of the final extraction.

5. *Repairs, Additions and Emergency Treatment:*

Repairs and emergency treatment up to 10s. without previous submission of estimate. Account to be rendered to Society on Society's recognised Dental Letter.

Maximum fee for repairs and additions (to be detailed on estimate)

Upper or lower case ... ..	1	0	0
Upper and lower cases ... ..	1	10	0

5A. *Re-makes:*

(i) Full or nearly full upper and lower dentures ... ..	4	15	0
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This fee to include the extraction, replacing or adding of two teeth in each denture when necessary. In no case must this fee exceed £6 inclusive of any addition to teeth in excess of two per denture

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[Continued.]

## 5A. Re-makes—(continued).

(ii) Full or nearly full upper or lower denture ... .. 2 7 6

This fee to include the extraction, replacing or adding of two teeth when necessary. In no case must this fee exceed £3.

(iii) Partial dentures: One to three teeth 0 15 0

Above three teeth, up to and including nine teeth, additional per tooth ... 0 5 0

(iv) When a re-make is to be made within twelve months of the supply of the first denture, payment for the re-make is to be made on the basis of £1 10s. for full or nearly full upper or lower and £3 for full or nearly full upper and lower.

## 6. Estimates:

It is a condition attaching to the above scale that no additional charge (whether for credit or otherwise) be made or suggested by the dentist to the patient for any reason except with the full knowledge and previous assent of the Approved Society. A special estimate should be submitted in any case where (in the dentist's view) exceptional conditions exist.

7. Examination and Report where patient does not return for treatment ... .. 0 2 6

9924. Does this scale of charges refer to the specification you have handed in?—Yes.

9925. Do you get many complaints in the insurance service of badly fitting dentures?—Not many. We have had very few to deal with in the different areas.

9926. How are they dealt with if they arise?—The present method is that the matter is reported by the society who gets the complaint to the local organisation, and they investigate the complaint and report on it to the Central Committee who report it to the Approved Society. (Mr. Wing): These things come to the Joint Committee that I mentioned.

9927. What do the Joint Committee do? Do they have the insured person before them?—No. First of all the reference committee comes in and the report of that committee would go to the Joint Committee, and the final decision remains with the Joint Committee to recommend to the P.D.S.A. some penalty or removal of the member from the panel.

9928. Who has to determine whether or not the complaint is justified and how is the conclusion arrived at? Supposing the complaint is that it is a badly fitting denture. To determine whether the complaint is justified or not is, I suppose, a matter of professional opinion?—Yes.

9929. What is the professional body that investigates it from that point of view?—The reference committees we have just set up.

9930. Are they composed exclusively of dental practitioners?—At present.

9931. Would they inspect the dentures?—They would if the case were put before them.

9932. And their decision would be accepted, would it, by the dental practitioner concerned?—Yes, Sir. We have had no case where there has been any difficulty.

9933. And he would put the matter right without extra charge. Is that the position?—That probably would be.

9934. You think that would work?—Yes, an extension of it would work.

9935. You think dentists would be prepared to have their work overhauled by a selected body of practitioners?—Naturally they would not like it.

9936. You think they would be prepared to accept it?—I think they would be prepared provided it was a committee, not merely an individual.

9937. I said a selected body of practitioners?—A selected body, yes.

9938. (Sir Alfred Watson): I want to know who is to determine whether an insured person is to receive dental treatment from a practitioner. Under the proposed scheme dental benefit is to be a statutory benefit. What I am not clear about is as to who would authorise the treatment to be given?—A proportion would be referred by the panel doctor, where it was a case of health affected; but that would not touch the question of preventive treatment. The doctor would not see dental disease in its early stages. The patient being conscious that there was some defect in his teeth, would go to the dentist direct. Possibly he might go to the doctor and say: "My teeth are bad; ought I to go to the dentist?"

9939. Going to the dentist is not a popular thing?—True.

9940. It is not a thing we do instinctively?—That is so.

9941. Would it not be necessary for every insured person who thought he ought to go to the dentist to get a doctor's certificate instructing him to do so?—No, I do not think so. I think if he goes to the dentist, the dentist should be able to decide whether the work should be done. (Mr. Condry): The insured person would have the right to apply to the dentist for dental treatment, as he has the right to apply for medical treatment.

9942. You say there are 14,000 men prepared to supply this treatment?—(Mr. Wing): No. There are 14,000 men on the register; but I do not think we can estimate that more than 9,000 or 10,000 would be prepared to do insurance work.

9943. Let us say 9,000 or 10,000. When the insured person feels seedy and cannot go to work, he knows he is a case for the doctor and he goes to the doctor and gets advice, and perhaps a prescription. It makes no difference whatever to the doctor's pocket whether that person goes to him or not. The doctor is paid on a capitation basis. Can you visualise the state of things under which any one of 15 million insured persons would be entitled to go to any one of 9,000 or 10,000 dentists and the dentist would determine whether and what treatment should be given, the position being that it was to the direct interest of the dentist to give treatment to the insured person?—(Mr. Wigoder): That applies in ordinary cases now. The dentist can be trusted. Every person who submits himself to a dentist submits to have his mouth put in order. (Mr. Condry): You have to trust to the professional ethics which govern the matter.

9944. Sometimes people go to the dentist because the doctor has told them to go, and sometimes people go because their own common sense tells them to go. In those cases an arrangement is made between themselves and the dentist. They can go to any dentist they choose, or they can stay away. Here you are contemplating a state of things under which the State will enter into a contract with 10,000 dentists, and the dentist himself, as you have told us, who is to profit by the service he renders to the insured person, is to be the judge whether that service is to be rendered, and what it is to be. You give us no other safeguard than that the dentist is a man of honour. Is that a possible basis upon which the State can enter into financial relations with 10,000 professional men?—There is a further safeguard, and that is that dentistry is not popular. You may take it that the insured person would not have more done than he was obliged to.

9945. That is the only safeguard?—(Mr. Wigoder): There is an alternative safeguard, which if the State wanted they could insert, and that is, to appoint regional dental officers to prescribe the amount of treatment required. No medical man can tell the nature or amount of treatment required, because he does not understand the dental conditions.

9946. That means we have to interpose the regional dental officer between the insured person and the

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dentist?—If you thought you were not sufficiently safeguarded in other ways; but we think you would be.

9947. With great respect I should think somebody on behalf of the central body would require safeguards?—Safeguards can be easily inserted. Dentists would take no objection to them.

9948. May I put the matter from another point of view? It has been alleged to us that some dentists very freely remove teeth where those teeth could be saved and filled, it being to the advantage of the dentists to remove defective teeth and supply dentures. The insured person who goes to the dentist is completely in the dentist's hands. Should not we have to have on behalf of the central body some safeguard against the dentist giving what I may describe as a too vigorous extractive service, with the consequent surplussage of dentures?—That could be rectified by regional dental officers. I want to state plainly that we do not want medical men to prescribe the treatment. There are two of us at this table who hold medical qualifications as well as dental qualifications. We know the limits of the dental knowledge which medical men have.

9949. I was not suggesting for a moment that medical men should prescribe the quantity or type of service that the dentist is to render. What I asked you was whether it would be practicable to require that before dental treatment is given to any insured person there should be a medical certificate?—No, because we feel quite certain that medical men do not understand anything about dental conditions. We do not think they are the people to prescribe what treatment is required, or what is necessary from the dental point of view.

9950. Would it be reasonable to say that an insured person shall have a certificate from his insurance doctor to the effect that his teeth require attention?—No. Suppose the patient requires ordinary fillings, the medical man is not able to say that he requires them; probably he could not find the cavities in the teeth. We want to have dentists controlled; we do not mind being under regional dental officers, but we do not think that medical men should interfere. Some societies at present have medical men giving certificates. From the dentist's point of view it is purely farcical and of no service whatever.

9951. If a State dental service were set up as part of the standard benefits under the Insurance Act, do not you think something of the nature of regional dental officers would be necessary?—We have no objection whatever to that.

9952. In answer to a question Sir Andrew Duncan put to you, you said you had no objection to a universal system on a territorial basis being financed partly from Insurance funds, even though the administration were under the local Health Authority?—(Col. Howkins): We have no objection to that.

9953. If a local Authority is charged with the provision of dental services for the whole of the population in its area, is it quite fair that part of those services should be paid for by a special charge on one section of the population?—Do you mean is it fair that the money should come from the Approved Societies?

9954. Assuming that dental benefit has to be provided for in the contributions and charged to insured persons and their employers—never mind Approved Societies in this connection—and assuming that dental benefit in fact is provided for the whole of the population under the local Authority, is it entirely reasonable that part of the cost of that dental benefit should be obtained out of the contributions of the portion of the population which is insured?—You mean to say should the insured person pay a proportion of the cost?

9955. Yes, if you like to put it in that way?—I think it ought to be a permanent benefit.

9956. You might have a universal dental benefit operating say in the City of Manchester. That city contains a very large population, a proportion only of whom is insured under the Insurance Act. Your dental benefit would be for everybody in the city, including the insured persons and the non-insured persons, of whom the wives and families of the insured would only be a part?—(Mr. Condry): We did not quite understand that when we answered the question in the affirmative. (Mr. Wigoder): You are including dependants. We have not gone into that matter.

9957. I understood the question was this: "If all public medical services were co-ordinated on a territorial basis, I assume you would desire that the dental service should follow"? To that question I understood you to say "Yes". Then the next question was: "You would see no objection, would you, to such a system being financed partly from insurance funds, even though the administration were unified under a local health authority"? Surely, if the local health authority is administering the service, it is administering the service for all the people in its area and financing it out of the rates and possibly with a grant from Imperial taxation. — (Mr. Condry): We did not take that into consideration when we answered yes; we did not understand it in that way. We did not understand you were discussing dependants. (Mr. Wigoder): We thought we were not considering dependants at the present moment.

9958. If the administration by the Local Authority means everybody, you appreciate the difficulty of levying a tax on the section which is insured?—Yes.

9959. It is making the insured person pay for what other people would get for nothing?—That is so.

9960. There is a precedent for a consideration of this problem, is there not, in sanatorium benefit under the Insurance Act? Are you aware of the history of sanatorium benefit?—No. (Col. Howkins): I know different areas do provide for the treatment of tuberculosis of the inhabitants of their areas, and it comes, I believe, out of the rates, or rather, a proportion does. (Mr. Condry): If we had had the advantage of having that point of view put before us, our answer would have been No.

9961. Sanatorium benefit as an insurance benefit has been abolished on the very ground that it is a local responsibility?—Quite.

9962. It would be dangerous, would it not, to re-introduce with regard to dental benefit that which was abolished with regard to tuberculosis?—We have not contemplated that at all.

9963. Your answer conveyed to me that that was a state of things you did contemplate?—No. I think we put it quite clearly: that we did not want one to benefit at the expense of the other. We put that at the outset.

9964. (Sir Andrew Duncan): Arising out of a question by Sir Alfred Watson with regard to medical certificates being given, I put this question the other day to a dental witness: "Would it be possible to confine dental benefit to cases which were certified by a doctor?" and his answer was: "If I had my way I would not allow any dental benefit to be given unless it was certified by a doctor, because I think dental benefit should be primarily for the health of the patient." I gather you disagree with that?—(Mr. Wigoder): Yes. We are speaking in this connection as medical men. We know very well in our own case that when we were doing medicine we had no knowledge of the dental conditions.

9965. The witness who gave that answer was also a distinguished medical man. He knew something about the matter. It is merely a difference of opinion?—Yes.

9966. (Miss Tuckwell): As I understand it, in the interests of national health you think the best scheme would be a unified scheme of medical and dental treatment, is not that so?—(Mr. Wing): We think that the scheme elaborated by the Consultative Council would be the ideal scheme; but I do not think we regard it as practical politics at the present time.

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9967. I asked what you thought would be the best?  
—We think that would be the best.

9968. Next to that you put dental treatment as a statutory benefit for all insured persons?—Yes.

9969. And then after that dependants?—If possible.

9970. In the cases of which you have spoken of the Maternity Clinics and School Services, what would happen? Do those work into your scheme?—I think they could be brought in.

9971. You feel that if the scheme were so enlarged you could not run it except by compulsion, if you did not include dentures?—I do not think we have considered compulsion at all.

9972. I have known of women refusing to have their mouths attended to, because it could not be guaranteed that they would have dentures?—That is so.

9973. Nothing short of compulsion could get them to have their teeth extracted. Your experience in that, I gather, is the same as mine?—Yes, to a certain extent, at any rate.

9974. You think that by initial treatment and by attention you are going to lower the average sickness?—We think so, certainly.

9975. Do you think that the effect would be gradually increasing?—I think so.

9976. I have been confused rather about the different standing of different dentists. There are some men who came in in 1921?—Yes.

9977. Who are not necessarily as competent as others? Is not that so?—They were in practice before the 1921 Act, although not having gone through any hospital training or taken any degree; but as the State brought them on to the Register, we must presume that they are competent to carry out the practice. The great majority of those dentists had been carrying on practice amongst the industrial classes principally before the Act. (Mr. Condry): As I am a 1921 man, may I say that they are not necessarily less competent than the others.

9978. I dare say you have special qualifications. You are satisfied in this connection that supposing there was a great enlargement of the scheme, you would have enough good men to put on?—(Mr. Wing): I think so.

9979. (Mr. Jones): Are you satisfied with the system of school dental service in so far as it goes?—(Col. Howkins): No, I am not satisfied with the number of dental officers who are employed.

9980. I mean as regards the quality of the service?—Yes, as far as it goes, I think it is very satisfactory.

9981. You would rather encourage an extension of that complete service to the whole of school children?—That is so. I really think it is absolutely essential. For anybody to have good teeth they have to commence to have them looked after when quite young. You want to tell a child to look after its teeth; they must be periodically inspected and the holes filled. In that way you get the child in hand, otherwise trouble runs riot.

9982. How is that work carried out at the present time; is it by a salaried staff?—Yes, by whole or part-time dentists, who attend and inspect the children in the schools, and the children are treated in one of the dental clinics. The mouths are put right.

9983. Where are those clinics situated?—I am only aware of the clinics in Birmingham. They are situated in different parts of the city convenient to the schools. They are run by the Education Authority; they are properly established places, with a waiting hall and so on. The children go there in the afternoon, and have their teeth attended to. (Mr. Wigoder): The same applies to Manchester, from which I come. There are not enough dentists for the children. The school dentists only supply a very small proportion of the children of the city. (Mr. Wing): In country areas the dentist goes round with his apparatus.

9984. It is a travelling clinic in rural areas?—Yes.

9985. You have all that equipment. Is it not the case also that the Local Health Authority is making some dental provision for children under five, in connection with Child Welfare?—(Col. Howkins): There is a certain amount of work done in some large towns, but the amount is very small; it does not touch a large part of the population. You are now discussing pre-school age.

9986. Yes.—(Mr. Wigoder): For expectant mothers and children under five years of age in Manchester and Salford there are 16 Child Welfare Centres; but there is only one clinic where the dentist attends one morning a week. (Col. Howkins): In the future undoubtedly there will be an adequate provision made. They are feeling their way. Finance is the great bugbear.

9987. Is not that all tending to a duplication of clinics and equipment?—No. I think children chiefly want filling work. I do not think there is a duplication of equipment.

9988. Have you a duplication of clinics themselves?—I do not think so. If you are discussing school dental clinics, they are established in convenient places in each city.

9989. Would it not be desirable if the services were linked up in such a way that dental work among young children and mothers was associated with the dental clinic for the school children?—It is so in some places. In one place of which I know the Child Welfare Centre is mixed up with the school clinic.

9990. Both services are under the same administration?—They are.

9991. (Sir Andrew Duncan): Under whose administration are they?—The Education Authority's.

9992. (Mr. Jones): It comes under the Local Authority?—Under the City Council.

9993. Would it not be the natural development that the adult population should go to those clinics as well?—The Consultative Council have that scheme in mind. They propose to take in everything. (Mr. Condry): The further point is that you would have to remove the available dentists from their practices into the clinics. There would not be enough to do the work, if it were divided by any such arrangement as that.

9994. That might be a matter for consideration, at any rate that seems to be a natural development of things. Would it not also be the economic development?—(Col. Howkins): Possibly it would.

9995. I suggest that you have premises, and that you have a certain amount of equipment, whether you require more or not. Is not that all being duplicated in the establishments of private individuals?—(Mr. Condry): I think you are over-estimating the amount of equipment available. It would be utterly inadequate for any general scheme, or as a basis for any scheme.

9996. I am fairly well acquainted perhaps with the inadequacy rather than the adequacy of it, but what I am trying to get at is would not the proper development of that, gathering all those classes under one head and one administration, be the most economical way of doing it?—(Col. Howkins): Probably it would, but it would not be feasible on account of the very small number of school dental clinics established. If you are going to have ordinary clinics you must have more equipment. In the ordinary school clinic you have a waiting hall, with a number of forms, and then you have rooms leading off to the operating rooms. There is no mechanical department at all.

9997. Might we not be able to economise the medical aspects of dental work, by giving the dentist full-time medical and surgical work, and giving him a properly equipped workshop and competent mechanics to help him?—(Mr. Condry): There we should come up against the objection that there is no free choice of dentists.

9998. Is it not along these lines that we must look for economical development of the dental services?—I do not think so. (Col. Howkins): I do not know

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whether that would work. I think I know what you have in mind. What you mean is utilising the present facilities for another system and for the industrial classes. That is really the idea. You must have free choice of dentist. All patients like to go to the dentist they know. Another thing is, it is going to be a bad proposition financially. A clinic must have a constant number of patients in and out, otherwise the dentist may be doing nothing at all. The chances are that there would be a certain number of hours when patients would not turn up. In the evening, of course, it would be busy.

9999. Could not we use the establishment for children during the day and for the adults in the evening?—I quite see your point, but it would be for a very small number of adults.

10,000. That is one idea of economy?—You are quite right. (Mr. Wigoder): It is always a moot point whether clinics do save in money. I have experience of running clinics. I have here the accounts of a clinic in Brighton, which shows that the expenses of running it are higher than in running a private practice.

10,001. That may be a matter of management?—There is not the personal element and personal consideration, it being a public organisation.

10,002. I do not want to take you through them, but I have some cases which might contradict that. I have some knowledge of the working of these things. Let me deal with the question of personal touch in the matter. What I fail to appreciate is how you professional men have such a poor opinion of your professional brethren who take on public appointments. Is that a justifiable opinion?—(Mr. Wing): I do not think we have a poor opinion of them. In what way do you suggest it?

10,003. You suggest that the same quality of work is not to be expected out of a public service as under a private service?—The element of competition is lacking. There is the question of the survival of the fittest. The man who does the best work gets the most work.

10,004. Let me put it in another way. A certain number of professional medical gentlemen are engaged as Tuberculosis Officers. Do you hear those officers criticised for lack of sympathy with individual patients?—I do not think so.

10,005. Are they not a huge success?—(Col. Howkins): I do not know much about that.

10,006. I am speaking of Tuberculosis Clinics?—I have not heard any criticism of them at all. I know what you are driving at. There is this fact, that some people will not have their teeth attended to, because their own dentist is away.

10,007. Is it not the fact that Tuberculosis Clinics are getting more and more popular, alike with the medical profession and the public?—I do not know about Tuberculosis Clinics.

10,008. May I take it that the increasing number of attendances is evidence of their popularity, and the same with Child Welfare Centres?—There is a difficulty with regard to Child Welfare Centres, and that is to get the mothers and children there. The way they are got there is really by indirect pressure, by reason of the midwives and maternity nurses, who urge them to go there. (Mr. Condry): There is semi-compulsion.

10,009. Is that really the case?—(Col. Howkins): I believe there is a kind of mission going on. (Mr. Wigoder): There is an inducement offered to mothers to come, because they obtain foods and other things at lower prices. I do not know if that is the only cause, I am not suggesting it, but that is a definite cause.

10,010. Do you suggest that that alone accounts for the tremendous increase in the number of attendances at these clinics? Is it not the fact that the clinic has become an established factor?—(Col. Howkins): The better the clinic is known the better it is appreciated. I think everybody agrees.

10,011. Does that suggest that those officers do not get on the same intimate terms with the patients as the private practitioner does?—You mean to say possibly in the future—

10,012. No, at present?—I do not think if dental clinics were put up they would be very popular at the present time.

10,013. Is the dentist ever popular in that sense?—(Mr. Condry): The question of the feeling which exists between the dentist and the patient arises not from a lack of sympathy, but from prejudice which exists in the minds of the patient. He wants to go to his own dentist.

10,014. (Sir Andrew Duncan): That is if the person is in the habit of going to a dentist at all.—I think all insured persons are potential patients of somebody; they either have been or their friends have been. They have a fair idea before they go for dental treatment to whom they will go.

10,015. (Mr. Jones): I put it to you that in view of the success, the admitted and proved success, of these other public services, you are laying too much stress on the personal element?—I do not think so. With regard to school dental clinics, there is a certain amount of compulsion. In other cases there is a certain amount of incentive. In any case the whole thing is only a small contribution to the dental needs of the nation.

10,016. It is only the beginning, I agree. It has been stopped because of the War. Do you think that the service would be prejudiced if it were wholly administered through the clinics?—Yes. I do not think insured persons would take as much advantage of them as they ought to do.

10,017. You have no experience. You have nothing to put against it?—No.

10,018. On the other hand, there is that vast experience of the success of these other public services?—It is small as compared with the whole needs of the nation. (Mr. Wing): What type of clinic are you referring to—one with whole-time paid dental officers?

10,019. That would be a matter of arrangement, sessional or otherwise. That would be a matter of administration. I only wish to deal with your statement given in evidence, that you do not think clinics of that character would meet with the confidence of the public?—Not a whole-time clinic. (Mr. Condry): Not as a general scheme, no.

10,020. You express that opinion?—Definitely.

10,021. It is merely your opinion?—Quite.

10,022. You have no practical experience?—Except war dentures.

10,023. Excluding the War?—That is so.

10,024. (Sir Andrew Duncan): Is there not an inconsistency in your statements? I asked you at an earlier stage whether faith in the mind of the patient really had anything to do with the quality of the services of the professional man; and I understood you to say No; therefore we can leave aside the question of faith. Is there not an inconsistency between the answers already given as to strict honour, which no one doubts prevails in your profession, and the answers you have just given?—I think not. What I had in mind was the division of the work.

10,025. You did not give the answer I have in mind. Your colleague gave it.—Then I cannot deal with it.

10,026. Then we will draw our own conclusion.

10,027. (Prof. Gray): You were asked about the difficulty of fixing a capitation fee for the cost of dental service. The discussion rather turned on the outgoings of the dentist. Is there not also this difficulty: that it is impossible to estimate at the present time how much work is coming?—(Mr. Wing): Yes.

10,028. If you want a good service for the insured population, you have to make it fairly reasonably

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accessible; and in those circumstances you are quite in the dark as to how much work it is going to make?—Yes. We can only make a rough estimate.

10,029. Over and above that, is it not the case that if you had a good method of propaganda from the earliest years you would hope for the amount of work to go down?—Yes, certainly.

10,030. So that in the event of a capitation fee being fixed, it might be quite reasonable to look forward to that capitation fee being reduced in the future?—Yes, probably. It would be too high for practical politics now.

10,031. On the question of payment for attendances, I think the point was put by Sir Alfred Watson that in a great many cases the dentist has in fact an option in regard to what he will do: he might have a tooth out at a little expense, or he might, if he is an ingenious dentist, keep that tooth going for years, stopping it once a year, if need be. I am only taking an imaginary case. Does not that indicate that the amount of work which can be put in in certain cases might vary greatly according to the position of the dentist?—It might.

10,032. The busy dentist will take the straightest road to get there. The dentist beginning might be tempted to excessive care in keeping the tooth going after it ought to be out?—That is possible.

10,033. In those circumstances what would be the solution of the difficulty which Sir John Anderson put, of the fact that you have a limited fund with an unlimited claim upon it? Would you as dentists be prepared to accept a scaling down of fees if there was not enough money to go round?—I do not think there is much possibility of reducing the scale of fees.

10,034. I am not suggesting reducing the scale of fees. I am suggesting that you have a scale fixed but that when you come to divide up the pool at the end of the year, there is not enough to pay 100 per cent. dividend?—(Col. Howkins): In other words, say 75 per cent. (Mr. Wigoder): We cannot estimate a figure at the moment. We have some figures which we can put before you, if you want them.

10,035. I am not interested in any figures.—We cannot give a definite estimate.

10,036. I am putting a theoretical position?—Anything below the present scale would be absolutely uneconomic.

10,037. What will you do if there is not enough money?—(Mr. Condry): This position might arise after the work was done.

10,038. It would arise then?—(Mr. Wigoder): If there is not enough to meet the present scale, the State ought to find the balance. The dentists could not possibly afford to lose the difference.

10,039. Your suggestion is that you go into this bargain with a fixed scale, so much an extraction, and so on; and there is a fund provided by the Societies to meet it?—Yes.

10,040. Then at the end of the year there is not enough money to go round. Your suggestion is that the difference should be made up by the State?—(Mr. Condry): Our point is that dentistry ought to be one of the first charges upon the Insurance Act, not the last. We feel we ought to be in the same position as the medical men.

10,041. You cannot both be in the first place?—A similar place. It should be one of the first charges. (Mr. Wing): Could not you have a reserve fund?

10,042. You are suggesting an attendance fee. Where doctors are paid on an attendance basis, as in Manchester and Salford, they are in fact liable to have their payments scaled down?—(Mr. Wigoder): That is so. (Mr. Condry): By agreement. (Mr. Wigoder): That is not practicable for us.

10,043. If the amount does not go round, they accept a scaling down?—That applies to Manchester and Salford. (Mr. Wing): Our scale is the minimum scale.

10,044. Your contention is that if there is not enough money, the Treasury should pay the difference?—Unless there is a reserve fund.

10,045. You expect to get it from somewhere, Heaven or the Treasury?—(Mr. Wigoder): Yes; or both.

10,046. Would not that lead to the position which Sir Alfred Watson was suggesting—a direct incentive to every young dentist setting up of putting in as much work as he can in every mouth which comes before him? He gets a mouth before him, and he sees a vast potentiality of work.—There is that possibility.

10,047. If he knew the Treasury was there to meet all bills, would it not be possible for him to make work under the circumstances?—It is quite possible; but that can be obviated by regional dental officers.

10,048. You have mentioned the regional dental officer. If he is to be any good, would it not be necessary for him in fact to see every patient before treatment?—Yes. (Mr. Wing): At any rate, to see the estimate.

10,049. Do you think that is practicable?—(Mr. Wigoder): Yes.

10,050. Do you think you would have enough regional officers to see every patient before treatment is given?—I think they could see them before any extensive treatment were carried out. With regard to emergency treatment, any dentist should be allowed to carry that out.

10,051. It depends what you mean by extensive treatment?—Emergency treatment which is now allowed by Approved Societies only consists of urgent extractions.

10,052. Are there not two kinds of possibilities: (1) extensive treatment, doing a great deal of work at one time; and (2) work spread over two or three years?—Extensive treatment is not emergency treatment. I am talking of emergency treatment which a man can undertake without reference to the regional dental officer.

10,053. You have told me you are not prepared to accept a scaling down in the event of there not being sufficient money?—Yes.

10,054. I want to know what is the check against the dentist doing more work than is required? You say the regional dental officer?—Yes.

10,055. Would he not have to see each patient before treatment?—(Mr. Wing): No, because if it were known by the individual dentist that he might have cases inspected, you would get rid of the danger of him estimating for more work than is required.

10,056. You would use the regional dental officer as a kind of bogey in the back ground, to keep the dentist to the straight and narrow path?—That is what it would come to largely, although, of course, the regional dental officer would inspect cases which he thought from the estimates were excessive.

10,057. Is there any possibility of the dental profession doing what is done in Manchester and Salford, and that is, entrusting to the dentists themselves in the area the duty of seeing whether their colleagues are not putting in too much work. Could that be done?—(Mr. Condry): I think various societies would come in and undertake a certain amount of work in that direction.

10,058. In Manchester they survey what each doctor has done; and if they are satisfied that the doctor has been putting in four attendances a day where one might have been sufficient they scale him down. Is there any way by which the dentists themselves could supervise the work done in any area?—(Mr. Wing): Local Dental Committees might undertake that duty.

10,059. After all, the local committee would survey the field after the damage was done?—(Col. Howkins): The only thing I can think of is that if the dental letters went to the regional dental officer he would in a short time realise that Mr. A.'s estimates were higher than Mr. B.'s or Mr. C.'s. He



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would get an idea generally how the man was carrying on his work. He would say: "Here is this man again; he seems to be doing nothing but extractions." Then he would probably go down and see some of the patients. I think that would be a way out.

10,060. Assuming it was impossible for the Treasury to be able to accept this liability, do you think anything could be done upon these lines. Supposing you defined your dental benefit as anything you like, would it be possible later on, when you found

(The Witnesses withdrew.)

Mr. BENJAMIN BROADBENT, C.B.E., called and examined. (See Appendix XXIII.)

10,061. (Sir Andrew Duncan): I observe from your Statement, Mr. Broadbent, that you are principally interested in the question of the provision for Maternity under the National Health Insurance scheme. In the first place, I gather that you desire to have the administration of this form of assistance removed from that scheme and placed under the Public Health Authority?—That is so; I am strongly convinced of that.

10,062. Would you associate it with the work of Maternity and Child Welfare Centres?—Certainly.

10,063. Would you desire that such assistance during maternity should be financed from rates and Government grants, as it is done in the other branches of Maternity and Child Welfare work; or do you suggest that it should be aided also from National Health Insurance Funds?—I should suggest that it be taken from the National Health Insurance Fund, just in proportion as it would come into the hands of the Approved Societies, and if anything beyond were needed that there should be a fund supplied partly by the local authority who chose to do it, just as in other cases where assistance is given now.

10,064. In so far as the service was rendered to persons under National Health Insurance, the society would be paying for it?—Yes.

10,065. And in so far as they do not fall under that scheme, the authority would be carrying the whole burden?—Yes, that is my view of the matter.

10,066. Would you give the assistance which you contemplate only to the wives of insured persons, and to women who are themselves insured; or would you extend it to all women in need of such assistance?—Of course, if it were possible I should extend the system to all women. I consider that there are persons who do not come under the Insurance Act who really need assistance more than the insured person. But some different arrangements would be required for supplying the funds for people outside insurance.

10,067. One of your criticisms of the present scheme is that the payment is made in cash. Perhaps you would amplify for us your objection to this, keeping in mind that under the present system the benefit is the mother's benefit in all cases?—Of course I had rather an extensive, perhaps unusual, experience in the study of this question for a considerable period before the Insurance Act came into operation. I then came to the conclusion from my own personal experience that money was of uncommonly little value or use to the mother at the time of her confinement unless it were in some way supervised, or she were given advice and counsel as to how the money should be spent; indeed unless she were in a way compelled to spend the money in the right direction. I tried the experiment myself personally, and that was the result of my experience, that money was of uncommonly little use unless there were some means of inducing the mother to spend it properly.

10,068. We have been told that maternity benefit is the most popular of all benefits under the National Health Insurance scheme. Would you not agree that the occurrence of a confinement in a working class home is an occasion on which a money payment would generally be most needed, and most appre-

ciated?—I should have to modify that. Certainly the occasion is one where extra money is needed; but the extra money is of very little use unless it is properly expended. I have had a great deal of real contact with mothers. I have learnt one or two things about them. May I enlarge on this point?

10,069. Do. We would like you to give us some evidence of money paid out for maternity benefit which was misused?—The point is this. I have found in my experience of dealing intimately and personally with mothers that they are extraordinarily self-forgetful. I have known numberless cases where the mother is always the worst clad, the worst fed, the worst cared for out of the whole of the family. The father and children are cared for, well shod and decently clothed. The mother goes in a very unsatisfactory condition. The mother forgets herself.

(Sir Andrew Duncan): That is all, gentlemen. We thank you for attending.

(The Witnesses withdrew.)

10,070. How are you going to give practical effect to the suggestion that instead of making a cash payment to the mother on the occasion of the birth, some advice should be given through somebody else as to how to spend the money?—I think in this way. My point of view is that there should be someone who would really, so to speak, administer the benefit, that is to say, the money should not be thrown into her lap, but given by a competent person, along with advice.

10,071. Who would this competent person be?—The competent person would be one of the health visitors or doctors who were serving, as they are now universally, in the Health Department of the Local Authority.

10,072. Can you give any indication of what is in your mind as to what they would do with the money that the mother does not do with it?—One cannot prophesy exactly; but I can give you the scheme I have in mind. Beyond the present amount of money I should give to the mother who gave notice to the midwife or the Health Authority in the seventh month, a free examination, either by a midwife or by a doctor, as the case might be; and whatever balance there might be cut of, say, a pound I would give her in cash, with the injunction that it must be spent for the coming baby. That would be the commencement of my scheme. Then when it came to within a fortnight or so of the time of the birth, I think the mother should have an allowance in cash of, say, 10s. a week to provide her with extra necessaries in view of the coming event. In the same way there should be a cash payment for at least a fortnight after, along with the provision for the doctor and midwife. The doctor's and midwife's services should be secured to the mother unconditionally, and should come out of the benefit. I would like the mother to have a

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little free cash, and if there was any cash left she should have it at the time when the baby was born. At present they do not get the cash until some little time after the baby is born; in some cases a fortnight or three weeks.

10,073. Do I understand that your suggestion is that the payment, whatever the amount might be, should be made to the health visitor, and that the health visitor should be responsible for spending that money, except a small portion of it which would be in the hands of the mother? Is that the idea?—No. I should let the mother spend the money; but she might take the advice or reject the advice. I should let her do as she liked with the money. It should not be left at all in the hands of the health visitor to spend the money.

10,074. The health visitor can now give the mother any advice she chooses?—If she has the opportunity. You can understand that advice which comes accompanied with a pound or so, which I regard as an *open sesame*, has a different flavour from advice given without.

10,075. You think the fact that payment was made through the hands of the health visitor would have an effect?—I certainly think it would.

10,076. That the mother would be likely to take advice from a person who at the same time handed her money out of the Insurance Fund?—I think so; I feel sure of it.

10,077. We should be glad to have your views upon the question of service by doctor as opposed to service by midwife; and the manner in which the two can best collaborate in a service financed from public funds?—My view is that there ought to be no competition between the midwife and doctor. The midwifery service has been so enormously improved during the last 10 or 15 years that the same necessity does not exist for wholesale midwifery service by doctors as formerly did exist. There ought to be co-operation between doctors and midwives. If a doctor is needed the midwife should have power to send for him, as she has now; but the doctor's fee should be, so to speak, provided as a first charge out of the fund. The midwife's fee should be charged as a first charge on the maternity benefit; but there ought to be no competition whatever and no sort of opposition between the doctor and midwife. I know districts where there is no competition, where there is complete co-operation. That is how it should be; and I think it would be if there is no competition.

10,078. Can you give us any information as to the extent to which the present maternity benefit is absorbed by the doctor's fee or the midwife's charge?—Both the doctor's and midwife's fees have largely increased. They have considerably more than doubled. I should think they are three times what they were before the Act. There has been a rise in the fees with every increase of the money available; but I do not regard that as any reflection upon either the midwives or doctors, because I think the services rendered by midwives are now infinitely better than the services rendered by midwives some years ago. The service of a midwife to-day at £1 or a guinea is now worth the money much more than the 5s. or 7s. 6d. that used to be paid. The service is better and ought to be better compensated. With the rise in the pay, of course, the status of the midwife improves.

10,079. Taking the scheme as it is, have you any criticisms to make on its details, or on its methods of administration by Approved Societies?—I am afraid I could not express myself quite as freely as I should like in regard to this. Approved Societies do not administer the benefit at all. The administration of maternity benefit by Approved Societies has had no good effect whatever upon the welfare of mothers and the preservation of infant life. So far as that particular point of view is concerned, it is to my mind a pure waste of money. They have done no good whatever; it is a pure absurdity sending a man a fortnight

or three weeks after the birth of the baby, when they have ascertained that the baby has been born—it takes them a fortnight or three weeks to ascertain that fact—with the money. The crisis is past before the mother gets the money.

10,080. Your criticism is that the money is paid after the event, instead of before the event?—That is only a very small portion of my criticism; that is bad in itself, but it is by no means all. I cannot imagine anything more futile than to send a man, who has quite another object in view when he visits the home, with the money a fortnight or three weeks after.

10,081. His job is to get another insurance?—Yes; he procures another insurance when the baby comes. There is his golden opportunity. He makes use of giving the mother the money. He says: "Now, of course, you can afford to insure the baby"; and the thing is done.

10,082. Do you find that much of that takes place?—I dare not say that I have found much of it in my personal experience. I have only heard of it. It is hearsay.

10,083. We have heard of it, too, in a general way. You have very considerable experience. You might be able to tell us whether within that experience there has been evidence of that kind of thing brought to your notice?—Yes, I have had such experience. My personal experience has not been within the last few years, because I have not recently done that kind of work.

10,084. You refer to the New Zealand scheme in your Statement. Would you describe to us in a little detail what is its scope and how it is administered and financed?—I wish I had known that you were going to inquire into this particularly, I would have got it up a little. It is quite simple. In the New Zealand scheme there is no maternity benefit, no cash benefit at all; but there is a most active pre-natal propaganda, that is to say, when people are married they give the married couple a booklet, telling them what to do when the baby is born. Then they have lecturers and midwives who teach and attend the cases. The whole thing is apparently free to the mothers. They have hospital accommodation and so forth. I dare not give all the details, because I have not them all in my mind, but I know the general lines of the New Zealand scheme quite well.

10,085. We can get details of it?—I think you can. They are available.

10,086. If the present system of Approved Societies were replaced by a system of local societies administering the cash benefits on a territorial basis, would you still object to the administration of maternity benefit by such new societies on a cash basis?—Anything on a cash basis I should object to.

10,087. (Sir Arthur Worley): You view the fact that the benefit is paid in cash and by the Approved Society with disfavour?—I do.

10,088. With regard to the cash you take that view because you do not think it is expended in the best way for the child?—That is so.

10,089. With regard to the Approved Society your objection is largely because there is an agent coming round with the money, and he takes advantage of that position to push his business?—Yes.

10,090. As a matter of fact, he is only allowed to insure that child at a premium of about a penny a week, so that is not a serious matter. On the other hand, what I gather you would like to see is that the £2 maternity benefit should be ear-marked for the service of the doctor or the midwife?—Yes.

10,091. Before the child is born, having ear-marked so much of it as you can (I know you would like to increase it), then you suggest that the balance should be taken in hand by the nurse or sick visitor, who would come along and see the woman and have a talk with her and point out how it would be advisable to spend the rest of the money which the sick visitor would proceed to give her. Is that, generally speaking, your view?—I would rather say that the money should be given before any advice was proffered.

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10,092. That is only a matter of which comes first?—I would give the money first because I regard that as an *open sesame*.

10,093. As far as the child is concerned, assuming that medical attention or midwifery attention is given properly, the money is really wanted in cash for nourishment of the mother or clothes for the child?—It is for nourishment more than anything else.

10,094. Particularly nourishment after the birth rather than before?—No: I would say rather before than after.

10,095. Really?—Yes. As a matter of fact, extra nourishment is required both before and after.

10,096. (Sir Alfred Watson): I am rather surprised to learn from paragraph 13 of your Statement that Approved Societies have found the administration of maternity benefit a difficult and unsatisfactory matter, and would like to be rid of it?—That I have rather gathered. They want to transmute maternity benefit, or, at least, some do, into a marriage dowry. That seems as if they were not quite satisfied with their method of administering it. I gather, too, that they have found difficulties in administering some portions of the benefit and want to administer it in a different fashion from the present fashion. I am only speaking from a superficial observation. It seems to me that they have found some difficulty in administering the benefit to their own satisfaction.

10,097. I think, if I may say so, that you have drawn general conclusions from a very special case with which we are acquainted. I think if you had known the whole of the facts you would not have put paragraph 13 into your Statement?—I am open to correction. I am quite willing to be corrected if I have made any mistakes.

10,098. You have suggested, with regard to the method of paying the money to the mother, that it should be carried to the home by a health visitor on the staff of the local authority, who would first give the money and then give advice?—Yes.

10,099. Do you think that is quite a seemly way, if I may use the expression, of paying out Insurance benefit for which the insured person has contributed? Suppose the woman does not want the health visitor in the house, why should she have her brought in as the sole means by which she can get the maternity benefit?—Of course, the mother might turn out the health visitor as soon as she got the money.

10,100. Would that be quite satisfactory?—No, it would not be at all satisfactory because the main thing for which the visitor goes is to give advice. You must understand the advice must not be thrust down the mother's throat.

10,101. Are you not visualising a number of mothers who are very ignorant and very uneducated and leaving out of account the large number of wives of insured persons who can be described as neither the one nor the other?—On the surface it might look as if there was some risk of that, but as a matter of fact mothers very rarely resent any one coming to enquire after the welfare of their babies. I know that from experience. Of course if there is a grandmother or an aunt the door is very often shut and there is no admission, but supposing the mother hears that there is someone at the door (I am speaking from a case which I know quite well) she often says: "Who is it?" "Someone enquiring how baby is"; "Ask her to come in." A mother will always talk to her visitor about her baby. The more intelligent and better informed she is, generally speaking, the more welcome the visitor is.

10,102. You told us that this money was to be carried to the house before the baby had arrived?—Did I say as much as that?

10,103. You spoke about 10s. a week.—I want a portion of the money to go beforehand.

10,104. The visitor would not be enquiring about the baby's health then.—No, that would be after. If she had a few shillings in her hand to give the mother I think you would find the mother would not resent the visit.

10,105. Seriously when I think of the great number of people who are in insurance because their salaries are just under the £250 limit, bank clerks and people such as those, I find great difficulty in appreciating the practicability of the suggestion, that maternity benefit should only be receivable through the instrumentality of the local health visitor. It seems to me the people have paid for it and they are entitled to it, even if it goes by post?—With my knowledge of things I doubt whether there is real substance in your difficulty.

10,106. I will not press that point further. With regard to the method now adopted of paying the maternity benefit either by means of a representative or an industrial insurance agent, you said it was futile to send a man a fortnight after the event. If the benefit has to go mainly to the doctor or midwife and if the doctor or midwife is content to wait a fortnight or a month what is there wrong in the benefit being paid a fortnight after the event?—I am afraid I do not follow your question.

10,107. We have learned from many quarters that the greater part of the maternity benefit goes to pay the doctor or the midwife.—That is so.

10,108. Does it matter in the least, if the money is going to be disposed of in that way, that it is not paid until a fortnight or three weeks after the event?—I do not think it matters very much; I quite concede it does not matter very much; but I am rather hoping that there might be a little more disposable balance than there is at the present time and that the mother might have a free hand to spend that under advice.

10,109. May I take it you have in mind the provision of a greater sum for maternity benefit than is now given?—Yes, that is so. I think the £2 is not sufficient.

10,110. What sort of financial provision do you think ought to be made to include the doctor's fee and everything else?—I am afraid I dare not venture into those realms.

10,111. You have suggested four weeks at 10s. a week?—That is so.

10,112. And I think you said that there should be a little money also for some weeks before the child was born?—What one wants to see as regards child welfare and maternity benefit is this. The condition of the mother ought to be known at the seventh month. If you can get that knowledge by giving money in advance, or by paying for examination by a midwife, or by a doctor, if necessary, that is what is desirable from the public health point of view.

10,113. Do you mean to give the mother money at the time of the examination?—I think the mother ought to have some money at that time, particularly because she can then spend it in advance.

10,114. What you have in mind altogether is something like £3 from first to last for the mother herself, then the cost of an examination at the seventh month, and then the subsequent cost of the attendance of the doctor or midwife during confinement?—What I want is £5. I think you could do everything with £5. That figure I give as the result of actual experience.

10,115. Do you want that £5 to be provided out of the insurance contributions?—I could not say that because I do not know whether it could be afforded. I have not examined the question whether that would be quite just. So much would have to be provided out of the insurance fund. If the £5 was more than the insurance fund could afford then I suppose the difference would have to be shared between the Government and the local authority.

10,116. That would mean, surely, that you would have to bring everybody into the scheme, not only the insured person?—That is what I would wish.

10,117. You suggested that to the Chairman?—Yes.

10,118. Does not that mean that some people would get for nothing what other people had to pay for?—At the present time the insured people are getting something which the uninsured people have to pay

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for. The uninsured people who get nothing are helping really to pay towards the insured people. They help to pay in the twopence at any rate that the Government pay.

10,119. You mean the uninsured people are contributing through taxation to the two-ninths?—Yes, that is what I mean.

10,120. Your scheme would go a great deal further than that, would it not?—It would.

10,121. (*Miss Tuckwell*): As I understand your view, it is that the mother requires a great deal of nourishment both before and after the birth of the child?—Certainly.

10,122. Do you think 10s. a week would be enough to give her that proper nourishment?—That is for extra nourishment. That is really what I should consider to be necessary for special nourishment for the period before the birth and during the period of early lactation.

10,123. That 10s. you would supplement by something else?—That would have to be supplemented by the man's own wages. The ordinary provision for the mother would go on. The 10s. a week should be expended in special food and strengthening food for the mother. That is my view.

10,124. Where would you get the ordinary provision from? Supposing the woman has to cease work, what then?—Then you introduce quite another consideration. In that case, of course, 10s. would not provide her with the full nourishment she ought to have at that period; I quite agree.

10,125. We have heard a good deal of evidence to the effect that the maternity benefit is swallowed up in doctor's or midwife's fee?—That is so.

10,126. That means there is really nothing left for all the purposes you are so anxious about?—It is, of course, a very great thing that the doctor's fee and the midwife's fee are now provided for. When there was no maternity benefit and when the midwifery service was very unsatisfactory, then the state of things was different. I regard it as quite right that the midwife's fee and the doctor's fee, where necessary, should be provided out of the maternity benefit as a first charge, even though it does swallow up a great deal of it.

10,127. You also wish to provide for what we will call the natural and healthy maintenance of the woman before and after the child's birth?—That is so.

10,128. With a certain amount of supervision. Do you know the proposals that were put forward in Washington, at the International Convention?—No, I cannot say that I do.

10,129. One of the proposals was that where a doctor gave a certificate the woman could cease work, if that were necessary, for six weeks before the child's birth, and she need not go to work for six weeks after, and that during that period she was to have full and healthy maintenance?—Yes.

10,130. Would you think that period was sufficient?—I think it would be ample. I should limit the period before rather than the period after.

10,131. That is open to limitation?—Yes.

10,132. But for after the child's birth you think six weeks is a reasonable period?—I think it should be six weeks.

10,133. Your opinion from your great experience of these cases is that at present more is needed for nourishment and medical attendance, but what you want is more supervision?—Yes, that is really it.

10,134. (*Mr. Jones*): I think it is only putting it mildly if we say that you were one of the pioneers of the old maternity and child welfare movement in this country?—I was amongst the first, we will say.

10,135. You were associated very much with what was then called the National Conference on Child Welfare?—Yes.

10,136. It is really as the result of the early activities of that body that we have all the large organisation throughout the country in connection with child welfare and maternity?—I think it is all arising out of those small beginnings.

10,137. I think we can say that the results of all those activities have been most successful?—Most successful, I think. No legislation has succeeded so well as that for the promotion of maternity and child welfare generally.

10,138. The work began, I think, as an enquiry into the causes of infant mortality?—Yes, that was so.

10,139. And it has developed now into the broader sphere of infant and maternal welfare?—Yes.

10,140. There has been a very substantial reduction in the infant death rate, has there not?—Yes.

10,141. Do you attribute any part of that reduction to any activities under the National Health Insurance Act; that is to say, do you think you can relate them in any way?—Really, I do not think you can. Of course, the good mothers have made good use of the maternity benefit under the Insurance Act, but the bad mothers have made a bad use of it, so that the good has probably balanced the evil.

10,142. Can you say that there has been a similar improvement in regard to maternity mortality?—No.

10,143. So that if the maternity benefit had had any proper influence one might have expected to see the results there?—Certainly, and in the antenatal conditions of infancy.

10,144. Those conditions remain as they were, or nearly so?—Yes, for that period of life.

10,145. I am thinking directly of maternity mortality, mortality at child birth?—Yes.

10,146. So that in that direction at any rate you cannot trace any benefits that might be attributed to the maternity benefit under the Insurance Act?—No, I cannot.

10,147. You made it quite clear this morning, of course, that a financial provision at that time is necessary, and that it is a reasonable provision?—Yes.

10,148. Is it not the case that all your health visitors are trained nurses?—Or have some higher qualification. In Huddersfield our visitors are all fully qualified medical women.

10,149. I believe you are exceptional in that respect?—We are exceptional.

10,150. So that if your visitor calls upon a mother she is in a position to tender very practical advice?—Certainly.

10,151. Would it in part be advice relating to antenatal conditions?—Very largely, I hope, and I think.

10,152. And the desirability of antenatal examination?—Exactly.

10,153. Are you able to do much in that direction at the present time?—Very little, indeed.

10,154. Is it along that line that those of us who are interested in the matter look for an extension of present activities?—That is where everyone interested in maternity and infant welfare is looking for an advance—at that particular time and at the time of birth.

10,155. Are we at the stage in regard to maternity mortality at the moment that we were at some years ago regarding infant mortality; that is, we know the causes—we have pretty well ascertained the causes—and the stage is now reached when active measures are necessary in order to effect the remedies?—That is so.

10,156. Do you think that if the administration of maternity benefit were put into the hands of the local health authority it might assist very largely in attaining that object?—I think it would be certain to have a very beneficial effect.

10,157. Can you give us any expression of opinion as to what is hoped for as the result of that early antenatal examination?—I think it would tend to prevent complications at birth which are now very difficult indeed to deal with. If the conditions were known beforehand they could be dealt with, but at the time of birth it is very difficult indeed to deal with conditions that ought to have been foreseen and prevented two or three months before.

10,158. In short, it would be your endeavour to apply preventive measures to this aspect of human affairs?—Exactly; that is what one aims at.

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10,159. (*Prof. Gray*): When you say that societies do not administer maternity benefit you mean as a fact, do you not, that there is nothing to administer? It is merely the payment of a sum of money?—That is what it is, but I do not call that administering it.

10,160. It is a criticism not of societies but of the Act?—There were rather large margins of power in the Act originally which have never been made use of.

10,161. You think societies might have endeavoured to administer more in kind than they have done?—I think so.

10,162. But in substance your contention is rather that a great deal has got to be done outside the Act?—Yes, outside the Act in one sense, but through the Act in another sense. I mean the money would be a valuable assistance if it were what I call administered.

10,163. You want it supplemented in various ways by advice and things of that sort?—Yes.

10,164. In the outline of your scheme you begin, I think, by suggesting an examination in the seventh month by a doctor or midwife?—Yes.

10,165. Out of a payment of £1 made at that time?—Yes.

10,166. Can you say whether such an examination would be covered by medical benefit?—I should have thought that it would be covered by some interpretation of the pregnancy sickness benefit, and that would come as a medical benefit.

10,167. I am not concerned with a cash payment; I am rather concerned with the medical examination. Treatment during pregnancy is not excluded from medical benefit, is it?—I suppose not, only that it is a question whether it is sickness benefit or pregnancy benefit. If it is pregnancy benefit I understand it does not come under the present medical benefit.

(*The Witness withdrew. Lord Lawrence of Kingsgate took the Chair.*)

Lady EMMOTT and Mr. ALBAN GORDON, called and examined. (*See Appendix XXIV.*)

10,174. (*Chairman*): You are Lady Emmott, Chairman of the Committee of Management of the United Women's Insurance Society since June, 1921?—(*Lady Emmott*): Yes.

10,175. You are Mr. Alban Gordon, Secretary of the Society?—(*Mr. Gordon*): Yes.

10,176. The membership of your Society is about 54,000, of whom a little more than two-thirds are domestic servants and the remainder clerks, nurses, shop assistants, &c.?—(*Lady Emmott*): Yes, that is so. We began as a Domestic Workers' Society and have taken on others.

10,177. I see that at the last valuation you had the very large surplus of £123,535. Do you attribute this favourable result to the occupational character of your Society?—Yes, I should think to some extent that is so. I believe also a certain amount of prejudice still exists, and all members do not go to the panel doctors.

10,178. Or claim benefits?—Or claim benefits.

10,179. In particular, are your members above the average in health and engaged in healthy occupations?—Yes, I should say so.

10,180. I note that there is a steady increase in the rate of your expenditure on disablement benefit. It appears in 1924 to have been at a rate equal to three times what it was in 1914. To what do you attribute this?—The higher benefit that we pay is one thing, and a certain number have come on to disablement benefit who were previously on sickness benefit.

10,181. I see from paragraph 11 that your expenditure under Section 26 has increased rapidly and amounted in 1924 to no less than £12,500. Do you consider that this large expenditure is consonant with the intentions of Section 26 of the Act?—We

10,168. The point I am on is whether there is anything which excludes medical treatment during pregnancy. There is not, is there? What is excluded is treatment in respect of a confinement?—I rather thought that there was. There are very common ailments during pregnancy, and I have been given to understand that illness or ill-health due to pregnancy, in whatever direction it might be, was to be outside medical benefit.

10,169. (*Prof. Gray*): I think probably you are misinformed there.

10,170. (*Sir Humphry Rolleston*): With regard to the fees to midwives and doctors, there has been a considerable increase naturally since about 1913?—Yes.

10,171. Do you think that that increase is out of proportion to the increased cost of living? It has been suggested, particularly, I think, with regard to the panel doctor, that he has seen his opportunity; he received a very small fee before, and owing to the maternity benefit he is able to get a fee which perhaps corresponds better with his services. Do you think the fee which is now paid to a medical man is in excess of the increase in the cost of living?—I think it is in excess of the increase in the cost of living, but I should be very chary in saying that it was in excess of the value of the services rendered, because I believe the services rendered at the present time both by doctor and midwife are more valuable than they were 15 years ago.

10,172. That applies particularly, I take it, to the services of the midwives?—Yes, it does.

10,173. Do you think that there is any difference between the increase in the midwife's fee and the increase in the doctor's fee, or have they increased proportionately?—I think the midwife's fee has increased proportionately more than the doctor's fee.

(*Sir Andrew Duncan*): We are very much obliged to you for your evidence.

have taken that course because we thought that it was for the good of our members, prevention being better than cure.

10,182. You think it has been quite worth while?—Quite worth while.

10,183. You would desire that Section 26 be retained in its present form. Would you indicate to us what, in your opinion, are the arguments under which an uncontrolled expenditure of such large amounts can be defended?—I do not know that you can perhaps defend such a very large expenditure if it is entirely uncontrolled.

10,184. Uncontrolled by the Ministry, you mean?—Yes.

10,185. I see from paragraph 12 that you are willing to consider some limitation on the rights of societies under this section, that is, that any payment should be subject to the approval of the Ministry. Do you mean by this, each individual payment, or the total sum to be expended in any one year?—My idea would be, I think, that there should be a certain large allowance that might be expended as one liked by a society—perhaps so much per head—and that beyond that there would have to be a further sanction from the Ministry.

10,186. From paragraph 13 I see that you consider that the regulations under which insured persons transferring from one society to another lose their rights to additional benefits for a term of years should be amended. I infer that you would be willing to give the right to additional benefits immediately, even though the transferring member only brought the ordinary transfer value. Is this so?—Yes; we think it is very hard that a member should lose treatment benefits when he has been paying regularly.

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10,187. While such an arrangement might be safe with a society so fortunately situated as yours is, do you consider that it would be safe for all societies?—I do not know that that is a question that I can answer. (Mr. Gordon): Supplementing the previous answer, we feel we should be quite prepared to accept transfers and put them immediately on the full rate of additional non-cash benefits without a special transfer value; but we feel that such a transfer value might be requisite in the case of additional cash benefits.

10,188. Have you anything to say about the wisdom of it for all societies?—I think possibly it would be desirable to have a special transfer fee in the case of societies at large; but in our own case it is as I say.

10,189. In paragraph 14, you suggest that because of the diversity of standard and conditions under the additional benefits schemes, such benefits as dentistry, optical treatment, and the like should be standardised. Do you mean by this that they should become normal benefits available to all insured persons?—(Lady Emmott): Our view was that the actual benefits conferred ought to be the same. For instance, with regard to optical treatment, there is nothing to show how far it should go. It may be a small or it may be a large benefit; there is no uniformity.

10,190. Assuming that, for financial reasons, it is not possible to make all these normal benefits, what is your suggestion as to the order of priority?—Dentistry I would put first, ophthalmic treatment second, I think, and after that surgical appliances.

10,191. I gather from paragraph 15, however, that you consider that treatment benefits generally should form part of a comprehensive medical service to be administered through the Insurance Committees, or other local bodies. Perhaps you would indicate to us which of the present additional benefits you think should be thus treated?—Chiefly dentistry and ophthalmic treatment, and possibly surgical appliances and convalescent homes.

10,192. But dentistry would come first?—Certainly dentistry would come first.

10,193. From paragraphs 17 and 18 I see that you recommend that medical benefit and allied treatment benefits should be linked up with existing forms of medical service. Perhaps you would indicate to us in a little more detail what your proposals are in this matter?—(Mr. Gordon): The Committee feel that the present medical benefit and the allied benefits lose a great deal of their power through not being co-ordinated with other existing medical services, whilst, at the same time, they are themselves scanty in dimensions. We feel that there is a strong case both for extending the scope of the present medical service and, pre-eminently, for linking up with the medical services that now overlap.

10,194. In connection with the third part of paragraph 20, it has been suggested to us that a definite limit should be placed upon the amount of accumulated benefit which may be paid to the heirs on the death of an insured person and I see that you put this as an alternative suggestion yourself. Have you any proposal as to the amount of this limit?—(Lady Emmott): We thought that one year's cash benefit might be a suitable sum. We have had cases where people have been in an asylum for many years, and then somebody who claims in the end is a person who has been put to no expense with regard to the member and has had nothing to do with her.

10,195. In connection with paragraph 21, do I understand that you still propose to make out a separate annual account for each of the three countries and that your simplification would only mean the abolition of the interim accounts for the purpose of obtaining advances and that periodical application for such advances should only be made to one central authority?—(Mr. Gordon): Yes.

10,196. (Miss Tuckwell): Has your Society any experience in regard to maternity cases?—(Lady Emmott): No, compared with other societies we have

really very few cases. For the most part our members are unmarried women and we really have very few cases on the whole.

10,197. I wondered whether Mr. Alban Gordon would clear up for me a point in connection with paragraph 13. I see that you want to have the additional benefits at once on transfer, and then you go on to say: "So far as is compatible with the financial stability of a society." Are they consequential, or how do you guard yourselves?—(Mr. Gordon): With the list of non-cash additional benefits as it is at present, we should be quite prepared to extend the whole of them to every new entrant; but if that list were extended indefinitely, obviously we could not propose to do it without some special provision. That is the point of that qualification.

10,198. Does that mean you would feel quite safe about dental benefit to begin with?—Undoubtedly.

10,199. And then you would go on, and draw the line where you thought you could no longer afford it?—We have not had occasion to draw the line yet.

10,200. With regard to the question of making payments to hospitals, which, I gather, you think is unsatisfactory, does not that arise with convalescent homes or anywhere else?—(Lady Emmott): No. A convalescent home as a rule takes what it can get. Our feeling as a society about the hospitals is that we ought to make a payment to a hospital for our members, and that that ought to cover the expenses of the members, so to speak. At present the member is asked to pay what she can afford in a hospital, so that she has no benefit really from belonging to our Society, compared with any other person who goes into a hospital.

10,201. Is it only in the case of hospitals that you find that arises?—Yes. I do not think any case of a convalescent home has been brought to our notice where the member has been asked to pay.

10,202. (Professor Gray): I gather that the membership of your Society is, to a certain extent, changing in character?—It is.

10,203. When a person ceases to be a domestic servant she still remains with you?—Yes.

10,204. And you, we know, are taking in people who are not domestic servants?—Yes, clerical workers.

10,205. I suppose the proportion of domestic servants is constantly diminishing?—Yes; but the proportion of domestic servants is still about two-thirds.

10,206. That might be in part the explanation of the somewhat increasing rates of sickness benefit?—Perhaps we have not had the clerical workers long enough to say that.

10,207. Could you explain a little further about the new section 26 (old section 21) under which you pay such large sums of money? These sums are, of course, as you said, uncontrolled by the Department?—Yes.

10,208. And they can be expended in the interests of any member?—Yes.

10,209. Whether they have been your member for any length of time or not. What is the reason why you adhere to Section 26 when it is now possible to give benefits under the normal scheme?—Because we wish to give them to a greater number.

10,210. You wish to dodge the Act?—Yes; if you like to put it in that way. I do not know that it is quite dodging the Act.

10,211. Well, you wish to evade the Act?—We thought it was a better way of paying them. (Mr. Gordon): The real point is that we feel that for the sake of the general health of the Society it is essential for us to give these benefits to all entrants. It is not with any intention of evading the Act, but with the intention of promoting the health of our members.

10,212. And you contend that it can only be done by getting outside the provisions of the Act?—It can only be done by the machinery provided in the Act.

10,213. You think the end justifies the means?—(Lady Emmott): Quite.

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10,214. Of course, in the hands of people less scrupulous and farseeing than you are, it might be a rather dangerous weapon?—I think we have pointed out that possibly more control by the Ministry is required.

10,215. I understand that in these cases you have, in fact, put up a waiting period of your own?—Yes, of 26 weeks.

10,216. Which is merely what you consider, I suppose, as a reasonable defence against members coming in?—Yes.

10,217. There was one question I meant to ask in continuation of what I was saying; that is why, assuming that you cannot get what you want under the normal provisions of the Act you cannot take power to deal with members under "Want or Distress." You have a certain amount of money put aside in respect of payments for want or distress—£7,000 a year?—Yes; that again is on the ground that we can only deal with a certain number in want or distress, namely, those who have been members of the Society from a certain date.

10,218. How would you define "Want or Distress"? Or have you defined it?—I cannot say that we have actually made any definition of it. The cases are all brought up before a committee and discussed, and where we think that obviously an insured person requires further help, we have the case visited and we then make grants.

10,219. What kind of cases come under this benefit?—A good many cases that are bordering on the old age pension time. Then we have a great many cases of rheumatoid arthritis and cases of that kind, where people are really run down very much.

10,220. Would these be cases where you might ordinarily pay sickness benefit?—No; it is after-sickness benefit, as well, of course, as sickness benefit. We often supplement that.

10,221. You see "Want or Distress" in order to supplement sickness benefit?—Yes, where we think the ordinary sickness benefit is not enough to be really of use to the person.

10,222. Could you give us the advantage of your opinion on the question of the accumulation of benefit? I understand that your difficulty is that where you have an insured person in a hospital without dependants, you may have her there for 10, 20 or 30 years. There is no limit to the time she might be there, and already in some cases there is an accumulation of £150. You feel that at the end of the story, when she has died, it is inequitable that that sum of money should go to some remote relative who has done nothing for her?—Yes, that is what I meant.

10,223. At the same time, you realise, of course, that that money is in a sense the money of the insured person?—Yes.

10,224. If you could do anything with that money for her benefit while she was in the hospital, it ought to be done?—Yes, but probably there is nothing more that could be done.

10,225. Do not societies, as a matter of fact, have power in these circumstances to apply the benefit in some way for the use of the member in the hospital in the way of giving extra food or cigarettes and in the way of paying rent?—Occasionally that is done. (Mr. Gordon): We do that already where there is any possibility of doing it.

10,226. Do you not think that is a course of action which ought to be encouraged?—Yes; but there are limits to its possibility.

10,227. Yes; there is a limit to the number of cigarettes a man can smoke in a week and to the amount of chocolates that a woman can eat in a hospital. But if you take the other line, is there not a danger of encouraging some societies not to make any effort at all? Might not a society, say, in a case of that kind: "The less we pay for this person while in hospital, the more will accrue to our funds when in the long run he or she dies"?—(Lady Emmott): It has to be paid out in the end.

10,228. Yes; but your suggestion is that it should not all be paid out; you suggest a year's limit?—

Yes. (Mr. Gordon): The question turns on the drafting of the section. You could specify various ways in which the money must be spent.

10,229. At present it is optional?—Yes.

10,230. But I think you agree that it is desirable that everything that can be done for the person in the hospital should be done?—(Lady Emmott): Certainly.

10,231. Do you not think that your suggestion of imposing a limit of one year might be an inducement the other way to persuade certain societies to pay as little as possible for the benefit of people in hospital?—It might be, I quite see your point.

10,232. Have you thought that on the whole, apart from these general ideas, there has been an improvement in the medical service?—Yes, I should say there has.

10,233. The doctors are doing their work better, and are certifying better?—Yes. There are certain cases, of course, which have occasionally come to our notice, which we have had to report.

10,234. (Chairman): But generally speaking?—Speaking generally, we have had very few.

10,235. (Miss Tuckwell): Do you find on that question of the improvement in the doctors that your members go to the panel doctor?—Yes, for the most part I should say they do. But there are a certain number who, I should think, probably do not. There are cases where either the employer would use his own doctor for a case, or the insured person would go to her own doctor.

10,236. Do you think there are a good many of those cases?—I do not know. I think there are a certain number. There is still prejudice, certainly.

10,237. So that your judgment as to the improvement of the doctor would mainly apply to the private side?—No; I was speaking of the panel doctors. What I mean is with regard to complaints. They have been few.

10,238. But only about half your people go to them?—More than half, I should think. It is very difficult to estimate it, of course, but I should think considerably more than half.

10,239. (Mr. Cook): To follow on the question that Miss Tuckwell put to you with regard to paragraph 13, if effect were to be given to the feeling you express, I suppose it would result in societies like your own Society, which has a considerable surplus, having their ranks increased at the expense of the less fortunate societies? Those ideas would hold out a very strong inducement for members to transfer from societies who have not equal benefits?—Quite so.

10,240. In paragraph 14 you suggest that benefits such as dentistry, optical treatment, &c., should be standardised. I would like to know exactly what is meant by that. Suppose we take again the case of a society which, just because it has not a sufficiently large surplus, is enabled to give only a limited dentistry service, do you propose that it should be debarred from giving that service?—We feel that it is very hard on members, when they have made their payments, that they should be so unequally treated—and that everything that can be done ought to be done to make it more uniform.

10,241. It is hard that a member of one society, say, should only get one-third of the benefit that you are able to give under the heading of dentistry?—Yes.

10,242. And it is still harder that in other societies certain members should not be able to obtain any dentistry treatment at all, is it not?—I think it is hard.

10,243. Is not the remedy for that to make dentistry in particular, on which so much emphasis has been laid during the work of this Commission, a statutory benefit?—Is there any reason why it is not?

10,244. I do not know of any reason?—I think it is desirable.

10,245. Unless there is a financial reason?—It is desirable, certainly.

10,246. Would your Society be prepared to enter into an arrangement whereby the less fortunate societies be assisted to obtain full dentistry treatment?—No; I do not think so. We have to think of our own members.

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10,247. By an extra payment or by sacrificing half of your surplus, or by some other arrangement of that nature?—No, I do not think we should. I think we must do our best for our members.

10,248. (Sir Andrew Duncan): I suppose money which passes into the Benevolent Association passes out of the control of your members?—No.

10,249. How is it retained in their control?—I am sorry, but I am afraid I do not quite follow.

10,250. If you make a grant to the Benevolent Association from your Approved Society, the money so granted passes outside the control of your Approved Society?—No, because we control the Council of the Benevolent Association.

10,251. Who controls the Council?—The Central Executive. They have to report all that they do to the Executive.

10,252. It does look like a dodge, then, does it not, if that be so?—All I can say is that this Association was formed for the benefit of the members.

10,253. I accept that.—I can see difficulties about it.

10,254. (Chairman): The Benevolent Society is really the Society itself under another name, is it not?—Certain members are the same on both Committees.

10,255. (Sir Andrew Duncan): Are there any members who are not on the Committee of both?—There are one or two.

10,256. Are there any members on the Committee of the Benevolent Association who are not on the Committee of the Approved Society?—Yes, there is one.

10,257. To that extent the Approved Society does lose complete control of the money?—(Mr. Gordon): Surely it is controlled through these representatives on the Board of the Benevolent Association?

10,258. Let me put it in another way. If you have a scheme for an additional benefit that is controlled by the Approved Society itself?—Not in practice.

10,259. Why not in practice?—It is only in theory, because a society with a membership of 60,000 cannot be controlled in practice by a general meeting of 30 members. It is only in theory.

10,260. Suppose we accept that there is actually no such thing as democratic control about the societies at all, there is theoretical democratic control; but it ceases even to be theoretical when it gets to the length of the charitable association?—Not in the least, because if you assume theoretical control the members of the Insurance Society control the members of the Executive of the Insurance Society, and by controlling the majority of the Board of the Society they control the Board of the Benevolent Society.

10,261. You would agree that it becomes theoretical control, secondhand?—Through a system of nominated representatives, yes.

10,262. In fact, it is not control at all?—It is on a par with all the other control of the Insurance Act.

10,263. If it is right to say that it is all bad, one can single this out as being particularly bad?—Undoubtedly.

10,264. With regard to the money you pay in respect of persons who are in institutions, do you first of all obtain the consent of the insured person to make these payments? A person who is in an asylum obviously cannot give consent, but a person who is in a hospital can do so?—(Lady Emmott): Yes, to pay the dependants when they go into the convalescent home.

10,265. You get their consent?—Yes.

10,266. Can you pay money without getting the consent of the insured person?—I do not think so. We have never done it, at any rate. We have always had the consent of the person.

10,267. (Chairman): Turning now to the part of your statement which deals with the dental scheme of the Society, I understand that the scheme has been in existence for about nine and a half years and has been financed entirely under Section 21 of the 1911 Act?—Yes.

10,268. May I take it from paragraph 24 that the institution of the Domestic Servants' Benevolent Association (now called the United Women's Benevolent Association) was merely a device in order to enable the Society to apply its funds to the provision of dental benefit at a time when no additional benefit schemes were possible?—Yes, that was so. (We were in the forefront in regard to dental treatment.

10,269. Do you consider that such an arrangement, however valuable it may have been, was contemplated when Section 21 was framed?—I really do not know.

10,270. From paragraph 25 I observe that the scope of the benefit has been surgical dentistry of every description free of charge and without limit of cost, and the provision of dentures on repayment of part of the cost. Do you consider that this arrangement should be continued, or would it be desirable that the full treatment should be provided as a benefit?—It is better to retain it as it is, I think. (Mr. Gordon): Our feeling is that it is preferable to retain the contribution by the member provided you also empower the Society in case of destitution to pay the whole cost itself.

10,271. It is contingent really?—Yes.

10,272. If, for financial reasons it is desirable to secure a payment from the members, do you consider that dentures are the appropriate items for such payment?—(Lady Emmott): Yes.

10,273. I see from paragraph 26 that the payments by the Approved Society to the Benevolent Association have increased rapidly in the last few years, and for last year amounted to the substantial sum of £9,500, or an equivalent of about 3s. 6d. per head of the membership of the Society. Is there any limit to the extent to which the Society is prepared to make payments under section 26 of the Act?—Only when our payments become more than the surplus we have to distribute.

10,274. It is governed by finance?—Yes.

10,275. In the same paragraph you indicate that you have had a waiting period of 26 weeks and a qualifying condition of 26 contributions. Would there be any special argument for continuing these conditions if dental benefit were made a normal benefit under the Act?—The reason we had the 26 weeks was because of the possibility of someone putting one or two stamps on a card and getting dental treatment when they really were not insured members.

10,276. It was a protection really?—Yes.

10,277. In paragraph 27 you indicate that in London you have had a clinic, while in the provinces you have had a panel system. To make things concrete for us, would you describe in a little detail the organisation of the clinic and the method of control and payment of the staff?—We have a fully qualified dentist and a nurse and three mechanics there now. The payment is made practically in the ordinary way as the payments to the rest of the staff are made; but there is no interference with the professional work of the clinic.

10,278. On the general question, do you consider the clinic method or the panel method more desirable in future schemes? The dental profession appear to consider the panel method more desirable, but perhaps you have something to urge on the other side?—I think the clinic system is a very excellent system, and it is a cheaper system; but there is no doubt that now that many societies are giving dentistry benefit, members do prefer to be able to choose their own dentist. That is what I think would be the objection, or at least the difficulty, with regard to clinics.

10,279. I note with interest your statement in paragraph 28 that the cost of dental work at the Central Clinic is only about half the cost which similar services would entail if paid for on a fee basis, while the standard of work at the clinic is higher than the average standard of services paid on a fee basis. Do you think that it might be expected that this would be the position as between



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a clinic and a service on a fee basis in any large town under a general scheme of dental treatment?—Yes.

10,280. Do you consider that the arguments for free choice of dentist are substantial?—The argument is very much the same as for panel doctors. Of course, members do not like being forced to go to one professional man; there is no doubt about that.

10,281. Then you would say that they should have the right of choice?—I should like to say that we never had any trouble about our clinic here in London in the early years. The members were very glad to come to it and all approved of it, I think. There were endless letters from members saying how good the service was. But recently, I think since other societies have given dentistry, I believe there is rather a feeling perhaps of preference for a free choice of dentist; though our clinic, I think, is practically as full as ever it was.

10,282. In paragraph 29 I observe that after 1923 you allowed members to go to any dentist registered under the 1921 Act. Do you agree that if dental treatment were made a normal benefit under the Act, we should have to avail ourselves of the services of all registered dentists willing to take part in the scheme?—Yes, I think so. That refers more to the provinces as far as we are concerned.

10,283. And do you think that the number of registered dentists in the country is adequate to give a full service to the whole insured population?—I am afraid I have no means of judging. (Mr. Gordon): I think there would be sufficient, but we have no positive information.

10,284. Referring to paragraph 36, do you consider that the scale of charges there set out would form a satisfactory basis for an estimate of the cost of dental treatment as a general benefit?—(Lady Emmott): It might have to be slightly increased perhaps.

10,285. Assuming that such a benefit were provided, would you recommend payment to the dentist on a capitation basis, or on a service basis? Perhaps you would give your reasons?—On a service basis.

10,286. Why do you suggest that?—I think there might be more care given in the treatment. There might not be so many extractions, and more preventive treatment might be given.

10,287. In paragraph 38 I see that you make the very important statement that the "all-in" cost of a complete dental service would be at the rate of 5s. 3d. per member per annum. Is this your considered conclusion from your experience in the last 9½ years of administering the benefit to a society of about 55,000 people?—(Mr. Gordon): Yes, that is our considered view, although if it were to be made the foundation for a national system, it would be perhaps prudent to allow some small margin of loading in addition to our experience.

10,288. To what do you attribute the substantial rise of the gross cost from 231s. per head in 1915 to 523s. in 1924?—(Lady Emmott): We have increased the salary of our head dentist, for one thing, from £500 to £800. The rest is in drugs and different things. I think that is sufficient to account for it—and, of course, the greater demand, perhaps, amongst the people.

10,289. Do you not think that, at the outset of a dental benefit scheme for the whole insured population, the cost might be even greater by reason of the arrears? In your Society, presumably, you have now got to something like a stable position after nine years' working?—Yes. At the beginning we did not have quite the rush that was expected. Then there were various ups and downs. I think there is a greater demand now for dentistry than there ever has been.

10,290. We have noted with much interest your statement in paragraphs 40 to 43 as to the influence of dental treatment on sickness benefit. I assume that you were advised medically as to which illnesses could be attributed to bad teeth and which to other

causes?—Yes, at the beginning of our taking up dentistry.

10,291. Have you attempted to make any estimate of what the reduction on the 5s. 3d. per member per annum would be if the saving on sickness benefit were set off against it?—Mr. Gordon rather estimated it, I think, at about 2s. a head. (Mr. Gordon): It is very difficult to say precisely. We have worked out, to some extent, the savings on what we call dental diseases, but it is impossible to take into consideration the undoubted saving on all diseases. From our experience, however, we think that at least 2s. per head per annum is now being saved, and, probably, a great deal more.

10,292. Your Statement is mostly confined to description, but I infer from paragraph 50 that you would like to see dental treatment outside the Insurance Act, and taking its proper place in a territorialised and uniform medical service. Perhaps you would amplify for us a little your conception of this scheme?—(Lady Emmott): Of course, it would not probably be to our interest that dentistry should be taken out, but it might be to the interest of the general working of the Act. (Mr. Gordon): We feel it is harmful to the health of the insured population that medical service should be incomplete, and we feel that dentistry is just as necessary for the non-insured as it is for the insured. Therefore, from the point of view of public health, it is a purely arbitrary provision which only includes certain persons and excludes others.

10,293. If such an arrangement is not considered feasible, would you be satisfied to have dental benefit administered locally by the Insurance Committees, strengthened by dental representation, in a similar way to that in which medical benefit is now administered?—(Lady Emmott): Yes, I think, for the moment, that would be the way to do it. (Mr. Gordon): Whilst agreeing that it would be quite advisable for the moment, it is robbing Peter to pay Paul.

10,294. What would you suggest as the proper central body to negotiate with the Ministry on terms of service, scope of the benefit, discipline and similar general questions?—(Lady Emmott): I forget the exact titles, but I think they are the British Dental Association and the Public Dental Service Association. Those are the two particular ones, I think. We applied to them, of course, with regard to fees when we were fixing fees.

10,295. If the scope of the benefit is to be limited for financial reasons, would you approve of dividing the surgical treatment, that is, extractions, scalings, fillings. Or do you consider that these must necessarily all go together?—I think they must all go together.

10,296. Why do you say that?—(Mr. Gordon): It is really impossible to single out one sort of dentistry. A person with the toothache goes to the dentist, and possibly may need several operations on the same tooth—scaling, gum treatment, filling, and possibly the tooth next to it extracted. At least it would be in the highest degree inconvenient for those to be split up into two things, apart from the fact that all surgical treatment is most necessary from the point of view of the prevention of sickness.

10,297. (Sir Arthur Worley): Following on that point of view, of course the case is divided, so to speak, between the surgical portion and dentures; that is so, is it not?—Yes.

10,298. Would you see any objection to a division being made? For instance, the statutory portion of the benefit could be the extraction, the scaling and the filling. It has been given to us in evidence that the supply of dentures is not strictly necessary really from a health point of view?—(Lady Emmott): Surely it is most necessary.

10,299. I can only say it has been given in evidence by very high-class dental surgeons here that it is not necessary for the health of the person that they should have dentures supplied. We have been told

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that people might be quite well and quite toothless?—It would be very troublesome for the preparation of one's food, I think.

10,300. That really would mean that they would have to adapt their food to their condition?—Yes.

10,301. It has been stated by some that dentures are not necessary. Others have said: "Yes, there is the question of people being unable to get situations because they would not be quite as nice in appearance." That, however, is not health?—Obviously it would affect their obtaining situations.

10,302. It has been put to us that there might be an arbitrary division of that nature for the moment?—I think it would be very difficult.

10,303. I take it that your Society has got a very substantial surplus?—Yes.

10,304. And that surplus has arisen from the contributions and payments being very considerably in excess of what was necessary to pay the statutory benefits. That is really what has happened, I suppose?—I suppose that, and good management.

10,305. Those contributions, of course, have been made by three parties, that is, the insured person, the employer and the State?—Yes.

10,306. So that in effect the State, which really means the public, has been paying more than was necessary to sustain the benefits in your Society?—They may have been paying more than the actual benefits that were needed.

10,307. There are other societies which are not in that same happy position, where even the payments have not been sufficient to give the ordinary statutory benefits without a deficit?—Yes.

10,308. What I am leading up to is, do you not think it would be reasonable that some system of common assistance and help might obtain between the two sets of societies? With your surplus on the one side, it is a little annoying for the man who pays the same, who is in a society which has a deficiency, seeing that it is not only your insured persons who are paying, but it is the employer and the State?—I do see that it is hard on the person who is paying. At the same time, however, I am not quite sure, unless there was some element of competition between societies, that there would be any inducement to good management.

10,309. I do not know that good management has much to do with some of the elements of success. The statistics put before us show that maternity benefit is a very much heavier drain on the funds in Scotland than in other places?—Quite so. We have very little.

10,310. That is not an element of competition and good underwriting?—No.

10,311. May I take it then that you would not be averse to some scheme by which some of your surplus was drawn before it became a surplus; that is to say, if dental benefit were put in as a statutory treatment there might be some scheme by which a portion of the State and the other people's contributions were drawn off to a central fund to pay for universal benefits?—We have not discussed that in the Society, and I think we should be rather sorry if it happened.

10,312. Do you mean the 30 members who attend the meetings or in your own executive?—In either.

10,313. I was just wondering whether you cared to give your own view on it, as to whether it would be an unreasonable thing that, in order that people who had not got dental benefits now and cannot get them because of the poor state of their society—I am giving that as an instance—should get them, there should be some assistance given by a society which has an excess of surplus. Would that be reasonable from a national point of view? It is a national scheme of health insurance?—Yes, it is a national scheme of health insurance. I feel some diffidence about it.

10,314. Diffidence in agreeing to it, or in disagreeing?—From the point of view of the general public, of course I do think there are certain reasons for a scheme which is the same all round.

10,315. We will take a large house where there is

a large staff of servants. Four of them are in your Society and some are in the Prudential and some are in other societies. Then there are varying degrees of benefit which those girls are getting, although each of them is in the same employment and is the same class of risk and pays the same money. That does not seem quite equitable in a national scheme, does it?—No, I do not think it does. It might give rise to trouble.

10,316. It would be logical if some scheme were formulated whereby such inconsistencies were met to some degree?—If I disregard the benefit of my own members I should say Yes, but I must think of them.

10,317. (*Miss Tuckwell*): Take the case of two waitresses, both of whom wanted to have their teeth looked after. If they joined your Society when would they get that treatment?—(*Mr. Gordon*): Would they be new members or transfers?

10,318. Transfers from the Post Office?—If they had been insured 26 weeks, even though with some other society, they would get the benefit immediately on joining.

10,319. They would get the benefit without dentures. It would only be in a certain proportion of cases that you are able to supply dentures?—No, in every case we give surgical treatment in full, and 50 per cent. of the cost of dentures.

10,320. I do not think either of these girls would have been able to pay. What would you have done in that case?—Probably helped them out of the Benevolent Fund to pay the other half.

10,321. In any event you would not have let them go toothless?—No, certainly not.

10,322. With regard to the questions which you have been answering about clinics and panels, would it be possible for a dental clinic to serve a scattered neighbourhood?—(*Lady Emmott*): It would be very difficult.

10,323. Do you think it would be possible to have a mixed system of both panel and clinic?—I think not, rather for the reason which I gave you before. People would prefer to go to the panel dentist and would not go to the clinic. (*Mr. Gordon*): You could not have a clinic and the panel system in the same area.

10,324. In this scheme, on which you lay such emphasis—your "all-in" scheme—you do not propose, I gather, to increase the contributions?—We have not discussed that in any way. I think one would be sorry to do so.

10,325. You are calculating that you can do it on the present basis?—Of course we could; but I do not know what the financial position of all the other societies would be.

10,326. I rather wanted to get from you the point which struck me very strongly, that women could not afford to pay anything in addition?—That I quite agree with. I do not think they could pay more than the 4d.

10,327. (*Professor Gray*): You indicate some alarm, I think, at the rapid increase in the claims, and you express the opinion that you have perhaps reached the maximum point. Do you think you can go further than that and look forward to a decline?—No, I do not think we can look forward to a decline, because, as I have said before, there is much more evidence of interest being taken by people with regard to their teeth. I do not think, however, it will go up. I think we have come to a pretty stable point.

10,328. And you think it will probably remain at about the same level for some time to come?—Yes.

10,329. Is your answer to that influenced in any way by the arrival of new members?—No, I do not think so.

10,330. How are you off for new members? Do you get transfers in in any number?—Not in very great number. (*Mr. Gordon*): There has been a gain of 2,000 a year in transfers.

10,331. You think your use of section 26 is an effective bait?—(*Lady Emmott*): I think it is a bait. I was really speaking of the period when it was so

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difficult to get transfers through. Then for some time we did not have transfers.

10,332. If you were getting any members from other societies it would of course tend to keep up the high level of claims for dental benefit if they came unattended?—Yes.

10,333. That is if they come for dental benefit?—Yes, if that is the suggestion. I was rather thinking of the alteration of basis of our membership with the clerical workers who have come in recently. I should say on the whole that the 3,000 or 4,000 clerical workers have teeth which are probably in better condition than those of the domestic servants. I was rather thinking of that point.

10,334. You have noticed the possibility or necessity of paying on a service basis. You mean on a list of services rendered, do you not?—Yes.

10,335. Something like the list which is drawn up here in your Statement?—Yes.

10,336. Could you give us any idea from the point of view of a layman, how you suggest getting over the trouble which may arise if there is not enough money?—(Mr. Gordon): Only by your contribution to dentures being on a sliding scale. I think in any event you must pay the whole cost of surgical treatment, and if you think there is a risk of your money being insufficient you must make your contribution towards dentures a fluctuating quantity.

10,337. You think that even if you were adopting a scheme covering the whole of the insured population, like medical benefit, you might nevertheless make provision whereby you get the whole of the treatment and require the insured persons to pay a quarter or half or three-quarters of the denture?—Yes, a proportion.

10,338. And if at the end of the year there was not enough money to go round and pay this scale of fees here, you think the Ministry of Health could put on the screw and pay, say, three-quarters of the cost of the dentures, or whatever it might be?—I can imagine some such scheme.

10,339. It is rather different in a State scheme from a Society scheme?—No. You are not working altogether in the dark. Our experience has extended over a period of years, and I think you are entitled to work on that.

10,340. As an approximation?—As a first approximation. You can make your loading as much as you like. If necessary, you could fix your contribution at 5s. 6d. per annum and then you would be practically certain to have a surplus.

10,341. But do not you think that if you extend this to the whole population and allow them to go to the dentist they choose, there may be a great increase in the work, as has happened in Manchester under the medical service where you have an attendance basis?—No, I do not think so, not if you put in proper dental committees to safeguard things in every area.

10,342. What are your safeguards?—First of all you have a referee system very much on the same lines as you have at the present moment; you have a committee in every area, and you would scrutinise the bills of your dentists very much as you scrutinise the prescriptions of the doctors at the present moment.

10,343. And you suggest that under some such scheme as that the dentists themselves, acting as a profession, might keep down unnecessary attendances?—I think so, especially if they had a limited pool to divide between them. (Lady Emmott): People are not too ready to go to a dentist; it is not quite like other ailments.

10,344. Could you illuminate my mind regarding certain points relating to your experience on the relation of dental benefit to sickness benefit? You told the Chairman you got expert views as to the distinction between dental illness and non-dental illnesses?—Yes. I am afraid that was in the early days.

10,345. And in the early days the dental ailments were given as anæmia, gastritis, dyspepsia, and rheumatism?—Yes.

10,346. I presume debility comes in there too?—(Mr. Gordon): No, debility comes into the general illnesses. As a matter of fact, we do not permit debility.

10,347. Have you got neurasthenia?—Yes

10,348. Where does that come?—That comes in the general also.

10,349. I suppose all these illnesses, although dental, are also occasioned by other causes. You cannot say that all anæmia is dental and all dyspepsia?—(Lady Emmott): No. All we have said is that lack of dental treatment probably aggravates illness.

10,350. And these four types of cases are classified as being related to dentistry?—Yes.

10,351. If you come down to the foot of that page, you arrange these in the form of index numbers and you set out your dental illnesses and other illnesses, starting off in the basic year of 1915 with an index number of 100?—(Mr. Gordon): Yes. You will notice that in the text we very carefully attach the greatest measure of reserve to all these calculations.

10,352. The reason I ask this, of course, is that your experience is so important and has been quoted so widely that it is important to know precisely how far this goes?—(Lady Emmott): How it has been drawn up?

10,353. It is the case, is it not, that strictly speaking these index numbers ought to be weighted?—(Mr. Gordon): Undoubtedly. There are many refinements which should have been introduced which we have not been able to introduce.

10,354. If under "A" 25.5 is represented by 100, the other illnesses which you take under "B," for which the figure is 78.7, should be somewhere in the neighbourhood of 300?—I do not quite follow.

10,355. You have set aside 100 as a starting-off point here. You have taken 100 both for the dental illnesses, which number 25 per cent., and for the other illnesses, which represent 78 per cent.?—Yes.

10,356. If you look down the figures you will see that in any subsequent year your "A" plus "B" does not reach up to 200?—Yes.

10,357. From which at first sight it might be inferred that you have never got back to the level of total illness that you had in 1915?—There is no suggestion that "A" and "B" should be considered together. They are only comparative within themselves. There is no question of directly comparing "A" with "B"—only indirectly.

10,358. This statement might be rather misleading?—Yes. In that case the "B" index figure had better be taken as 300.

10,359. What you are concerned with is "A" plus 3 "B"?—Yes.

10,360. On that basis is it not the case that you get back to the level of 1915 practically in 1921 "A" plus 3 "B" in 1921 is the same?—Yes.

10,361. And for the last three years you have actually a higher level?—Yes.

10,362. So that in recent years your sum total of illness is actually higher than it was in 1915?—Yes.

10,363. Now the effect of taking the basis of "A" plus 3 "B," as I suggest, is to get a curve which is more like that of other societies. It does not go so low as "A" does?—You are suggesting the volume of total sickness.

10,364. Yes—"A" plus 3 "B"?—"A" plus 3 "B" should be like every other society.

10,365. I suggest that others do go down and rise up in the same way?—Certainly; I agree. Everybody's "A" plus 3 "B" should be the same except for the dental benefit.

10,366. Does not the effect of this classification postulate that you can separate out the non-dental from the dental cases; that you can in fact rely upon doctors' certificates?—Yes. If I may say so, you are paying too much attention to these figures. The whole of these figures are merely a faint attempt to illustrate what we all, I think, accept to be a fact,

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[Continued.]

namely, that good dentistry does in fact benefit health. I cannot attempt to prove any particular numerical calculation on the basis of these figures.

10,367. I think these figures are rather misleading and do mislead, if I may say so; but the other point is, I agree with you, obvious. If you attend to people's teeth it must improve their health, but the suggestion that it has this very rapid instantaneous effect is, I think, rather misleading?—Is it a rapid effect? It is six years before there is any really noticeable effect.

10,368. May I put this point to you? It is a matter of common knowledge that in the early days doctors did in fact certify very carelessly?—They still do.

10,369. But more so then than now, I think?—Possibly.

10,370. And that in fact the kind of things they certified were just these things that you have classified as dental illness?—I cannot follow you there.

10,371. May I read what you told us in 1913? You said then: "The great majority of sickness benefit claims are for anæmia, on the one hand, and gastric troubles, on the other hand. These cases in my opinion are improperly certified"—All that holds true to-day.

10,372. Not to the same extent?—To a considerable extent. I do not know what the improvement is numerically, but very much the same state of affairs holds good to-day as it did then as regards certification. There may have been some slight improvement.

10,373. It has been put to us constantly that in fact the doctors are more careful and are certifying better and that there are less complaints. I suggest to you that if in fact at the beginning of things what was constantly represented was done and if doctors entered, as you have told us, anæmia and gastric troubles, and if in course of time they have become more careful, it takes the cases out of dental illnesses and puts them in the other category?—It is the same the other way round. A person suffering from debility is now certified as suffering from anæmia.

10,374. Once you contend that doctors are careless all the way through, one is left in the dark on the whole thing?—Quite. This is merely an empirical attempt to translate a universally accepted fact into some kind of a figure.

10,375. We will have to leave it there?—(Lady Emmott): It is not based on anything more than that.

10,376. (Sir Andrew Duncan): I think, with regard to the tables, those connected with the dental profession would place undue weight upon them?—(Mr. Gordon): No, I do not think so. I think you cannot over-estimate the importance of dentistry in the prevention of sickness.

10,377. The tables, as I understand from your description of them now, are merely intended to give some kind of statistical proof of the general proposition which you want us to accept as true?—Quite.

10,378. They are not to be taken as exact?—Quite; that is stated in the text.

10,379. There are persons in the dental profession who have carefully noted the figures who have not

read the text. With regard to paragraph 27, I see that in the provinces a panel has been in operation rather than a clinic. It is described here as a panel comprising one or more selected dentists in every town. Who selects them?—I do.

10,380. You do not put all the dentists in the district on the panel, do you?—Practically every L.D.S. that applies. (Lady Emmott): This was in the early days, before we took all the dentists on the register. (Mr. Gordon): To-day we take any dentist on the register who cares to make use of the scheme. We have no panel now.

10,381. So that you have a free choice now?—Undoubtedly.

10,382. An insured person can go to anyone?—(Lady Emmott): Yes—any dentist.

10,383. Has your experience been that the complaints from London are serious that there is no free choice?—No, we cannot say that they are serious. You mean because we have a clinic in London, do you not?

10,384. Yes?—They are not serious, but we have heard expressions from one or two members that although they were quite satisfied with the clinic where they have been they do know others who much preferred to have a choice of dentists. That is all it really amounts to, I think.

10,385. (Sir Arthur Worley): With regard to the question of payment, a fear has been expressed that if there was a system of payment by schedule there would be a tendency on the part of certain dentists to do a great deal more work than was really necessary, particularly if it was at the cost of a national scheme. What check could be imposed in order to obviate that? I mean, even suppose you had regional dental officers, you could not have each and every case examined before the insured person went, and therefore if the insured person is sent by his Approved Society, say, to have dental benefit, what guarantee is there that the dentist, except as a matter of honour, does not really do more than is necessary, and consequently charges more?—(Mr. Gordon): I think it is possible to introduce many guarantees. In the first place, dental treatment need only be given on a panel medical doctor's certificate. I am only suggesting this if you desire to consider these things. Then, in the second place, you have the natural deterrent that an insured person is not going to allow his teeth to be pulled out to make a Roman holiday.

10,386. He might have them filled?—I do not think he would do that as a hobby either.

10,387. Most of us have had this unpleasant experience and the dentist says: "Here is another," and he digs at you and you think that as you are there you might as well have it done, and filling is a costly operation?—You might have a certain amount of that, but I cannot think it would go on to any large extent.

10,388. I was wondering what would be your opinion about having some fund assessed to a district out of which they had to pay themselves?—You mean the Manchester system?

10,389. Yes?—I think that is perfectly feasible.

(Chairman): We are very much obliged to you, Lady Emmott and Mr. Gordon.

(The Witnesses withdrew.)

Sir THOMAS NEILL, Mr. E. C. FARMER, and Mr. J. S. PIKE, called and examined.  
(See Appendix XXV.)

10,390. (Chairman): I understand, Sir Thomas, that you are now giving evidence on behalf of the National Amalgamated Approved Society?—(Sir Thomas Neill): That is so.

10,391. You are, Mr. E. C. Farmer, the Actuary and Secretary of the Society?—(Mr. Farmer): I am.

10,392. And Mr. Pike is the Controller of the Society?—(Mr. Pike): Yes.

10,393. I note that the Statement which you have submitted is mainly a description of the constitution, features and methods of working of your Society, and that so far as policy is concerned the Society identifies itself with the proposals already submitted to the Commission on behalf of the National Conference of Industrial Assurance Approved Societies?—(Sir Thomas Neill): Yes.

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[Continued.]

10,394. Are there any features of your Society to which you wish to direct our special attention? We note that you have a common fund for men and women?—I wish to draw attention to the high percentage of women, particularly married women who have chosen the National Amalgamated as their Society. That is shown in Appendix B of our Statement. It is suggested that the question whether or not sufficient provision has been made for women is one of particular importance to this Society. The Society has not adopted any policy of segregation, and does not wish to do so. It has no occupational segregation, and having only one fund for men and women, it is important that the contribution of women brought into a common fund should be adequate. It is suggested that the question of the adequacy of the contribution of women might be reviewed.

10,395. Are there any particular proposals, apart from those we have already received from the National Conference of Industrial Assurance Approved Societies, which you wish to bring to our notice?—We wish to draw your special attention to paragraph 31 of the Society's Statement on the subject of tuberculosis. We would like respectfully to submit to this Commission that that might be a branch of your inquiry, and that you should ask for the information from the various Approved Societies in some form that would make the information useful as a whole. We would be very glad to supply anything that we can, but we thought that if we brought the matter to your notice, it being a very serious matter for Approved Societies, you would probably adopt a questionnaire uniform for all societies to supply the information.

10,396. In connection with paragraph 18 of your Statement, which deals with claims for benefit, could you tell us what is the average length of time that elapses between the making of a claim for benefit and the actual receipt by the member of a first instalment of benefit?—After an interview that we had at the Ministry some time ago we examined a whole week's claims—the whole of the new claims for the week ending 18th October, 1924, and we found that when we excluded workmen's compensation cases and institutional cases the average time which elapsed from the date of the notification to the date of the first payment was 10·4 days. Of course, as you know, a second certificate has to be issued before the payment.

10,397. Does it often happen that a member has to wait a considerable time, for example, more than a fortnight, before he receives any payment of benefit?—Yes, there is a certain number of cases, due to exceptional circumstances, such as the loss of a contribution card, the determination of the class of a married woman, and the delay in providing medical certificates. In our system of payment, many of the members are content to wait till the agent calls on his round—it may be once a fortnight—to receive the first payment. The machinery allows for immediate payment, but the member sees no necessity to spend money on postage knowing that the agent will call in due course, and is therefore satisfied to wait.

10,398. On paragraph 19, dealing with the collection of contribution cards, can you tell us what proportion of the cards are received by the Society within one month of the date of their expiry and what proportion are not received until after three months of that date?—I have got out the latest particulars. Taking the first half of 1924, at the end of the first month we had 5·6 per cent. of the cards in; at the end of two months we had 77·7 per cent.; at the end of three months 88 per cent. Since then we have paid a little more attention to dealing with employers and with members. For the second half of 1924, at the end of the first month of this year we had received 13·3 per cent.; and at the end of seven weeks (that is now) we have 88·3 per cent. in.

10,399. What percentage of the contribution cards of your Society are sent to the Ministry within six

months of the date of the expiration of the cards, and what are the reasons which make it impossible to send in the balance within this period?—Taking the latest period under review, that is the cards for the first half-year of 1924, assuming that the membership for that half-year was equal to the membership for the last half of 1923, we had 97 per cent. of the cards for that period dispatched to the Ministry within six months of the date of the expiration of the cards. The balance (3 per cent.) of the cards not dispatched at that date were either the subject of correspondence arising from various causes or were not surrendered by the insured persons.

10,400. That is a higher percentage a good deal than previously?—Yes. I desire to pay a respectful compliment to the Department for drawing our attention to the need for an earlier despatch of cards and we applied our minds to that with, I think, good results.

10,401. Arising out of paragraph 29 of your Statement, is your Society always prepared to assist a member in prosecuting his claim for compensation under the Workmen's Compensation Act if he appears to be entitled to compensation?—Yes.

10,402. Is it the regular practice of the Society to make an advance of benefit pending the settlement of the member's claim for compensation?—Benefit is advanced to members in all cases where the member makes application for such advance or where any hardship or distress is disclosed; but it is not the regular practice of the Society to pay benefit by way of advances indiscriminately in all cases.

10,403. Are there any cases in which the Society declines to pay benefit by reason of the member appearing to be entitled to compensation and does not either make an advance of benefit or help the member to obtain compensation?—The only circumstances in which the Society withholds benefit and does not assist members is where a member appears to be entitled to compensation but refuses to prosecute his claim and declines to authorise the Society to do so. There are very few such cases, I think.

10,404. The figures which you give in Appendix B of your Statement as to your Society's benefit experience, are interesting, and in some instances show a most remarkable divergence from the expectation. I do not propose myself to put any questions to you on these figures, except just to ask you whether in your opinion the very high expenditure on benefits to women is to be explained entirely by a greater amount of sickness amongst women than amongst men, or whether you think there may be some other explanation also?—We are of opinion that in the main it is due to legitimate incapacity and is therefore an indication of a lower standard of health among women than men. It is possible there is a larger number of border-line cases amongst married women due to greater difficulty in applying the test of incapacity, and therefore this class of risk may require a greater financial provision made for it.

10,405. I take it that you are on the whole opposed to any pooling of funds among societies. Would you give us your reasons for this view?—Pooling of surpluses in our opinion cuts at the root of sound administration. It is also contrary to the charter given to Approved Societies when the Act came into force. A promise was given to all Provident Institutions and others who were prepared to form Approved Societies, that they would retain all the advantages accruing to them as the result of their own experience. Therefore, any departure from this would be a gross breach of faith on the part of the Government to those who accepted and acted on this promise.

10,406. Are you opposed to any pooling at all, or would you be prepared to see the contribution to the Central Fund increased?—We are prepared to submit to an increased contribution to the Central Fund for the purpose of an experimental uniform system of dental benefit as recommended by the

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[Continued.]

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10,407. I note from paragraph 26 that you give dental treatment, optical treatment, convalescent home treatment and medical and surgical appliances as additional benefits. Perhaps, under each head, you would give us a brief description of how you administer these benefits?—I think if I handed in a document describing what our procedure is, it would be convenient. (*Document handed in.*)

#### NATIONAL AMALGAMATED APPROVED SOCIETY.

##### TREATMENT BENEFITS.

###### *Administrative Procedure.*

###### *Dental Treatment.*

On receipt of an application from a member for dental benefit, a dental letter is despatched to the member direct which may be presented to a dentist of his choice subject to the dentist being a member of the Public Dental Service Association.

Emergency work up to a maximum of 10s. may be done without further reference to the Society, the Society bearing the whole of the cost. If the cost of the work exceeds 10s., an estimate is submitted by the dentist to the Society in accordance with the scale of fees negotiated with and adopted by the Public Dental Service Association.

After scrutiny, the estimate is returned to the dentist authorising him to proceed with the work and indicating the proportion of the cost which will be paid by the Society. Similar information is also sent to the member. When the work is completed, the dentist submits his account to the Society supported by a certificate from the member stating that the work has been completed to his satisfaction. A remittance for the amount of the society's contribution is then despatched to the dentist.

As regards the standard of service, a Joint Committee of an equal number of representatives of the Public Dental Service Association and of Approved Societies has been set up to deal with questions of discipline and interpretation of the scale. Apart from the scale of charges, a specification of materials has been agreed as also a system of dental referees throughout the country which is just commencing to operate.

###### *Optical Treatment.*

The Society's scheme is operated through the Joint Council of Qualified Opticians with whom a special scale of charges has been arranged. On receipt of an application for benefit from the member, the Society supplies him with an optical letter which may be presented to any optician on the register of the Joint Council.

Glasses not exceeding the cost of 10s. 6d. may be supplied forthwith, but where the cost exceeds that sum an estimate is submitted to the Society. Thereafter the procedure is very similar to dental benefit, except that, instead of an individual remittance to the optician, the Society has a quarterly account with the Joint Council of Qualified Opticians.

The estimate submitted by the optician usually includes the "utility price" and an alternative price. This leaves the member free to choose any particular form of lens or superior fitting which he may desire, but the Society only contributes on the basis of the "utility" quotation.

###### *Medical and Surgical Appliances.*

This benefit is administered mainly through the Royal Surgical Aid Society under an arrangement with that body by which the Society receives the advantage of a special scale of charges.

An application from a member for assistance must be accompanied by a medical certificate recommending the appliance. The Royal Surgical Aid Society are asked to submit a price, and if this is accepted, they proceed to arrange locally for the fitting of the member, if necessary.

###### *Convalescent Home Treatment.*

All applications for convalescent home treatment must be accompanied by a medical certificate certifying the need for the treatment.

The Society communicates with one of the numerous homes with which it has made arrangements, or with a particular home if specially recommended by the doctor. As a general rule, the Society defrays the whole cost of the three weeks' treatment plus half railway fare, but extensions of this period are fairly frequent if medical evidence is produced recommending the extension.

###### *Contributions to Hospitals.*

A certain annual amount has been allocated to this purpose, the whole of which is distributed quarterly to those hospitals who submit a claim, on the basis of the number of days of in-patient treatment to particular members of the Society.

10,408. As to dental benefit, you think it comes first in priority among the additional benefits, and you make a proposal that by increasing the contribution to the Central Fund, a pool should be created from which grants would be distributed to societies on the basis of membership for the purpose of providing dental benefit on a uniform basis throughout the country. Perhaps you would amplify for us a little the details of control, administration and payment under such a scheme?—I think it might be useful to you and your colleagues if our Controller, who is on the Joint Committee and to whom this matter has been delegated by the Committee of Management, would deal with it and explain to you the proposals.—(*Mr. Pike*): We certainly are of opinion that dental benefit does claim priority to any other form of treatment benefit, and the suggestion made by the Society contemplates that in order to secure uniformity it would be necessary that certain regulations be laid down governing fundamental principles. Subject to that, we think that the direction and control of the scheme should be through a Joint Committee representing the Ministry, Approved Societies and the Dental Profession, on similar lines to the existing Joint Committee which is at present administering a National Scheme in respect of certain societies. It is a Joint Committee composed of an equal number of dental representatives and Approved Society representatives. They came together of their own volition and have done an immense amount of pioneer work. In addition to setting up a scale of charges they have agreed on a specification of materials to deal with the standard of work and service, and they are at the present moment getting into operation a system of Dental Referees throughout the country. These are panels of dentists in each area—panels of three—and these three act as a Committee of Reference in any disputed cases. They have been set up for the purpose of dealing with questions of discipline and with cases where a suspicion exists that a dentist is doing too much work or is overcharging for the work which he is actually doing. As regards payment, we certainly think that a scale payment should be made in preference to any form of capitation grant. Regarding the governing principles which would have to be the subject of regulations, they appear to us to include:—(1) The conditions under which a dentist may claim the right to participating. (2) The definition of the powers of the Joint Committee; and (3) The proportion of the total cost which must be paid. We certainly do not anticipate that whatever scheme is formulated it will be possible to meet the whole cost of treatment. (4)

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The scale of charges is another thing which would have to be on a uniform basis throughout the country; and (5) The method of payment of the accounts of dentists. Those, I imagine, are among the principles which would have to be set out by regulation before the Joint Committee could commence to operate.

10,409. In such a scheme, are you in favour of payment to the dentist by a capitation fee or by a scale payment?—(Sir Thomas Neill): By scale.

10,410. I gather that you would be against a proposal by which the benefit would be administered locally by the Insurance Committees in a similar way to that in which medical benefit is now administered. Would you give us your reasons for this?—Shortly, it is this. We see no advantage to be gained by transferring the administration of dental benefit to the Insurance Committees. We are of opinion that the immediate and full title to dental benefit will not be practicable at this stage; that is, we feel that when you have weighed all that has to be borne by the contributions there will not be a margin in the present contribution sufficient to make dental benefit one of the statutory benefits with immediate and full title. Therefore, there must be control over the expense and there must of necessity, in our judgment, be a qualification: that is, you cannot do with it as you are doing now with medical benefit. It would not be possible to say: "Yes, you want £5 spent on your teeth"; and so soon as the first contribution is paid the person can go and incur that £5 expense against the fund and go out of insurance the next day. When you come to examine this matter in detail I am sure you will find it is quite impracticable to say that this can be put on the same footing as medical benefit. There must be a qualifying period. That means that there must be some place where the record of the member is kept. That at present is with the Approved Society. If some other body has to be supplied with this information you are duplicating machinery and cost, which we do not think the system should stand nor would it be fair to the insured person.

10,411. You are in opposition to the administration by Insurance Committees?—On two grounds; the impossibility of determining the status of the member and the cost of setting up duplicate machinery.

10,412. We should like to have your views, in some detail, on the very important proposal that has been made to us to take medical benefit and other similar services out of the insurance system and organise them within a uniform health service on a territorial basis in each locality? Under such a scheme, I am not ruling out the possibility of health insurance moneys raised by contribution, as at present coming in, to aid the moneys from central grants and local rates for such a unified medical service?—Of course, to those like myself who have lived with the Insurance Act since it was born, the feeling is that the insured persons, who are paying a special contribution for these benefits in addition to paying their rates and other taxes, are entitled first of all as citizens to anything that citizens are entitled to, but they are also entitled to that which was contracted for in the compulsory contribution that was levied on them. Therefore, I do not think that these twelve million insured persons in England should be handed over to the local authority to participate equally with all the other people, when they are paying specially for that specific treatment which was guaranteed to them by Act of Parliament in return for these contributions, which they have been paying now for 12 years. It does not look like a proposition which should come from either a Royal Commission in England or from a Minister of the British Parliament. It seems to me to savour, very largely, of tearing up scraps of paper. It has got the essence of something that is quite foreign to the instincts of most of us.

10,413. (Sir Arthur Worley): With regard to the attention you have drawn to the extent of tubercular disease, your figures were 10 per cent.?—Yes, 10 per

cent. of men in receipt of benefit and 7.5 per cent. of women.

10,414. I take it that, generally speaking, there is a diffidence on the part of doctors to certify that particular disease until they are really certain about it?—I should imagine there would be.

10,415. So that probably the percentage in reality is slightly greater than that, even?—I should imagine that would be so in the case of young persons.

10,416. I have no doubt the suggestions you have made will receive the attention of the Commission and of the Ministry, but can I take it that you have got certain statistics on the question probably giving information for different years as to the incidence of this disease?—We have not analysed them. We have got, say, 5,000 on the funds suffering from tuberculosis at the present moment. The records can be analysed in any form that would be advantageous; but we do not know in what form experts would think they should be best scheduled. We will be very glad to submit them to you in any form you may require.

10,417. I asked that question on behalf of Sir Alfred Watson, who feared he might not be here this afternoon. I observe that you have still a diffidence about pooling. I was hoping you had altered your mind. But what you do is to make a suggestion that what is assigned to the women's contribution should be reconsidered, in view of your own Society's experience, and you give certain figures there. Of course, these figures are amounts paid, and not according to the actuarial liability, but they do show, that as far as sickness is concerned we are paying about 40 per cent. more for women on sickness, and 40 per cent. more for disablement, but considerably less for maternity per head?—Yes, we are paying more for sickness and disablement and less for maternity.

10,418. I take it that what you have in mind is that there should be less of the contribution credited to the man and more to the woman. You are not suggesting that the woman should pay more, are you?—No, I am not suggesting that the woman should pay more. I am suggesting that this apparently inexhaustible fund for prolonging the redemption of reserve values might be treated in some way until we get to a stage where we have some real experience.

10,419. But another way would be to take some off men and give it to the women—credit them and debit the men, so to speak?—I am afraid you would have to do something like that, but I will be satisfied if you will look at it and see whether the strain is more than the contribution is able to bear.

10,420. I suggest to you that that in effect, is pooling as between the two lots. I mean the effect would be to take some money off a society with a larger number of men, and thereby reduce their surplus, and help a society which has a larger proportion of women. Probably it is quite right; I cannot dispute it, but that would be the effect of it. It would level up the two societies?—We are not two societies.

10,421. I did not say so. I said between your society as a body and some other societies which have not the same proportion of women members as you have?—I am afraid I have not made my point clear. My point is that the individual women's contribution is not sufficient, according to our experience, for the risk. That is the proposition we put before you.

10,422. I agree with what you say, namely, that the individual proportion charged to women is not sufficient. What therefore happens is that what has been allocated to men is too much, taken as a whole?—No.

10,423. It must be, as a whole, because you have got a large surplus?—We have never had a year since the Act came into force when the conditions as regards men were normal. In 1913 the Act was only partially coming into effect. In 1914 we had the War. Then we had the continuance of those years of war. Since then we have had unemployment, which, in our judgment—perhaps wrongly—has had a very wonderful effect in concealing the real strain of sickness amongst men. A man is unemployed. He goes and looks for a job and he cannot

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find one. It is not until he does find a job that he knows, in many cases, whether he is able to work or not. We submit you are not getting, by reason of the unemployment, the correct strain of men's sickness on this fund, and therefore to assume that these so-called surpluses are going to be permanent surpluses—well, we dread your taking any action on such an assumption.

10,424. The fact is that at the present time, there are surpluses, and therefore from your point of view, those surpluses have been more accumulated out of the contributions of men than out of the contributions of women, and that being so, you say there ought to be some adjustment between the two?—I am looking for the maintenance of men's contributions, but I want to see how we are going to adjust this excessive sickness amongst women, because I believe that the men's sickness by-and-by, when we get into a normal condition of things, will more closely approximate to their contributions than has been the experience during the past.

10,425. That is an expectation, but it is not founded on anything tangible?—Yes.

10,426. You are suggesting that the money necessary should be found by some financial operation rather than by an adjustment between the two, men and women?—That is so.

10,427. I suggest the sounder finance would be to adjust it between the two. Whatever you are doing, you are trying in some measure to get money from somewhere else to balance the difference with the women. You are getting money from some other source to balance it. You are equalising it?—Yes.

10,428. I say equalising it is practically in its essence and effect a system of pooling?—I think we must give you that point. (Mr. Farmer): In our Society we have one fund for men and women. If the men overspend, we have, of course, the men's surplus to trench upon, but not as between men's societies and women's societies. I think that is the suggestion made?

10,429. No. My suggestion was not as between men and women. My suggestion was between your Society with a larger proportion of women in it and other societies which probably have not that number. I was putting it that you were balancing between the two. I say the effect of that is practically pooling. It certainly has an element of pooling?—(Sir Thomas Neill): I think we will have to give you that point.

10,430. Thank you. The other point is this. You mentioned that there were a good many cases where you assisted your members to get compensation for various injuries. If you take up a case on behalf of one of your members and you are successful, you are put to little loss because the legal costs are paid by the other side. What happens if you are not successful?—We pay the costs.

10,431. In all cases?—In all cases if we assist a man and we are not successful. If a man takes up his own case that is another matter.

10,432. If you are not successful in establishing liability you pay the costs?—Yes. I can hand you some notes made with regard to a case tried before Mr. Justice Rigby Swift at Nottingham, which puts the matter quite clearly.

10,433. I wanted you to clear up that point because there is an impression abroad that that was not done in all cases?—That is the fact.

10,434. I thought it was only right to your Society that that fact should be placed on record?—Thank you.

10,435. (Miss Tuckwell): You say in paragraph 25 that the funds at that time were insufficient to allow of an increase in the normal cash benefits?—Yes.

10,436. Out of your great experience are not there some societies in which there was sufficient to allow an increase in the normal cash benefits?—Yes, that is so.

10,437. How is it that in the Government Actuary's Report one gets for women an average surplus per

member of £94 and for men £95 if the circumstances are so bad that you could not allow of any increase?—I think that depends upon the type of society.

10,438. There are mixed societies, men and women, are they not?—I have not seen the figures to which you refer.

10,439. You know them surely. I am referring to the Report by the Government Actuary on the valuation of assets and liabilities?—(Mr. Farmer): Those figures relate to all societies with mixed membership of which we are part. We were not up to the average.

10,440. I wonder why. When one turns to a further table one finds that the expected benefit payments for maternity benefit claims were very much less than was expected?—That is so.

10,441. I wonder why your Society was in this unfortunate position?—(Sir Thomas Neill): I do not say that our Society was in an unfortunate position. I think it is due to the class of risk that we have, to the homes in which people live, to the duration of the illness, and the fact that they are in a weaker condition. I think I made it clear in my evidence (we have not emphasised it in our Statement).

10,442. You are really in a worse position than women's societies or any other society at all?—No. The women with us, and I think this is shown by the number that flock into the Society, are in a better position than women in the majority of women's societies composed of a similar class of woman.

10,443. Still you cannot get the average surplus. That is your position in spite of the fact that the maternity benefit is less than was expected?—(Mr. Farmer): It is so in our case. (Sir Thomas Neill): It is a very small percentage.

10,444. (Mr. Jones): With regard to tuberculosis you have approximately 6,500 cases on your register. What is the source of your information there? Is it doctors' medical certificates?—Yes, supplemented by the sickness visitors' report as to the condition of the home, the treatment they are getting, and so forth.

10,445. Your visitor's report will not alter the diagnosis?—No.

10,446. Do you think all these cases are correctly diagnosed?—Unfortunately we believe so.

10,447. Have you any experience as to errors in diagnosis of disease at all?—Only as the result of the cases which go before the regional medical officer. That does not apply in these cases I think.

10,448. Have you any information at all that bears on the accuracy of the diagnosis of tuberculosis?—I am afraid I have not. We have been looking into the death certificates of 1,400 cases of deaths due to tuberculosis.

10,449. I am not speaking of deaths. I am speaking of diagnosis of tuberculosis?—That is the only means we have of following up the matter.

10,450. Did you ever hear anybody treated for tuberculosis and having the diagnosis altered afterwards?—No, I cannot say that I have. We have never assumed that when a doctor puts on the certificate, which he hands to the insured person, the name of that dreadful disease, he would put it there unless it was true.

10,451. Do you find any errors or alterations in diagnosis stated in certificates in connection with other diseases?—Sometimes we do.

10,452. Do not you think the same liability to error might occur here?—It might.

10,453. As a matter of fact, is it not very difficult to diagnosis tuberculosis with accuracy?—I confess in face of the doctor's certificate we have not examined into the accuracy of the diagnosis or paid any attention to it at all.

10,454. Is it not the case that experts themselves have great difficulty in diagnosing the disease?—I do not think so. With the facilities which now exist I think they can diagnose it. In the cases I have had personal knowledge of they have been able



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to say on examination it is so or it is not so. I do not say there are adequate facilities for them getting tests in all cases. I think that might be improved.

10,455. You gave a number of 1,600 or 1,700 people who are receiving institutional, hospital or sanatorium treatment. Those were in receipt of treatment at the time?—Yes.

10,456. Have you any figures as to the numbers who had previously received treatment?—We know a certain number have received treatment. That is why I suggested to the Royal Commission that they might ask for information in some form which would be useful. They are in for, say, six weeks, and then they discharge themselves because they do not like the place, or they are discharged for disobeying orders, or because they are about to die. If you could only make the administration effective and save some of us from seeing what is going on week by week, it would be a good thing. It is simply pitiable to see what is happening to these people and the conditions under which they are living.

10,457. You have not suggested in your table the number of people who had previously received treatment?—There is a residue there of about 2,800 who were at the moment we took out the figures receiving nothing, but a great many of those had already been in a sanatorium or had received treatment. They discharged themselves or were discharged.

10,458. Would you be prepared to advocate compulsory segregation?—I do not see why not if science is correct in saying that this is a contagious disease. We are compelled to send our children to an isolation hospital if they have scarlet fever. I do not see why this devastating disease should wander about without segregation.

10,459. Is the position not rather different with regard to scarlet fever and some of those other matters. In those cases the period of treatment is short. The patient is either cured or dies?—Quite, but the life is at risk all the same, and the lives of people who come in contact with the person are also at risk.

10,460. Do you think public opinion is ripe as regards compulsory segregation?—I am afraid I do not. People not afflicted themselves or their relations do not seem to regard this disease as the scourge it is to humanity.

10,461. Can you tell me what proportion of cases which are labelled tuberculosis may be due to lungs which may be highly infectious, and what to the other forms of the disease, i.e., bone, stomach, and so on, which are not highly infectious?—There is a small percentage of those cases due to other than lung trouble.

10,462. You refer to the number receiving domiciliary treatment. Do you mean by that domiciliary treatment through the Local Authority?—Yes, such as some of the Local Authorities were thinking about yesterday at their meeting, when they said cod-liver oil and other forms of treatment must be reduced and expenses cut down. That was reported in this morning's "Times."

10,463. I have not seen to-day's paper. With regard to the balance who are not in receipt of either institutional or domiciliary treatment, does that exclude them from any form of treatment?—No. At that particular time they were not receiving treatment.

10,464. They were not receiving any treatment?—That is so. Many of them had been in receipt of treatment, and others were waiting for treatment.

10,465. You were receiving medical certificates in respect of them?—Yes.

10,466. Do you think they were attending doctors merely for the purpose of obtaining certificates?—I do not.

10,467. Would they not be receiving treatment from the panel practitioner?—Such treatment as he could give them.

10,468. Is the panel practitioner not under obligation, by agreement with the Insurance Committee,

to afford treatment to tuberculosis patients as well as others?—Of course.

10,469. So this statement might be more accurate if it were amplified to say that those persons were receiving treatment from the panel doctor?—I think you are quite right; it might be worded differently. What it was intended to convey was that they were not specifically receiving sanatorium treatment or domiciliary treatment; that was all.

10,470. Is it right to say they were not specifically treated? Might not be the practitioner be giving them specific treatment?—Then our reports would not be true.

10,471. That is the point I want to bring out?—I can only go upon the reports that we have received from the sickness visitors.

10,472. The fact that you are receiving medical certificates, suggests that they are receiving some form of treatment?—Yes, they would be receiving some form of treatment.

10,473. To that extent, at any rate, the statement might be amplified?—It might. (Mr. Pike): What that statement means is, that they are not receiving anything in addition to the ordinary medical treatment of the practitioner. Domiciliary treatment is intended to supply extra nourishments and other things necessary in the fight against this particular disease. Those people are not getting that. (Sir Thomas Neill): We are so familiar with this thing that, possibly, we did not state it in the detail in which it should have been stated.

10,474. I take credit to myself for being familiar with the matter as well. I have before me the last Report of the Ministry of Health for England. On page 7 there is a table which shows that in 1915 the number of new cases coming to light was 68,000 fully, and in 1923, 59,000 fully, a reduction of 19,000 cases, 28 per cent. Does not that suggest a considerable measure of progress in the treatment of the disease?—If you accept those figures as being the total of all cases which should have been notified by practitioners under the arrangement which places on them that obligation, then it does look as if there were not the same number of cases. But if you take the number of deaths for 1923, I think you will find that the number is over 32,000.

10,475. If I take the number of deaths for 1915, I find the number to be 40,800?—It was 32,000 for 1923.

10,476. 32,097?—Yes. What was the reduction on the previous year?

10,477. That is a reduction of 8,000 from 1915?—Yes.

10,478. Does not that suggest a considerable measure of progress with the disease?—It does in regard to that period, but that is eight years.

10,479. In public health you must take the long view. Have you had a reduction of anything like 28 per cent. in any other forms of sickness which cast a strain upon the Society's funds?—I would not say there would be that particular percentage of reduction. Fortunately, for people, this is a special type of plague.

10,480. Are the conditions of ill-health, which affect the general stability of the community, not likely to be reflected in tuberculosis? In fact, is it not regarded as an economic disease as well as an infectious disease?—Consider the cases which come to our notice, where four or five people sleep in one room. Take the case of a wife who is affected with tuberculosis and the husband and three children live and sleep in one room, the eldest child being five or six. I want the Commission to consider the problem whatever the percentages are. I can supply particulars of quite a number of such cases, and did so to the Minister the other day. The consideration of the question of National Health Insurance provides an opportunity of seeing what are the conditions of the people who are paying these compulsory insurance contributions, and the benefits they are getting, and directs attention to what are the most necessitous

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cases for treatment, and surely the most necessitous cases must be those of people living under such conditions. That is our excuse for troubling you with the subject. (Mr. Pike): Mr. Neville Chamberlain, within the last week or two, in answer to a question in Parliament, said that in 1921 the total number of cases of tuberculosis notified to local Municipal Dispensaries was 71,702, in 1922, 69,259, and in 1923 79,388, an increase of 10,000. He went on to say that the number of tubercular persons receiving treatment in residential institutions from local authorities were, in 1923, 15,000; in 1924, 16,000; and in 1925, 18,000. Those are the figures for England and Wales. There is an increase rather than a decrease.

10,481. I limited myself to quoting pulmonary or infectious cases, which are the cases that insurance is interested in. Sir Thomas has said the proportion of non-pulmonary cases is small. There is considerable improvement being recorded in the results from that disease, both as regards new cases and as regards deaths. I could quote as many hard cases as you can. I ask you: What remedy do you propose?—(Sir Thomas Neill): The remedy we propose is that you in your exalted position as a Royal Commission could do a great deal to draw public attention to this matter. Your colleague asked me just now whether we thought public opinion would be behind any measure for tackling this thing effectively. If you examine the matter and deal with it I think you can do something which will bring public opinion to the assistance of any Government who will properly take this matter in hand.

10,482. Do you think public opinion is nearly ripe for a system of compulsory segregation?—I think so, if they knew the facts, but they do not know the facts.

10,483. With regard to medical benefit you deprecate any suggestion of double payment by the insured person?—On the lines suggested by the Chairman's question.

10,484. Your answer was that it would be unfair to charge the insured person through the insurance contributions?—Yes.

10,485. And then to charge him through the rates if it was handed over to the local authority?—Yes.

10,486. In regard to sanatorium benefit, did a position like that exist at the beginning?—Yes.

10,487. The unwisdom of that has been seen and remedied?—The unwisdom of taking it out of the Act has been seen.

10,488. I did not say that at all. Please do not suggest questions to me which I am not putting.—I do not want you to get me to agree to something to which I cannot agree.

10,489. I asked you if the unwisdom of the double payment on behalf of the insured person had not been remedied. If it is unwise for medical benefit, was it not unwise for sanatorium benefit?—The position is this. When the Act came into force provision was made for insured persons to have special treatment for which a certain contribution was provided in the payments that they were making. For certain reasons this treatment could not be obtained. It was a very thorny subject because Insurance Committees and those who were interested were making trouble with Local Authorities and other people, and with the Government, in order to get this benefit to which insured persons were entitled and for which they were paying. It was found they could not deliver the goods, to use a homely phrase, and therefore this particular benefit was lifted out of insurance and the sufferers were handed over as citizens to get their share of what the Local Authority could provide and their contributions remained in the fund. That was, in my judgment, one of the greatest blunders ever perpetrated with regard to insured persons.

10,490. Parliament in its wisdom thought otherwise?—I do not know that Parliament considered it at all really.

10,491. Parliament acted. They had some good grounds for acting. At any rate, they relieved the insured person in that respect of the double payment?—And left him without legal right to proper treatment as an insured person.

10,492. He has a legal right to treatment as a citizen?—He has.

10,493. If we remove this suggested double payment in respect of medical benefit we will get rid of your criticism?—I am afraid you would get rid of that point of it, but you would not get rid of the criticism which I have against the system of putting him back as a parochial or municipal subject.

10,494. Approved Societies only have had the administration of maternity benefit?—The payment.

10,495. "The administration of maternity benefit" are the words of the Act, or nearly so?—Yes.

10,496. Nobody has interfered with the discretion or administration of that benefit?—No.

10,497. If there is any defect in that you have nobody else to blame for it?—That is quite true, except that we have not got close enough to various maternity institutions owing to the disturbance of the last 12 years.

10,498. If I were to quote from another Ministry of Health Report and point out that the number of maternity deaths was 2.14 per thousand births in 1909-1911, and 2.12 to-day, and higher in the intervening years, would you say the Approved Societies had made an excellent job of that. What was the purpose of maternity benefit?—The purpose of maternity benefit was to help the mother.

10,499. It was made the mother's benefit?—Yes.

10,500. By a later Act it was confirmed as the mother's benefit?—Yes.

10,501. In view of the figures which I have quoted, do you think the Approved Societies have succeeded in that in any direction?—I do not know. I think if the Approved Societies had been allowed to make on behalf of the mother certain arrangements for her confinement in proper hospitals the death rate would have certainly been less. It was made the mother's benefit, and it was to be handed over to her in cash, and except with her consent nothing could be contributed even towards the cost of maintenance while in the maternity home.

10,502. The administration of that benefit under the Act has not been a success to that extent?—I do not say that.

10,503. In view of these figures. You have no 30 per cent. reduction in mortality as you have in tuberculosis?—Are you comparing like with like? Are you quoting the total death rate, excluding those who are not insured persons?

10,504. Maternity benefit is paid to the wives of insured persons, and that covers 88 per cent. of the population?—Then there are 12 per cent. to which those figures do not apply.

10,505. Those are persons who can look after themselves better than the insured persons?—They may or may not be able to.

10,506. I think we may take that as an obvious fact. Take a pauper woman. She will receive first-class attention in a Poor Law institution, will she not?—Yes.

10,507. I compared the two things. There has been a reduction of 30 per cent. in mortality with regard to one disease, and there has been no reduction whatever with regard to the other?—I would respectfully submit that that is a matter which the Commission might well consider, and see that the Approved Societies were given more control in regard to the administration of maternity benefit. I hope that is a case where they can, on those figures, improve the administration considerably.

10,508. That is one direction in which the Approved Societies' administration might improve itself?—Yes, if they had more power.

10,509. Can you tell me the number of insured persons in London?—About 1,800,000.

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10,510. That is considerably less than the 2½ million members in your own Society?—Yes.

10,511. Taking your 2½ million members, and assuming they were all in the London area instead of being scattered over the country, would that in any way facilitate the administration of benefits?—I think possibly it would, to the extent that you could post a letter to-night and be certain of it being delivered to-morrow morning instead of it taking perhaps two days.

10,512. Would it not mean that you would have one central office in London for 2½ million people with perhaps branch offices? With an administration centralised geographically in that way, do you not think it would tend towards economy?—It might; but how long would they remain in London?

10,513. Consider one point at a time?—You must have regard to the fact that people move. I was looking into the returns of removals between Scotland and Wales, and Wales and England, to see what the movement was, and I found that last year over 1,250 women alone moved from one country to another.

10,514. 1,250 women out of a million?—Out of 800,000.

10,515. 1,250 is not a large proportion?—That is the number of removals from one country to another.

10,516. It is not counties?—No. That is the number of removals between those three countries. That surprised me.

10,517. That is not a large percentage of your total number of women?—No, but it is a fact. It is something which proves that there must be machinery for following these people to the country in which they go to reside if there is to be continuity in their membership with the society.

10,518. May I take it that if a wise Government put the job in your hands you would have no difficulty in administering insurance benefits to either one million people or even a larger number, say, 2½ million people. You would be able to administer benefits to 2½ million members within the London area just as easily as if they were scattered all over the country?—I am fascinated with the prospect of such a job.

10,519. Supposing that the insured persons throughout the country were centralised in areas in a somewhat similar fashion to that I have suggested, do you not think that someone might be able to administer other areas in much the same way where the numbers would scarcely be so large?—You are attempting something if you adopt that method.

10,520. Will you answer the question?—I want to put it bluntly. There would be no economy in the long run in such a method of administration.

10,521. Would it be impossible to perform it?—No. You can perform anything, given ample means and machinery for doing it.

10,522. Let us deal with the matter of economy for a moment. I do not know if there are 150 or 200 Insurance Committees in England. Take either number. Is it conceivable, in fact is it not likely, that if you had only 200 offices instead of 8,000, offices which you have at the present time, you would be able to effect some economy in standing charges?—I do not know that you would, because the standing charges of some offices are infinitesimal. They are used for National Insurance on a part-time basis. If you want an office of any magnitude, up go your rates and costs. I do not think there is any scheme to-day (I will be quite prepared to examine one in any detail with anybody) whereby the insured person can get the same kind of humane service that he is getting to-day for anything approaching the smallness of the cost.

10,523. There is a uniformity in administering insurance benefits between large and small societies?—You must take into consideration the fact that a number of people are doing work for nothing. I think to rob the insured person of a service of that kind would not be advantageous to the administrator or to the people.

10,524. Rob the insured person in what direction?—Of the services they are getting for practically nothing.

10,525. Do you think voluntary service in connection with the National Insurance Act is of any great magnitude?—I do. I have sat for 10 years on the Board with a Committee of Management whose total remuneration and expenses last year was £275. The members are scattered all over the country.

10,526. On the other hand, you incur a considerable amount of expenditure in bringing up the members from time to time?—Not a penny. That is the total, including travelling.

10,527. Men in other walks of life are pleased to give their services for nothing?—Yes.

10,528. We are proud of the things we do for nothing?—Yes. That is my point.

10,529. You have at least 8,000 secretaries or more in your Approved Society administration. The salary of each of those secretaries may be small, but on the whole they are receiving remuneration for knowing the intricacies of the Insurance Act as well as the details of the administration of the benefit. Take a small society of a few thousand members. You must pay the secretary a reasonable remuneration, not for the work he does, but because he has to be intimate with the intricacies of the Insurance Act?—That is a fair statement of the case which, if the secretary were here, he would endorse. I accept that. I am grateful to you for making the statement.

10,530. I am not talking of individual cases; I have no individual knowledge; I am speaking of the matter as a business proposition. Take the analogy of clerks to Insurance Committees. The clerk to a small committee has to be paid a reasonable remuneration for his knowledge of the Act?—Yes.

10,531. Apart altogether from the number of people on the register; in fact the smaller the area the higher the cost per individual?—To a degree.

10,532. I am talking for the moment of Insurance Committees. You have to pay the clerk for his knowledge of the Act as well as for the work he does?—Yes.

10,533. If you reduce the number of officials from 8,000 or 10,000 to 150 or 200 with suitable assistants, do you not think a considerable measure of economy would arise?—Yes, you could reduce the expenditure, I quite agree. I am prepared to say that we can reduce our expenditure to-morrow by £50,000 a year.

10,534. That is a considerable sum?—But we should have to wipe out the services we are rendering to insured persons in respect of accidents; we should have to do away with sick visitation; and we should have to do away with medical referees. There are quite a lot of ways in which one can economise.

10,535. I do not want you to economise in those ways at all. I want you to maintain a high standard of administration?—You would take away 8,000 secretaries in these Approved Societies and put 200 in their place. You cannot put those 200 in as close proximity to the people they have to administer benefits to as the 8,000; that is a physical impossibility. There must be something to link them up. It would not be a saving when you had done it. Assuming you had 200 secretaries in Cornwall and the West of England, and you substituted a centre at Exeter, what is to happen to the people in Penzance?

10,536. I am quite sure the secretary of your Society will have comparatively little personal opportunity of coming into touch with the insured person?—I would not say that.

10,537. He may see a London member now and again, but how often does he see a man in Glasgow?—There is a representative there.

10,538. With a centralised scheme such as I am keeping in view would we not have a local agent performing exactly the same services as your local secretary?—Except that he would be a subordinate. The other man is the secretary.

10,539. An agent of your Society is not the secretary?—We are speaking of these 8,000 offices of Approved Societies?

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10,540. Yes. If we concentrated those into 150 or 200 would not the local agent become that highly useful member of the organisation that you hold out your local agent to be? I think you yourself described him as an expert on insurance and a friend of the family?—I think I did; I accept that.

10,541. Would not the position be the same?—I am getting a little confused; I do not know exactly where the pit is into which I am going to fall. I know it is somewhere. This arose out of the question of economy. If I have to substitute an agent for the secretary I want to see where the economy is coming in.

10,542. Does it come to this, that the secretary of a little local society is a much superior officer to your local agent?—I think my life would not be worth living if I said he was. I decline to make comparisons at all.

10,543. Is not that the position, that if we have 150 secretaries instead of 8,000 we would have perhaps a larger number of agents with all the capabilities you attribute to them?—If I may put it in this way, why take the regalia off the secretary unless you are going to do something to the advantage of the members by reducing him to the status of an agent?

10,544. Would I do anything to the disadvantage of the members if I put them into the hands of an agent instead of into the hands of a secretary?—Why do it if you are not going to benefit the member? That is my point.

10,545. I am looking at the matter from a broad point of view. I am not concerned with the individual but the efficiency of the machine. Would the insured person be prejudiced because he has benefits administered by your agent as compared with a member of the Lodge of Foresters which is administered by a Branch Secretary?—I say there is no justification for making any comparison at all and for this reason. The Lodge Secretary has been in his position possibly for the last 30 or 40 years. He is known to all the people. With regard to agents some of those have been known to the insured persons for a long time before the Act came into force. To take that tie away and put a new official there is going to deprive the insured persons of something which is really of great value to them. You cannot do it and effect economy by doing so.

10,546. That is where we differ. Would the insured person be prejudiced in the administration of his benefits under the Act?—I think so.

10,547. Does not that suggest there is something in branch society administration which is not permanent to your society?—No. They are both branch society administrations.

10,548. If they are both the same why should we not put them into the same administrative machine?—So you are doing.

10,549. I am thinking of the work of administration. Are they not one and the same thing?—They are carrying out the same sort of duties.

10,550. Do you not think that if we put them on a level and reduced the number from 8,000 to 200 it would be possible that considerable economy would be exercised. Cannot you visualise economies?—I am afraid that the advantage of the present system of administration by Friendly Societies, Trade Unions and Industrial Agents, is so stamped on my brain that I do not think I could visualise any added advantage under any other system.

10,551. It would be impossible for you to visualise any improvement on the present system?—In this respect I think so. I do not think you can get the class of service which is being given to-day for any less money.

10,552. Do you not think it would be an administrative advantage if the central authority had 200 points to communicate with instead of 8,000?—I can understand that.

10,553. They might save something in postage?—We have had several little things put forward as matters of saving for the Department but that is saving at the wrong end. They did not enure to the advantage

of the insured person. I am thinking of how to save money which would flow into the funds of the Society.

10,554. I would deprecate any economy which would prejudice the insured person in any way. We might have a saving in postage?—I do not think I can put it higher. I want to repeat quite definitely that I think the insured person is getting under the present system a type of service that could not be supplied for any less money than is charged against the fund at the present time.

10,555. We have reached the stage of perfection?—No.

10,556. There is no opportunity of improvement?—I admitted that we had found since last October a way in which our methods could be improved and we are still continuing to improve.

10,557. You thanked this Commission for making a suggestion, or was it the Ministry? You paid somebody a compliment this afternoon?—It was the Ministry.

10,558. It might be possible for them to make further suggestions with regard to your service?—Quite.

10,559. (Sir Arthur Worley): I take it what your agent does is much the same as what the secretary does?—It is practically the same.

10,560. They carry out much the same functions?—Yes.

10,561. That is the difference between the commander of a small boat and the first mate on a liner?—They are carrying out the same services.

10,562. And therefore unless there was some reduction in the salary of those people there would be nothing gained practically?—Quite.

10,563. (Professor Gray): Can you tell us what your general impression is of the medical service. Is it better than it was?—I think I am bound to say it is better.

10,564. How do you get on with Insurance Committees?—They are expecting to come along here and put their heads under the guillotine.

10,565. (Mr. Jones): In the same way as you have?—No, we have no fear. There are certain things in connection with them that no doubt will be improved.

10,566. (Professor Gray): Do you find the Medical Service Sub-committees quite satisfactory?—I do.

10,567. With regard to refereeing, do you referee under the Government system?—Yes.

10,568. You have no referees of your own?—No.

10,569. How do you select the cases?—On the facts of the case itself, by the chief of the department. If there is a recommendation from the sick visitor that this case should be looked into, it is submitted. Then we have a Harley Street man who examines all our cases three days a week. He determines which of those submitted ought to go to the referee.

10,570. He is a kind of referee before the case goes to the referee?—Yes. He is also the man before whom the referees' report goes.

10,571. You do not have a kind of automatic referee?—No.

10,572. How many sick visitors have you?—Altogether, about 400.

10,573. They are scattered up and down the country?—Yes.

10,574. You find that an adequate service?—It is very good. We have a certain number of supervisors. We have their reports tested. The supervisor goes to a particular area and revisits many of the cases on which the visitor has reported.

10,575. I want you to tell me about a few odd classes of people. How do you keep in touch with old people over 70 for medical benefit? Have you trouble there?—No. Till we notify the death they are charged automatically against us.

10,576. You are supposed to make some enquiry, are you not?—Yes, and we do so.

10,577. Do you find that a matter of ease?—No, it is not a matter of ease.

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10,578. It can be done?—That is so.

10,579. (Mr. Jones): Arising out of that, how do you get information about the deaths of those persons? I ask you the question because I was asked by a member of the British Medical Association to-day?—We pay for evidence of death a shilling to the agent, apart from any other sources. It is a considerable amount of trouble to get the details and furnish the information, and therefore they are paid a special fee.

10,580. (Professor Gray): You do not object to that?—No.

10,581. What sort of number are your voluntary contributors?—2023.

10,582. Out of two and a quarter million?—Yes. Originally, in 1912 the number was 3,199.

10,583. On the whole, they are going down?—Yes.

10,584. Do you think it is worth while to keep a special class open for voluntary contributors when only a few exercise the option?—We do not think so.

10,585. Do those people, in fact, remain on or do they drop out? Do they tend to drop out?—They do evidently from the figures.

10,586. What about exempt persons?—I do not think there should be such a thing as an exempt person having any benefit at all.

10,587. Have you any views on the accumulation of benefits in respect of people in hospital without dependants?—I am glad you have raised that point. We have some very strong views on that matter. We have at the present time £42,000 accumulated.

10,588. Waiting?—Yes, in respect of people who are in hospital, where they have no dependants. What will happen will be this. Nobody takes any notice of them till they die. Then it is found that there is a certain amount of money which has been accumulated and somebody comes along, perhaps a sister or aunt, and wants the money. I think this Commission should take its courage in both hands and say that 25 per cent. of that money might be handed over to the next-of-kin who paid anything towards the burial, but that the balance should go to the institution or institutions that had supported the person during that time.

10,589. You would allow it to go to the institution?—Yes.

10,590. You would not claim the money for the society?—No, I do not think the society ought to make any profit out of that.

10,591. Do you endeavour as far as possible to expend that money in the interests of the person in hospital?—If we can.

10,592. If you can, do you give them tobacco?—Yes. We appoint someone to act for the member and such person is authorised to defray any reasonable expenses of the member.

10,593. You realise the money is the insured person's and that it ought to be spent in his interest?—Yes. Where it is not so spent and somebody comes along after the death it seems an iniquitous thing that perhaps a balance of £50 or more should be paid over to them.

10,594. You have no payments under section 26, have you?—No.

10,595. You adhere solely to your additional benefits scheme?—Yes. There may be some particular cases, but the amount of payment under section 26 during the last four years has only amounted to £136.

10,596. Can you tell me how you get your members. You have a membership of two and a quarter million. Do your agents make vigorous efforts to obtain new members?—I hardly understand the description "vigorous" in that direction. We do not poach on anybody else's membership. Of course agents try to get new members. For the filling up of the proposal form the agent is paid the extravagant amount of 3d. for all the work he has to do in connection with it.

10,597. That is the so-called procuration fee?—Yes.

10,598. That he gets for introducing a member?—Yes, and doing all the work in connection with it.

10,599. Does your head office make efforts at advertising?—Our total advertisement bill including the statutory advertisements which we have to put in in respect of meetings in England and Wales and so on last year amounted to £50. It has never reached more than that. I think in one year it was £57.

10,600. As a result of those efforts, is your membership from transfers going up or down?—We lost 7,000 members last year on balance. We do not allow our agents to take transfers. We do not think it is the proper way. I do not say we will continue to hold up the other cheek if 7,000 continue to leave us; I am not saying that; but we do not believe it is legitimate business and we discourage it.

10,601. (Mr. Cook): I was interested in what you said about the activities of your organisation in connection with the Workmen's Compensation Act. Can you tell me the number of cases where you have actually assisted workmen to fight their compensation claims?—Supposing the person has fallen off a bicycle, we have to enquire into the question of liability. There were 58,000 cases inquired into last year. We examined that number and compensation was obtained in 21,000.

10,602. You actually assisted in 21,000 cases?—Yes, assisted or advised.

10,603. Do you engage legal assistance in those cases?—We have a resident solicitor with a staff who examines the cases as already indicated. The solicitor determines whether or not the member has any claim. If it is a compensation case they get in touch with the man with the object of assisting him. We have been working on these lines so long that we have no difficulty at all in getting a fair and reasonable settlement in respect of our cases, unless there is a third party risk where the defendant is not insured or he is not worth proceeding against.

10,604. You occasionally have to take cases into Court?—Yes.

10,605. You pay the whole expense?—Yes. We took a case to the House of Lords recently, and got a decision which was rather important.

10,606. I gather from your answers to Sir Arthur Worley that you are uncertain as to the position as far as pooling is concerned?—Yes.

10,607. I think you made one remark, that it would be a breach of faith if the Government were in any way to interfere with your surplus on the basis of a pooling arrangement or anything of that sort?—Yes.

10,608. I suppose you are aware that every year Parliament revises Acts of Parliament. Surely it is rather harsh, is it not, to accuse Parliament of being guilty of a breach of faith if in the light of fuller experience it finds it necessary or advisable to amend an Act of Parliament?—I think it may be possible, if your Report is averse, for me to go into Parliament myself and speak on the subject. I do not think I will anticipate what the reply will be on that. I will leave it at that.

10,609. (Sir Arthur Worley): You said you examined 58,000 cases but that the number boiled down to 21,000?—Yes.

10,610. I take it the number of cases where it was necessary for you to go to litigation was small?—Very few.

10,611. What happens in many cases is, a man does not know he has a claim at first, and when he knows it it is fought for him?—Yes.

10,612. The actual number of cases where you engage in litigation is very small?—Yes.

10,613. In third party matters there is a considerable element of doubt as to who is liable and what are the circumstances?—That is so.

10,614. The number of cases in which you go to litigation is nothing like 21,000?—No. 21,000 was the number where the member was assisted in some way. I should like to say that our relationship with the Insurance Offices is now, after the years we have

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[Continued.]

had of dealing with it, quite amicable. We have little litigation with any of the responsible people.

10,615. You find a friendly atmosphere and a desire to do what is right?—Quite.

10,616. (*Sir Andrew Duncan*): What do you mean when you say that in the last 19 years' experience you have not yet had a normal year of sickness for men?—In 1913 there were a number of men unqualified for benefit. By August, 1914, the War was declared. That went on for years. When demobilisation came along we had numbers of people coming back and no employment for them. There were no years of normal employment. You have never had the real strain of what the working man will be subject to if work were found for him, and he had either to accept it, or if incapacitated, to claim sickness benefit. Now there is no work for the man, and he does not know whether he is capable or not.

10,617. There is not work for him to do?—That is so.

10,618. There was work for him in 1920?—There was.

10,619. Is your point this, that there was too much work for him then?—There was a rise in contributions at that time, but it does not give you a fair index at all. We had 350,000 men coming back.

10,620. I am leaving that out. What is the test for a normal year?—I would require to see the unemployment rate down and a job for any man who was fit to work.

10,621. You had that in 1920?—Yes, we had a reduction but an abnormal number of men were living on their unemployment donation, gratuities and pensions. You see the point.

10,622. I do not see it; that is my trouble. I want to know what you are looking for as the test. You had a year of full employment in 1920?—Yes.

10,623. Within the last two years you have had abnormal unemployment?—Yes.

10,624. If abnormal unemployment prevents you being able to test the strain, I conclude that what you want is a year of full employment to test the strain. I suppose you had that in 1920?—But you would not suggest that one year in the midst of the condition of things which existed then was a normal year upon which you could place any reliance?

10,625. You had not long enough experience; is that your point?—Yes.

10,626. I wanted to know what your test was. I gather that you feel even though there was full

employment in 1920, it lasted for only a year, and that was not sufficiently long to test the matter?—That is so.

10,627. Do you think it would be wrong to say that in normal circumstances a long period of unemployment would be expected to place a heavy strain on your funds?—Ultimately.

10,628. Might it not be expected also to place a heavy strain on your funds while it lasted?—No.

10,629. Had there been no Unemployment Insurance during that time?—That is it. The point I want to convey is this. The man is fit for work, but cannot get it. There is no test for colds. There is nothing for him to do.

10,630. In hanging about there would be a severe risk of catching cold?—But it is not sufficiently severe to lay him up, to make him go to bed, or to prevent him going to offer himself for work, especially when there is no work for him.

10,631. (*Mr. Jones*): Is it your fear that we may yet approach more nearly to the expected sickness than we have done in the past?—That is my fear.

10,632. Have you any information as to how you have run for 1924?—Yes, I can give figures. I do not think it will be any better. I think it will be a little worse than 1923. (*Mr. Farmer*): 1924 as a whole was heavier.

10,633. Was it much heavier?—Yes, and this year to date appears heavier still.

10,634. 1924 was not late enough to get the weight of the preceding years of unemployment?—(*Sir Thomas Neill*): We do not believe you will find the full extent of the injury to the health of the people who have not been employed, especially young people and men who have come back from the War, and what the strain of sickness will be upon the funds, till you have had one or two years of normal employment when there is work for everybody. That is the point.

10,635. You do not think the adverse circumstances have revealed themselves in 1924?—No.

10,636. I asked that because we have had it in evidence, and I have heard it up and down the country, that there has been an enormous increase in the demand for prescriptions under the Act, which suggests medical attendance?—Yes, it suggests medical attendance, but that may be from the nature of the disease. The numbers of prescriptions may be more numerous than they were, but it may be that the number of people being attended is no greater.

(The Witnesses withdrew.)

## TWENTIETH DAY.

Thursday, 5th March, 1925.

PRESENT:

SIR ANDREW DUNCAN, IN THE CHAIR.

THE RT. HON. SIR JOHN ANDERSON, G.C.B.  
SIR HUMPHRY ROLLESTON, BART., K.C.B., M.D.,  
P.R.C.P.  
SIR ALFRED WATSON, K.C.B.  
SIR ARTHUR WORLEY, C.B.E.  
MR. JAMES COOK, J.P.

MR. JOHN EVANS.  
PROFESSOR ALEXANDER GRAY.  
MR. WILLIAM JONES.  
MISS GERTRUDE TUCKWELL.  
MR. E. HACKFORTH, (*Secretary*).  
MR. J. W. PECK, C.B. (*Assistant Secretary*).

Mr. J. W. SHAW, Mr. ALFRED J. E. SAUNDERS, and Mr. WILLIAM MARLOW, called and examined.  
(See Appendix XXVI.)

10,637. (*Chairman*): You, Mr. Shaw, are President of the National Conference of Friendly Societies?—(*Mr. Shaw*): Yes.

10,638. And you, Mr. Saunders, are Vice-President of the National Conference?—(*Mr. Saunders*): Yes.

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Mr. J. W. SHAW, Mr. ALFRED J. E. SAUNDERS, and  
Mr. WILLIAM MARLOW.

[Continued.]

10,639. And you, Mr. Marlow, are Secretary?—*(Mr. Marlow)*: Yes.

10,640. I see from paragraph 3 of your Statement of Evidence that the National Conference of Friendly Societies is composed of 72 separate Societies, of which 56 are Approved Societies under the National Health Insurance Scheme. May I take it that all the Societies in your Conference are of the Friendly Society type, and that the great majority of them had administered voluntary sickness insurance for many years before National Health Insurance was introduced?—*(Mr. Shaw)*: Yes.

10,641. And are still doing so?—Yes.

10,642. You represent about four million State insured persons?—Yes.

10,643. We may take it, then, that you are widely representative of the insured people throughout the country?—Yes.

10,644. In paragraph 4 you state that some of the Societies are of the branch type, while others work under a centralised system, and you therefore do not comment on domestic administration?—That is so.

10,645. We should be glad to hear, however, whether you are in a position to express any views on the relative merits and economy of these two widely different types of administration?—I am not.

10,646. Are you satisfied generally with the present administration allowance of 4s. 5d., with certain small additions in respect of the additional benefits?—No, we are not satisfied, but we make the best of it.

10,647. And a good best, I hope?—The best we can.

10,648. Your Societies have no difficulty in securing efficient officers on the scale of salary and wages which this allowance permits, have you?—No, we have no difficulty—they grumble nevertheless.

10,649. I note that you recommend no change in the following matters: The age-limits for insurance, the outworkers scheme, the sources of revenue, the rates of contribution, the method of collecting contributions, the period of the card, the arrears system, the arrangements for foreign-going seamen, and the arrangements for members of His Majesty's Forces, but in paragraph 14 you make the important proposal that the rate of sickness benefit should not exceed £1 per week. Do you consider that £1 per week is sufficient provision in time of sickness if a man has no other resources?—No.

10,650. What are the motives that lead you to make the recommendation that the sickness allowance should not exceed £1 per week?—We think people should be encouraged to make provision for themselves.

10,651. Do you find they do that?—Yes.

10,652. On the voluntary side?—Yes.

10,653. What is the average that a man insured on the voluntary side of your Societies will draw per week?—With the normal rate of State benefit at 15s. he would draw from 25s. to £2; that is, 15s. from the State and a varying rate of benefit, varying from 10s. to 25s. a week from the voluntary side.

10,654. What is the amount of contribution on the voluntary side?—It varies.

10,655. On the average, what is it?—I should think 6d. or 7d. a week for a 10s. benefit.

10,656. Is it your view, then, that a man who falls under the National Health scheme should likewise be insured voluntarily?—We would like him to be.

10,657. But if he cannot afford to be insured voluntarily, is he to be restricted to drawing £1 a week from the National Health funds?—I think, generally speaking, they can afford a little, if they are disposed; if they are taught to be thrifty. *(Mr. Saunders)*: The contributions are graded so that they get what they need for their requirements—2s., 4s., 6s., and so on, according to the man's circumstances and requirements.

10,658. Do you find, as a matter of fact, that some of them draw also from the Poor Law funds?—No.

10,659. That is not your experience?—No.

10,660. They rest entirely on their insurance?—Yes. *(Mr. Marlow)*: There is little variation in the

numbers of members who still contribute through our Society on the voluntary side.

10,661. But there must be a very large number of persons on your State side who are not voluntarily insured?—Not so many as you would think—not in our Societies. I can give you the figures for the last three years.

10,662. Will you do so?—In 1922 the gross voluntary membership recorded was 7,311,065, in 1923 it was 7,432,044; so that there was actually an increase of 120,579.

10,663. Do these include wives and foreign members?—Yes, the whole of them.

10,664. Could you confine your figures to men and single women?—I could get them out. I have not them here, because I took the total. I wanted to show that there was no dropping away of the Friendly Society movement.

10,665. But we were rather comparing like with like?—I took your question to be—I do not know whether I was right—that State members could not afford to contribute on the voluntary side also.

10,666. Let me put it in another way. It is suggested that the State insurance should not be more than an aid to the thrifty who were already making provision for themselves up to a point on the voluntary side?—That was the original intention.

10,667. Very well; I am not quarrelling with you on that; I am merely asking for information at the moment. I take that to be your evidence?—*(Mr. Shaw)*: Yes.

10,668. And in order to test whether that was so or not, I was asking how many persons on the State side were likewise insured on the voluntary side?—It is difficult to tell you that. I can give you the number of adult members, both voluntary and State insured. There were 3,458,168 adult members in the United Kingdom insured for voluntary benefits.

10,669. *(Mr. Jones)*: I have a statement here that of 229,000 members in a certain society, 44,000 are voluntary members only, but I cannot say whether they include wives and children; voluntary and State, 89,061, State only 95,077. That is the kind of comparison we want.—I am afraid we cannot give it you for the group in the Conference.

10,670. *(Chairman)*: Is it your opinion that if the rate of benefit on the State side were seriously increased, it might have a prejudicial effect upon your voluntary side?—Undoubtedly.

10,671. I may take it, may I, that that is the substantial consideration in your mind when you make the recommendation?—It is one of them.

10,672. Are there any others?—*(Mr. Marlow)*: There would be in my case. I should think rather of the members than of the Society. So long as you can teach a man to be provident you are doing him some good, and I am afraid that when you make the matter compulsory you are not doing the good you ought to do. There is not the same attitude towards it. If you desire particulars I can tell you what our income has been from contributions over the period since the introduction of State insurance. We received in income during the 11 years £85,596,635.

10,673. That is on the voluntary side, is it?—On the voluntary side, and we paid in sick pay alone £36,761,208.

10,674. Over what period of time was that?—That is over 11 years, while National Health Insurance has been in operation. For funeral claims we paid £9,433,664, and for relief of members—which includes providing medical aid for old members shut out of the State insurance—£5,285,842. That gives us a gross expenditure of £51,480,714. That does not look as if these men are not provident, does it?

10,675. No, but I am taking it these figures are intended to illustrate the point Mr. Shaw makes. His chief objection, as I gather, is that to increase the benefit beyond £1 would have a prejudicial effect on voluntary insurance. You put it in another form, and say that you must not under the compulsory scheme give persons so much benefit that

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they are less inclined to make provision for themselves on the voluntary side. Mr. Shaw seemed to have other considerations in his mind?—(Mr. Shaw): We did not suggest this limit of £1 a week merely in order to keep the voluntary movement alive, but because it is better to teach a man to make provision for himself voluntarily, rather than to rely on the State.

10,676. But if a man had not made provision voluntarily because he could not afford to do it, he likewise would be limited to £1?—Yes.

10,677. Now I ask what is to be done with a man who cannot afford to insure voluntarily?—(Mr. Marlow): We do not know where they are.

10,678. What do you say, Mr. Shaw?—(Mr. Shaw): I think I referred to that. I think there are not many.

10,679. But for such as there are?—(Mr. Saunders): I am afraid they would have to put up with the £1. My point of view is that the Friendly Societies are a national asset, and anything done to endanger them would be a calamity, and I think the membership of the voluntary section would have been increased considerably more than it has been had it not been for the War and unemployment. We had first the two years of commotion at the introduction of the Act; then we had the War and unemployment, and we had not the opportunity of getting into touch with the insured persons. We believe, given the opportunity, a great majority will take up voluntary benefit, which is all to the national good.

10,680. In paragraph 16 you propose that dental benefit should become one of the normal benefits with a possible restriction to 50 per cent. of the cost of full dentures. Have you made any estimate of the cost of this?—(Mr. Shaw): No. We have some approved societies which have been providing it as an additional benefit since the last valuation.

10,681. If this change involved an increase in the contribution, would you still recommend it?—We think it could be provided, having regard to the large surpluses that were revealed at the first valuation, and the still larger surpluses on the second valuation, without increasing the contribution.

10,682. But if in fact it proved impossible to do it without an increase of contribution, what is your view?—We would not be in favour of increasing the contribution.

10,683. Is this a service which is rendered on the voluntary side?—No.

10,684. Do you regard the voluntary side as being essentially concerned with rendering a service in the way of monetary benefit?—It has been largely confined to that.

10,685. Do you wish it still to be confined to that?—Well, we wish to be able to please ourselves.

10,686. In other words, if the benefit were increased on the State side, would it not be possible for you to diminish the amount paid on the voluntary side, and apply your funds to the benefit of the members in other ways?—It would be possible, but it would be upsetting our system.

10,687. Has the thing been built up as a monetary fund?—Largely.

10,688. You have not developed the treatment side?—Not very largely. We have provided for treatment in convalescent homes, and that sort of thing. (Mr. Marlow): There were cases where they were paid maternity benefit before the Act.

10,689. Maternity benefit is a cash benefit?—(Mr. Shaw): That is true.

10,690. You regard yourselves principally as societies to give cash benefits?—Yes.

10,691. What is your proposal for the financial and administrative arrangements for dental benefit? Would you have arrangements similar to those for medical benefit, including local administration by the Insurance Committees, possibly enlarged by dental representation?—No,

10,692. Then how do you wish it administered?—We wish dental benefit to be administered by Approved Societies.

10,693. (Sir Arthur Worley): May I ask whether your membership has increased?—(Mr. Marlow): There has been an increase.

10,694. So that the effect of the Insurance Act has not been detrimental to the extension of your societies?—I do not think so.

10,695. It has probably helped it?—No, we are about normal, I think.

10,696. Is it normal for you to have had that increase?—Yes. We ought to have had more, and should have had more, had it not been for the competition of the State side. That is judging from the experience of the past, and I have had 50 years of it.

10,697. You gave us figures of £85,000,000 collected and £51,000,000 expended, in round figures. What were the administration expenses of that?—The administration has always been kept down to a nominal sum of about 4s. per member per year.

10,698. What would that amount to in millions?—The contributions have to be sufficient to provide the benefits, because we have to bear our own liabilities right through, and we are subject to valuation for all the benefits we pay, and if there is a deficiency we have to make it up.

10,699. I was not suggesting you had not. I want to know what are the equivalent sums paid in administration out of the £85,000,000?—(Mr. Marlow): You may take it to be 4s. per member.

10,700. What does that amount to?—I have not calculated that.

10,701. I should have thought you would have had that?—(Mr. Shaw): It is very difficult with a group of societies, because they vary considerably.

10,702. But if you have your income and expenditure it is not difficult, is it?—The point is, it has not been the custom of the Conference to ask for that. They have only asked for certain items of income and expenditure.

10,703. Perhaps you will be good enough to send it in to complete the figures—we have what is paid in sickness benefit and funeral expenses, and so on?—I can give you the amounts paid during 1923: for sickness, £3,506,000, in round figures; for funerals, £795,000; for medical aid, and grants, £702,000; total benefits paid; roughly five millions, for management expenses, £954,000.

10,704. That is, roughly speaking, 20 per cent.?—Yes.

10,705. That is sufficient for my purpose.

10,706. (Sir Alfred Watson): I am very much interested in the suggestion you make as to the rate of sickness benefit, including any additional benefit, being limited to £1 a week. You tell us that you have nearly 3½ million members insured for voluntary benefits in your Societies. That includes people who are not State insured at all, does it not?—(Mr. Shaw): Yes.

10,707. May we take it as probable that the number of State insured members who are also voluntarily insured would not exceed three millions?—I do not know.

10,708. That is the figure in which some Friendly Society witnesses have concurred, and with your permission I will use it as a probable figure. Most of your insured members on the voluntary side are men, and the total number of men in State insurance approaches, I suppose, 10 millions?—Including boys?

10,709. Including all men over the age of 16, and the three million on your voluntary side are also for the most part men over the age of 16?—Yes.

10,710. There are therefore about seven million men who are State insured only?—Yes.

10,711. Now you tell us you do not want the State insurance benefit to be increased, because these seven million men should be encouraged to make provision for themselves; that is to say, they should be left to the care of the voluntary side of your Societies.



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How many of them, do you suppose, would be over the age of 40?—I have no idea.

10,712. I should think a very large proportion, probably getting on for a half. Is it not true that for the most part you do not take people into your Societies when they are over the age of 45?—I do not think 45 is the limit nowadays; it might have been years ago. (*Mr. Marlow*): They go up to 60 in some cases now.

10,713. Do I understand that the Ancient Order of Foresters takes people at the age of 60?—We have a scale for that purpose now, I think. I did not bring the rules.

10,714. You have a contribution graded for age?—Yes

10,715. I suppose after the age of 40 the contribution regulated by age for a benefit, say, of 10s. a week is quite beyond the means of the average working man?—I do not know. I do not think it would be.

10,716. It would be a very high sum, would it not?—It would be a fairly high rate, of course, because they pay graduated contributions.

10,717. That 6d. or 7d. a week which Mr. Shaw mentioned is an average?—(*Mr. Shaw*): Yes.

10,718. And is an average arrived at by taking into account the rates paid by the very large proportion of people who entered into insurance when they were quite young?—Yes.

10,719. When people are over the age of 40 it might be three or four times as much as 6d. a week?—It might be more than that.

10,720. Do you think your proposal quite reasonable, knowing that many of your Societies refuse to take people at all when they are over the age of 45—and in the case of one great Society it used to be 30—and that in all cases the contribution charged is the rate appropriate at the age of entry? Do you think it reasonable to ask us to recommend that a limit should be put on the sickness benefit of insured persons and that people who are not in Friendly Societies should be left to pay these heavy rates or to be shut out altogether because of their age?—We would like them to come in younger, and the more you make provision by the State, the more you delay their doing so.

10,721. If a man is now 50, he cannot come in at 25, can he?—No.

10,722. Then what are you going to do with the large mass of insured men who have refrained in the past from joining Friendly Societies, and are now too old to join them? Are they to be left to the present statutory rate of benefit?—They are in a very much better position than they would have been had there been no National Insurance scheme.

10,723. I quite agree, but that essential security to which so much importance is attached now in the public mind can, according to the proposition you put, never be given to these people because they were either unthrifty or thoughtless or unfortunate in their earlier years, and did not join Friendly Societies?—Well, I would not like to deprive anyone of really adequate provision against sickness, if it is the fact that they cannot make provision, but with the proper teaching of the principles enunciated by Friendly Societies, we hope the time will come when a very much larger number will join Friendly Societies, and that we shall arrive at that happy stage when every man of 49 is already in a Friendly Society.

10,724. And in the meantime you would leave those who are too old to do the best they can?—Oh, no, not personally, but I am giving evidence as a representative of the National Conference of Friendly Societies.

10,725. I know you are, and I want to know what the evidence means. It seems to me to mean that nothing shall be done to improve the security in times of sickness of a man who is too old to join a Friendly Society or unable to pay the contributions the Society requires?—I think you may take

it that we are advocating that nothing shall be done which will injure the Friendly Societies, and I am afraid I cannot go beyond that.

10,726. Can you imagine any Government proposing to Parliament that an Approved Society, no matter how successful it has been, no matter how large a surplus it has, shall not go beyond a certain amount in the sickness benefit it provides for its incapacitated members?—Yes. All Governments take advice, I suppose. (*Mr. Marlow*): We think that the treatment benefits are going to be more advantageous to a man than the increased cash benefit can be.

10,727. I understand that, though why you have not applied that doctrine on the voluntary side I fail to understand?—Because it is a difficult matter for us in the Friendly Society movement to make ourselves solvent. When the Friendly Societies were first inaugurated, the pocket was not so big as the heart, and we were paying large benefits for the small amounts contributed by the members. We then found valuations came into vogue, and they revealed enormous deficiencies. The operations of the Act of 1875 revealed to us that we were in a very unfortunate condition as far as finances were concerned, the result being that we have had to train our members to understand the principles of valuation and voluntarily subscribe to put themselves solvent. Until they got themselves solvent, and we are now getting to that happy position all round, it was impossible to pay any other benefit.

10,728. That is most interesting history?—But it is true.

10,729. Up to a certain extent, but I think my knowledge of Friendly Societies is almost as great as your own?—I am sure it is.

10,730. And I seem to remember a division of surpluses year after year by hundreds of branches of important Friendly Societies for the last 40 years?—Yes.

10,731. And that very little was applied to treatment benefit and nothing to dental benefit?—Please let me say, to explain that position, that to arrive at the happy standard of solvency in many cases many branches reduced their benefits till they became a few miserable shillings a week, and when we got a surplus, first we increased the benefits to the old standard. That is how they disposed of their surpluses.

10,732. We will not go into particular cases that do not concern the Commission, but let me repeat my question. Do you think it possible that any Government would propose to Parliament to prohibit an Approved Society which had the money and wanted to provide 25s. a week sickness benefit from doing so?—(*Mr. Shaw*): Yes, I do.

10,733. (*Miss Tuckwell*): I understand you feel that practically everybody should be insured for voluntary sickness benefit as well as for the State benefit?—Yes.

10,734. Have you any women in your Societies?—Yes, we have a very large number of women. I do not think we have the numbers separate.

10,735. (*Chairman*): Wives and widows are given separately?—That is on the voluntary side; not on the State Side.

10,736. (*Miss Tuckwell*): Would what you say as to voluntary insurance apply to the women as well as to the men?—Yes, I think so.

10,737. I have some Trade Board figures here. You know that the Trade Boards have a very beneficial effect on the wages of women?—Yes, I suppose they have.

10,738. The very lowest Trade Board rate of wages which I could quote would be above the rates paid in the trades which are not regulated. The rates vary very much, as I suppose the wages paid to your women members vary?—Yes.

10,739. The lowest present Trade Board rates of wages for women vary from 17s. 8d. to 20s. 5d. a week?—Yes.

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10,740. Now do you think that it would be possible out of that weekly income to pay the National Health Insurance and voluntary insurance contributions?—Yes, I do.

10,741. Have you ever taken the trouble to look through a working woman's budget to see how she spends her money?—Well, I have lived amongst working people.

10,742. And you still think, allowing for rent and travelling and clothes—speaking, of course, now of a single woman,—that out of 17s. 8d. it would be possible to pay the present Health Insurance and Unemployment Insurance contributions?—Yes, and I have known many people who did it.

10,743. I dare say you have. Would you agree with me that if on that income you contribute the money required for unemployment and health insurance, and also the voluntary insurance, it takes from the 17s. 8d. an undue amount?—I think it does.

10,744. That being agreed, and we having got the income down to perhaps 15s. a week, you would also agree that money must be taken from the allowance for food and clothing and so on to pay the contributions?—Well, the coppers per week are infinitesimal.

10,745. That depends on your income?—There is no one so poor who cannot save a trifle to make provision for a rainy day. It is the tendency to relieve people who are not making an effort to help themselves that makes it so disastrous, in my opinion.

10,746. Already the Government requires certain weekly payments to be made from wages. You do not agree, even if it lowers the income to a point at which I could not admit that anybody could live healthily, that those payments are in effect taking money required for essential food and nourishment?—Everyone must be the judge of his or her own circumstances and requirements, generally speaking. I say people can make provision against a rainy day if they choose.

10,747. And you think it is really possible for a woman to keep herself in health and strength and fit for work, and yet pay a contribution in addition to that for National Insurance out of less than 17s. 8d. a week?—It depends entirely on circumstances. If she is a married woman, and the husband is earning wages, yes.

10,748. Quite, but that is another proposition. I am talking of a woman who has to support herself?—Well, if she is one of a family, it is much the same position.

10,749. Then your point is that under those circumstances there would always be some other resources—you might say the poor law, perhaps,—which would enable a woman to live?—I am afraid I do not follow you there.

10,750. I am trying to bring you down to the women earning her own living. You say every woman in your experience has someone to help her?—No, I did not say that—you have misunderstood me.

10,751. Would you tell me what you did say, then?—I said I thought the majority of women were in a position to save a few coppers per week to make provision against a rainy day.

10,752. Yes, the majority. What would happen to the women who are not in the majority?—I do not admit that there is a majority not in that position.

10,753. (Chairman): You answered Miss Tuckwell by saying that you did not think there was a majority. Miss Tuckwell asks what is to happen to the minority. You said the majority had other persons to lean upon, and Miss Tuckwell asks, what about the minority who have not?—I did not intend to say there were a majority of women workers in this country who had other assistance besides the wages earned. What I intended to say was this. I think the majority of women workers in this country are in a position to make provision against a rainy day. That is what I want to establish.

10,754. (Miss Tuckwell): And if there are women not in that position, I suppose, speaking not as a representative of a Friendly Society, but as a citizen,

you would say that nothing more was to be expected of them?—Yes.

10,755. (Mr. Evans): Mr. Marlow has had a long experience with regard to the work of friendly societies, and I should like to ask him if he can tell us approximately what the membership of friendly societies was prior to the Act, say in 1911?—(Mr. Marlow): From the returns made to me the total was 6,291,572, as compared with 7,432,044 on this year's return.

10,756. Could you tell us what percentage of the working people were members of friendly societies in 1911?—No, I do not think I could.

10,757. Your statement suggests that if the friendly societies who are catering for the mass of the people had had an opportunity of discussing the matter they would have opposed the National Insurance Act?—We did not want the Act at all, and I can assure you that when the Act was first contemplated in 1908 Mr. Lloyd George never intended to interfere with the friendly society movement.

10,758. If it were the fact that the big bulk of the working people in this country were not provided for as members of your friendly societies, was not the Act brought in to provide for those people?—It was brought in to make provision for those who would not do so voluntarily for themselves.

10,759. From that time until now the membership of friendly societies has been practically stationary, has it not?—Yes, fairly so.

10,760. Although there has been a big increase in the population?—Well, there have been a lot of people killed, too.

10,761. I know, but there has been also an increase in population. Does not that show that the friendly societies are rather losing touch, or that a big percentage of the working people are unable to contribute to friendly societies as well as to the Health Insurance?—No, I think not, because we have graduated scales and graduated benefits also, and we take children in from birth. (Mr. Shaw): I think other forms of provision have come into being in that period—the trade unions during the last fifteen years have commenced to provide sickness benefits, the Old Age Pensions Acts have been introduced, and there has also been unemployment insurance—all these things have rather tended to discourage the working man who would have joined a friendly society under former conditions, from joining one now.

10,762. With regard to this Conference, I take it you represent a very big number of friendly societies?—Yes.

10,763. How many?—72.

10,764. Does each society have a meeting of its members, and is the agenda of the Conference discussed by each separate society?—I suppose it is, though I cannot say for certain whether they all discuss it or not; I know they are furnished with the agenda.

10,765. And in that way you do get in touch with the actual members?—Certainly.

10,766. And the view you express to-day is the view of the various societies?—Yes; a questionnaire was addressed to every society associated with the National Conference of Friendly Societies, and our evidence is based on the replies to the questions received from the societies.

10,767. You think, do you, that the great bulk of the members of friendly societies think £1 a week is as much as a man should get?—That is the opinion of the societies' members. (Mr. Marlow): From State insurance, that is as much as he should have.

10,768. (Professor Gray): Could you give us some idea of the Societies represented by the Conference?—(Mr. Shaw): The Manchester Unity of Oddfellows, the Ancient Order of Foresters, the Hearts of Oak Society, the Independent Order of Rechabites, the Sons of Temperance, the Shepherds, the Order of Druids.

10,769. They include both affiliated and centralised societies?—Yes.

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10,770. How was the Conference constituted?—By delegates attending the annual meeting, elected in accordance with the standing orders of the Conference.

10,771. How is the voting strength provided for having regard to the size of the society? I take it the big societies have a bigger representation than the smaller societies?—They have, but they do not vote on membership numbers at the Conference, unless a demand is made for such a vote.

10,772. Otherwise they vote as individuals?—That is so. The method of representation is as follows: "Each society subscribing to the funds of the Conference may appoint representatives as follows: In respect of the first 25,000 members, one representative; in respect of the second 25,000 or part thereof, one additional representative; for every additional 50,000 or part thereof, up to 350,000 one additional representative; and for every additional 75,000 members or part thereof over 350,000 one further representative."

10,773. So that the small society has one member, and the bigger societies might have a representation running up to five or six?—Yes, and more than that—about 20, I should think, taking the Manchester Unity, with its million members, for instance.

10,774. Is the agenda of the Conference sent out to the different societies?—Yes.

10,775. Well in advance of the meetings?—Yes, I should think about six weeks or two months previously.

10,776. So that the members come with instructions, having discussed the matter in advance?—Yes.

10,777. Is the discussion confined to the agenda, or are other questions not on the agenda brought up at the meeting?—No, it is confined to the agenda, unless it is a matter of special urgency.

10,778. With regard to dental benefit, do you suggest that dental benefit should still be administered by approved societies?—Yes.

10,779. But you want the scheme to be made universal for all societies?—Yes.

10,780. But that could not be done, could it, under existing arrangements?—Yes, I think it could.

10,781. At present you have each society working entirely on its own?—Yes.

10,782. Some with a big surplus to provide, dental benefit, some with a small surplus, and some with none?—Yes.

10,783. And that would require, would it not, an adjustment with regard to finance?—Quite.

10,784. What kind of re-adjustment do you suggest?—I would put it in this way, that the societies should all be entitled to provide dental benefit.

10,785. But they are entitled to do so now if they have the money?—Only from surpluses. I mean, surplus or no surplus, dental benefit should be one of the normal benefits of the Act, and if it brings a society into deficiency there should be some assistance from the Central Fund.

10,786. You would increase the contributions to the Central Fund?—Yes.

10,787. (Chairman): As a matter of machinery I take it it would be as easy for you to administer dental benefit on the voluntary side as it would to administer it on the State side?—Yes, I suppose it would, but I have never considered it.

10,788. There is nothing in the machinery with regard to the voluntary side which prevents the administration?—No.

10,789. On the question of representation, as I followed the answers you gave Professor Gray with regard to the agenda of the National Conference you say the questions to be considered are seriously canvassed and discussed in the societies?—I am sure that is so.

10,790. In what court of the societies is it discussed?—Either at the annual general meetings of the societies or by the executive body—it depends on the time of meeting of the Conference.

10,791. I quite appreciate that, but you would not suggest, would you, that discussion by the annual general meeting of any society or by the executive committee was quite the same thing as a discussion by the rank and file of the society?—Well, the annual meetings of the friendly societies are composed of the rank and file, and so are the executive committees.

10,792. I quite agree that you are justified in saying that, if the responsible authority within a society, however constituted, expresses an opinion, you are entitled at your National Conference to regard it as the opinion of the society, but my question was rather directed to the rank and file of the society. It does not follow, does it, that what is obtained is necessarily an expression of opinion by the rank and file, although it may be an expression of opinion on behalf of the rank and file?—These things are discussed at the lodge meetings, and you there get the opinions of the rank and file.

10,793. You say that the circular with regard to this matter was sent out six weeks or so before the Conference?—Yes.

10,794. Do you suggest that you sent your agenda to all the branches and lodges and gathered from all the branches and lodges their views on each item in the agenda?—(Mr. Marlow): No. (Mr. Shaw): No, that would be impossible.

10,795. I should have thought that would be impossible?—It is as impossible to do that as it would be for a candidate for Parliament to find out the views of each member of his constituency.

10,796. I want to be quite clear about it. What you mean is that it is expressed by the constituted authority, but you do not necessarily mean that there has been ample time for a discussion by each lodge?—No.

10,797. (Mr. Cook): Do you approve of National Health Insurance?—Yes, I quite approve of it.

10,798. Then if you do, why do you wish to set a limitation on its scope, and why do you suggest a maximum rate of benefit?—Well, I have already explained, I think, my views for fixing a maximum of £1. I agree with the principle of National Health Insurance, but I am not inconsistent in saying that I think that there should be a limit to the cash benefits granted.

10,799. I think you suggested as one reason, at any rate, why you wished to limit it, that it might encourage people to become members of your voluntary societies?—Yes.

10,800. But, as a matter of fact, you will agree, will you not, that prior to the advent of the National Health Insurance Act a majority of the workers of this country were not members of Friendly Societies?—That was so.

10,801. And I am quite sure you will also agree with me that now you have National Health Insurance there is a very great disinclination on the part of the population to become voluntary members of societies?—I will agree with you there, and that there is not quite the same necessity.

10,802. That being so, does it not appeal to you, seeing that you yourselves were unable to induce the majority of the members of the community to join you when you had the field to yourselves, that you are in a much greater plight than before, and do not you think that we should endeavour to make the National Health Insurance so comprehensive that it will practically meet all the purposes which you have in view? I want to suggest to you that, seeing you are not able to attain your object, we ought to make the National Health Insurance benefit adequate to meet the ordinary requirements of a family in the case of sickness?—I do not agree with you. (Mr. Saunders): I do not agree, under normal conditions, that our prospects are less favourable than they were; in fact, I think they are improving, and that as the

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young people realise the advantages of insurance they will desire to take it up voluntarily.

10,803. Is that view borne out by your experience?—Having regard to the circumstances under which we have been working during the period of the war, and during the period of unemployment since, yes.

10,804. Do you think if we were back again to the conditions which prevailed in normal times before the war that Friendly Societies would increase their membership?—Yes, I do.

10,805. Even to a greater extent than they did?—Yes. I have one in my mind which, in spite of all the difficulties which have existed, has increased its membership by 11,000.

10,806. (*Sir Humphry Rolleston*): Do you think the main object of friendly societies is really to engender thrift, and that they might pursue that function usefully, and leave the provision of treatment to National Insurance?—I think probably that is where we shall get to.

10,807. (*Sir Arthur Worley*): I want to clear up a question about the expenses. You were good enough to give us the payments for 1923, and in your statement you gave the membership on the voluntary side as 7,400,000?—(*Mr. Shaw*): Yes.

10,808. Then you told us that the management expenses amounted to £950,000, which, at 4s. per head, gives a membership of 4,000,000, roughly speaking. There is a large divergence in the figures stated; can you clear up the divergence?—The seven million odd includes adults, juveniles, Colonial and foreign members, and wives and widows. The expenditure of £950,000, I should say, only includes expenditure on the United Kingdom membership, because the secretary will not get the returns from the Colonial and foreign branches of their expenditure.

10,809. What is the actual membership in the United Kingdom—3,458,000?—Yes.

10,810. And 4s. on that would be about £700,000?—Yes.

10,811. And here the figure given is £950,000. I am anxious that you should not give the Commission figures in your evidence which are confusing and which will not agree.—(*Mr. Shaw*): Quite, I agree. May we have an opportunity of trying to give you the correct figures? I will hand in a statement which will make the matter clearer.

(Statement handed in.)

1912.—Adult membership ... ..	4,096,851
Juvenile „ ... ..	933,720
	<hr/>
	5,030,571

1923.—Adult membership ... ..	3,458,168
Juvenile „ ... ..	1,298,432
	<hr/>
	4,696,600

The 1912 Adult membership includes 447,975 members of 17 societies which do not appear in the returns for 1923.

The cost of the administration of the adult membership (including benefits to wives and widows) steadily increased from £777,140 in 1913 to £922,751 in 1922, but fell to £892,271 in 1923. Taking into account all charges which were borne by contributions of the adult membership only, the average cost of administration over the 11 years is equal to 4'54 shillings per member per annum.

10,812. (*Chairman*): In paragraph 20 you suggest that the deposit contributors' class should be abolished, and that some arrangement should be made for the absorption of the deposit contributors by the approved societies?—Yes.

10,813. Have you any detailed scheme for this?—No, I have no detailed scheme, but I suggest the Department might consider the advisability of obtaining legislation to close its fund as a permanent fund, and that persons should be warned that unless

within a period of time to be fixed by regulation they do not become members of approved societies they will be allotted to approved societies by the Department.

10,814. Under your scheme would societies be required to abandon the right of expulsion of members?—I am afraid they would.

10,815. Is it your view that that would be generally acceptable?—It might not be generally acceptable to all the societies in the National Conference, because there are societies in the Conference restricted to certain classes of people, and they would not like to give up their rights.

10,816. But in this case their views would have to give way to logic?—Yes.

10,817. In paragraph 22 I observe that subject to your proposals for a public medical service you think that the present medical benefit should be extended to include the provisions of specialist and consultant services. Of the two big extensions which you recommend, this and dental benefit, which do you regard as preferable, assuming that for financial reasons both cannot be given?—Dental benefit.

10,818. On the question of the pooling of surpluses, I observe that while you are in favour of such pooling among branches of the same society, you are against it as between societies. What are your general arguments against pooling?—My argument in favour of pooling within a society is that there is a measure of the same government, there is general supervision in the same society by the central authority of the society, and there is a unity of interest.

10,819. To what extent is that true? Each branch is surely in the position of a separate approved society.—It is a separate unit for valuation, but it is subject to the supervision and control of the central executive of the society in every case. For instance, all the funds are issued by the central body, and the return of payments made.

10,820. Does the central body in that case exercise close supervision on administration?—It does.

10,821. And you think a clear distinction can be drawn between branches of one society and similar societies?—I do.

10,822. You realise the wide differences in surpluses and additional benefits which have emerged in consequence of segregation under the present system. Do you think that a society which has administered its affairs well and economically, and which, by reason of the occupation of its members, has no surplus, or very little, does not merit some assistance from the more fortunately placed members of the community in a scheme which professes to be national?—No, I do not.

10,823. And compulsory?—No.

10,824. You think that neither the national aspect of the scheme nor the compulsory aspect of the scheme renders some method of pooling desirable?—Beyond what I have already suggested for dental benefit, I am against any pooling between societies.

10,825. In that case you would go a certain distance in regard to pooling?—Yes, if you call contributions to the Central Fund pooling.

10,826. You would agree that if dental benefit becomes a normal benefit the payments to the Central Fund would have to be substantially increased?—Yes.

10,827. We come now to the very important question of medical service. May I take it that the scheme you set out in the Appendix to your statement, and in particular the recommendation in paragraph 37, is the definite and considered view of your very large and representative body?—It is.

10,828. Has that scheme been before the lodges?—(*Mr. Saunders*): Yes, for four years. (*Mr. Shaw*): It was first brought up at the National Conference held at Bournemouth in 1921. This scheme for the extension of a national medical service was discussed then, and it has been discussed at our Conferences since. At the Conference held at Aberystwyth in 1923 the executive committee were instructed to prepare a report on the question of a national medical service and submit it to the following annual Con-

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ference. That was done, and this is the report which was submitted at last year's Conference, held at Oxford. It was adopted, put to the vote and carried by a majority, and we were instructed to submit this report to this Commission.

10,829. Was it a large majority?—(Mr. Saunders): 82 to 51 was the final vote.

10,830. Out of a total membership of what?—(Mr. Shaw): This was at the annual Conference, each delegate having one vote.

10,831. How many delegates were there?—161 delegates were present.

10,832. And the final vote was 82 to 51?—That is right.

10,833. So that a small number of delegates did not vote?—(Mr. Saunders): Or they may not have been present—they may have been out of the room.

10,834. Had a vote been taken in accordance with the strength of each of the societies, do you think any different result would have been obtained?—(Mr. Shaw): No, I do not think so.

10,835. Would you regard a vote of 82 to 51 as being a clear enough majority to warrant a very big change?—Yes.

10,836. You are quite definite about that?—Yes.

10,837. In view of the fact that the matter has been on your agenda for several years, do you think it likely that it has been fully canvassed in the lodges?—I believe it has been very fully considered all over the country by friendly societies.

10,838. You have personal knowledge of that, have you?—Yes, I have.

10,839. And from your personal knowledge would you say there is behind this proposal a very substantial body of opinion, throughout the lodges of the country, in its favour?—I do. (Mr. Marlow): It should be realised that the friendly societies were faced with the fact that the doctors have a tremendous power; we had just been going through a very severe tussle with the doctors as to fixing the rates of payment, and we realised they could throw the whole thing out of gear, and we saw the danger of allowing 15,000,000 people to be at the mercy of the doctors.

10,840. Is that the feeling, do you think, which is behind this proposal, and is that the reason why it was supported?—(Mr. Shaw): I do not know that I can agree with that.

10,841. You, as President, Mr. Shaw, do not accept that explanation, I gather?—No.

10,842. You desire, therefore, to unite in one localised administration under a suitable centralised control the present distinct services described in paragraphs 31 and 32 of your Statement, conjoined with the general practitioner service now provided under the insurance scheme?—Yes.

10,843. You would apply the scheme to the whole population of each area, and you would not limit it, so far as the general practitioner treatment is concerned, to the insured persons and their dependants below the income limit of £250 a year?—No.

10,844. But you would still maintain the payment of contributions through the card and stamp system, and you would allocate from the insurance funds corresponding amounts to the medical funds of the new local authority?—That is so.

10,845. You say in paragraph 33 that the general practitioner service should be of a whole time character. Does this mean that the doctors would be salaried officials of the local authority?—Yes.

10,846. Do you consider that in the present state of medical opinion the time is ripe for such drastic changes as these?—I am afraid I do not know what the present state of medical opinion is.

10,847. Do you consider that in the present state of friendly societies' opinion the time is ripe for such changes?—Yes.

10,848. What is your view of the method in which the general practitioner treatment should be given

in each area—by a system of clinics, or by the present method of each doctor having his own consulting room?—A combination of both.

10,849. How would that combination work, do you think?—The ordinary simple ailments would be attended to at the doctor's surgery, as now, but in the case of difficulty of diagnosis it might be necessary for the patient to go to the clinic.

10,850. The clinic in that case would be a place of reference, as it were?—Yes.

10,851. But the foundation of the scheme would be attention at the consulting room, as now?—Yes, or at the patient's own home.

10,852. I suppose you have made no calculation of the cost of such a service, and whether it would involve greater public expenditure than all the present services?—The argument on which this is based suggests that it will not cost any more than the present services are costing, and may I hand in this book, which contains a scheme based on the present public services, written by Dr. David McKail, of Glasgow, and Mr. William Jones, Clerk and Treasurer to the Glasgow Insurance Committee.

10,853. What is the connection between this book and your scheme?—It is based on that book. (Mr. Saunders): And the scheme and the financial provisions are outlined.

10,854. You have founded your scheme on the proposals contained in this book?—(Mr. Shaw): Yes, and not on anyone else's scheme which you may have heard of before.

10,855. You would be prepared to see approved societies deprived of any right of representation on the body controlling the general practitioner treatment, while a substantial part of the cost of such treatment would continue to be provided out of National Health Insurance contributions?—No, I would not.

10,856. Then how are you going to work your system?—There should be some system of representation. (Mr. Marlow): In paragraph 40 we say: "As to the method of administration, the scheme should be controlled by a local Medical Committee or Health Committee, similar in constitution to the local Education Committee, i.e., partly elected by the local Council and partly appointed to represent various interests, such as doctors, insured persons, dentists, etc."

10,857. But appointed from where?—(Mr. Shaw): So far as insured persons are concerned, from the Approved Societies.

10,858. That is what you mean, is it?—Yes. Approved societies, as such, are not represented on insurance committees to-day—it is insured persons who are represented, and we use the same phrase.

10,859. (Sir Humphry Rolleston): I am not quite clear as to the reason why, if you have a whole-time service, the doctor should be a salaried official of the local authority rather than of the State?—We think it would be better—there would be local touch, as it were.

10,860. Can you elaborate that a little?—No, I am afraid I could not, but local self-government is perhaps at the back of the idea.

10,861. With regard to the scheme, you adopt the Glasgow scheme. Have you thought out yourself what the position of members voluntarily contributing would be?—I have not.

10,862. (Mr. Cook): You have in view the treatment of everyone?—Yes, it includes those who are not insured.

10,863. (Professor Gray): Can you elaborate a little more the antecedents of this scheme. Were the actual details of the scheme circulated to the Societies?—In the agenda, yes.

10,864. How much time was given to discussing it?—(Mr. Marlow): Three-quarters of a day, I should think. (Mr. Shaw): Between two and three hours, I should think, trusting to one's memory.

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10,865. With regard to the scheme itself, the intention is, is it not, to take a great deal of the medical services out of the Act altogether?—Yes.

10,866. And the service which you would institute would be a complete service?—Yes.

10,867. And it would extend to convalescent treatment, would it not?—Yes.

10,868. I see you mention these things in paragraph 39—dentists, nurses, sanatoria, and all the rest of it?—Yes.

10,869. At present these are all in the nature of possible additional benefits?—Yes.

10,870. So that you contemplate the giving up of many of the additional benefits which are administered at present?—Yes.

10,871. That would, of course, react on the finance of the Insurance Act?—Yes.

10,872. When you come to the finance of the matter, you suggest, do you not, three sources from which the money is to come and, further, that the insured persons and their dependants should obtain the same treatment on account of the money paid into the insurance funds?—Yes.

10,873. Have you considered what the increase of contribution in respect of dependants would have to be?—No, I am afraid I have not.

10,874. Have you considered whether you would have a flat rate or a graded rate according to the number of dependants?—I should think a flat rate.

10,875. I suppose you realise there would be a considerable amount of difficulty as between contributors who had not dependants and had no prospect of dependants and those who had?—In many parts of the country there is a contract for medical benefits to dependants at a flat rate.

10,876. But that is voluntary?—Yes.

10,877. But would there not be some possible grievance between a married woman who was employed and one who was not employed?—There are sure to be grievances, but the difficulty would not be great. It would not be more than it is now with regard to public education in respect of which some people have to pay the education rate who have no children at all.

10,878. But you have not worked out, I take it, what the contribution would be?—No.

10,879. With regard to the persons who are to pay a contribution themselves. I take it, the object is to make a comprehensive scheme covering all those who are not engaged under a contract of service?—Yes.

10,880. And you impose on them the duty of being voluntary contributors?—Yes.

10,881. Have you considered the difficulty there would be in securing compliance?—There might be some difficulty, but I think it would be got over largely when the public understood the benefits to be derived from it.

10,822. But do you think it would? After all, the public showed no great zeal to become voluntary contributors under the present scheme, did they?—No.

10,883. In this case would you take the village blacksmith and the amateur philosopher and all the others and impose on them the duty of paying a certain weekly contribution?—I would.

10,884. Would you not require to have a very strong and effective staff of inspectors to see that they paid?—Yes, I think that would be necessary.

10,885. Thirdly, you suggest the diversion from the present local and central funds in order to support those services which are now being rendered by municipalities?—Yes.

10,886. That is the effect of your suggestion?—Yes. You are referring to paragraph 38.

10,887. Yes. How are the finances in respect of these services provided at the present moment? Is there so much raised locally and so much from the State?—Yes.

10,888. Would it be an easy matter to determine how much should be diverted under these new con-

ditions? I mean as regards the services which are at present given by local authorities. Do you not suggest that in respect of so much of this treatment as is now given by local authorities you should divert into this new scheme what in fact is raised locally, and what is granted by the Imperial Exchequer?—Yes.

10,889. Is it not the present arrangement that the amount given from the centre depends on the amount raised locally?—Yes.

10,890. Suppose you take the whole thing out of the hands of the local authority and provide a complete service, how will you determine how much would have been raised locally and how much from Imperial grants?—I think you would have to be guided by what was paid for these services before and arrive at some datum figure.

10,891. But would not that lose the whole check necessary in running a big scheme?—You would have to be guided by experience as you went along.

10,892. It is a new problem, and you have not thought out how you would solve it?—No, it is very difficult.

10,893. With regard to the specialist and consultant services, you indicate that you would have these over and above the more ordinary services available for all persons, and you would have another fund built up in the same way?—Yes.

10,894. Does that not imply a duplication of the sources of income in respect of these higher services?—An extension.

10,895. Yes, but not so much an extension as the creation of another fund provided in the same way?—Quite.

10,896. That is rather a complicated arrangement, is it not?—Yes.

10,897. (*Mr. Jones*): You have handed in a copy of a book, and you say your scheme is the scheme contained therein. I think your scheme is your own scheme rather than that of the book. With regard to the question of finance, is not your suggestion really that you would hand these services over to the existing local authority plus co-opted members with special interests, rather than to a freshly constituted body altogether?—No, we want a new Committee set up for these purposes.

10,898. Is the education authority an entirely separate authority?—No, it is not.

10,899. Is it not the case in England, at any rate, that that is an authority constituted to the extent of two-thirds by members of the Town Council?—Yes.

10,900. And the remainder are co-opted?—Yes.

10,901. As to the constitution of the body, what have you exactly in view?—The setting up of a local committee to administer this scheme of public medical service.

10,902. A freshly constituted body entirely?—Yes.

10,903. Involving a separate election?—It might be one of the committees of the municipality. I see no objection to that. There would be some co-ordination between the ordinary Health Committee and this new Committee.

10,904. Do you not have that in regard to education at the moment?—I suppose you do.

10,905. Is not that secured by the two-thirds membership from the Town Council?—Yes.

10,906. So that you do not want a freshly constituted authority, but a committee of the local authority with this special duty grafted on them?—Yes, I do not think we should quarrel with that.

10,907. With regard to the system of finance, was not your answer to the Chairman that you proposed to take the cost of these benefits entirely out of the Insurance scheme?—I think that would follow.

10,908. Is there any need, therefore, for this complicated arrangement as regards finance, and would not the simplest financial method be to place the charges entirely on the local resources of revenue plus the Government grant?—Then what would you

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do with the contributions which are being paid to insurance funds? You would want an adjustment of that.

10,909. You might relieve the employers and employees?—Take it off the cost of stamps and add it on to the local rates?

10,910. Yes. Would not there be a good reason for that? Otherwise would you not be asking the insured, not only to make his own contribution to insurance, but also to help pay for the costs of the other person through his rates?—I suppose that would be so.

10,911. So that instead of the elaborate system you have outlined here, would not rates and grants be a much simpler method of financing the scheme?—It would.

10,912. In total it would not involve any more cash than your elaborate scheme involves?—No.

10,913. As regards the whole scheme, have you any definite view as to whether, in the event of it not being practicable to put it into force at once, what you would prefer—an extension as regards the persons presently insured or an extension to dependants?—An extension of the present scheme. We all realise that it is not possible to put a scheme of this magnitude into operation without a great deal of further consideration, but it is an ideal we are striving for; we do not expect to get it all at once.

10,914. Would you prefer a complete scheme along the lines you have indicated, or would you prefer an extension of the present medical service to the whole of the dependants?—I am afraid you would have very great difficulty in extending the present service to dependants, and that is one of our reasons for advocating this public medical service. You get a demand for dental benefit, and the extension of medical benefits to dependants, and specialist and consultant services, and we have come to the conclusion that this is the only practical way of providing those services.

10,915. But that is the complete scheme, and you see great difficulty in getting it all at once. Assuming the present administrative arrangements, you would prefer an extension to the adult employed section of the population by including these specialist and other services?—Certainly.

10,916. Or would you prefer the extension of general medical treatment to the dependants?—I would prefer first of all the provision of dental benefit, and secondly the provision of specialist and consultant services.

10,917. Instead of the extension of general treatment to dependants?—Yes.

10,918. Have your constituents expressed any view as to the direction in which they would prefer immediate extension?—They have, yes; it is stated here. "The Conference is of opinion that until a public medical service can be instituted, medical benefit should be extended to include the provision of specialist and consultant services for insured persons."

10,919. So that until you can get the whole of your ideal, the existing administration must continue?—Yes. We say here that we are urging the setting up of dental benefit, and the extension of medical benefit to include specialist and consultant services until such time as a public medical scheme can be instituted.

10,920. Is not that delaying the scheme indefinitely without any possibility of improvement in the method?—No, I do not think so.

10,921. Can you conceive of the Insurance Committees and Approved Societies handing over these benefits which are available to insured persons only to some other body to administer, or can you imagine a body like a local health authority responsible for the whole population, undertaking certain special services for a part only?—I think the Approved Societies of this country would be quite willing to hand over the services relating to

the health of the insured persons, if they thought these services could be more effectively administered by some other body.

10,922. So that as regards finance, you would keep on raising the money and handing it over until such time as the medical services could be made complete?—Yes.

10,923. (Mr. Evans): In paragraph 25 you suggest uniform treatment benefits within the Society? You are rather keen on that?—Yes.

10,924. But in paragraph 24 you are not so keen on uniformity as between societies?—No, we are opposed to that.

10,925. Should not the same principle apply in both cases?—No.

10,926. Is there any reason why it should not?—Yes.

10,927. Why?—The persons affected are all members of a single society in one case, and in the other they are not.

10,928. Still, you may have members scattered over the whole country in small branches of the same Society?—Yes.

10,929. And you would have the same varying types of people in a small as in a big society?—Quite.

10,930. Is there any real reason why in one case it is desirable to have uniformity, and in another not?—Yes, because there is one controlling body in the case of branch societies; there are half-a-dozen controlling bodies in the other case you put.

10,931. Taking the Foresters, for instance, each branch is a unit?—Yes.

10,932. And the benefits given to the members may differ in the various branches in the same Order?—Yes.

10,933. And that, you say, is not desirable?—No. We advocate the pooling of a percentage of the surpluses to provide uniform treatment benefits throughout the society.

10,934. Between the members of the same Order, though in different branches?—Certainly.

10,935. But you still say it is necessary to have differential treatment meted out to members of different societies?—That is a wider question.

10,936. I think it only a matter of degree?—I do not agree with you.

10,937. Going to the question of a national medical service, if we had this fine scheme of yours established, do you think there would be any need then for these surpluses?—Well, probably there would not be very much surplus if you provide all these additional benefits.

10,938. All these additional benefits would be provided under a national scheme?—Yes.

10,939. So that really all the surpluses would be pooled?—If you call that pooling, yes.

10,940. (Sir Alfred Watson): You told us the Conference was of opinion that the Deposit Contributor class should be abolished. I want to know why?—First of all because it has been always a temporary class, and it has been understood that some measure would be brought before Parliament to deal with this special class; secondly, because we think that it is not beyond the wit of man to provide some proper form of insurance for those people. (Mr. Saunders): And a further point is that the class is being used by a body of insured persons for whom it was never intended.

10,941. Is that so?—Persons who are in good health, but who for personal reasons object to join a society.

10,942. If they object to joining one of the existing societies, is there any reason why that objection should not be respected?—I think so. In a National Scheme of Approved Societies everybody should come in. I do not see myself why we should encourage what I look upon myself as a slight to National Health Insurance. We should discountenance it.

10,943. There may be, perhaps wrong-headed people, who do not desire to be Shepherds or Foresters or any-

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thing else. What would you do with those people?—Allocate them to a society.

10,944. Suppose they are passive resisters, and the allocation is fruitless? Suppose a certain number of people are allocated to the Shepherds, and they say "We have no intention of joining that society and will not." They have cards which have been stamped, and they will do nothing with them?—That is their look out.

10,945. I agree, but at the present time there is a sort of arrangement which is not unsatisfactory in working, which deals with these people. Would you create a new class of people whose cards would become derelict, and whose contributions would go into the unclaimed stamps fund? Would not that be the result of your compulsory measures?—I do not think so. We have had passive resisters on other things but they have died out.

10,946. You think, do you, that every insured person who is now a contributor would in course of time be content to accept an allocation made by some central body?—I do. (Mr. Shaw): It would die out in time, I think.

10,947. And that is all you are relying on, is it, that the objection would die out? Do you not think, Mr. Shaw, if you abolished the deposit contributor you would have to set up a State society for people who refuse to join ordinary Approved Societies?—No, I do not think so.

10,948. Do you take the same view that every person allocated would acquiesce in the allocation, and send in his card and do all the things he is required to do?—Yes, I think he would, because it would give the Approved Society an opportunity of getting in touch with him and pointing out the valuable benefits he is likely to lose by continuing what you call his passive resistance.

10,949. Do you think that a fair way of treating citizens?—To teach them the valuable benefits they are likely to lose by being stupid?

10,950. No. I will assume, for example, that a certain number of people are allocated to one of the important societies connected with one of the Industrial Assurance Companies. Would it be quite fair to allocate them to a society which would have to send an agent to collect insurance cards from persons who had no desire for a service of that kind?—You have first of all given them the option of joining a society of their own choice.

10,951. They have that now?—Yes. You give them a further one, and remind them that unless within a certain time they join a society freely they will be put into one, so that they have not much to complain of if they do not do it.

10,952. That is your view?—Yes.

10,953. On the question of your medical benefit service, I am still a little doubtful as to the extent to which you represent the views of those who would be affected. When was this proposition adopted?—At the Conference held at Oxford last September.

10,954. When was it formulated and issued to the constituent bodies so that they knew it was going on to the agenda?—The report was included in the agenda of the meeting, and I should think it would be issued to the constituent societies about six weeks or two months before.

10,955. That is very important. Do I understand that these schemes affecting 15 million insured persons, to say nothing of anybody else, have had no more general discussion in the country than could have been obtained in six weeks in the height of the summer, terminating in September last?—You would be wrong in that. I have already explained that this thing was first brought before the Conference at Bournemouth in 1921, and was brought before the next year's Conference in 1922, and in 1923 it was further discussed, and the Executive Committee were instructed to prepare a report. That report was not issued until six weeks or two months before the Conference at which it was adopted.

10,956. How far does the report embody the views which had been freely circulated during the previous two years?—Well, the debates on the question of the national medical service would be conveyed to the societies by their delegates represented at the Conference.

10,957. Has this matter been the subject of definite discussion at the annual meeting of the Ancient Order of Foresters?—(Mr. Marlow): Not the report itself.

10,958. Has the proposal for a public medical service, stripped of everything else—on the lines of this scheme—been the subject of discussion and a vote at the High Court Meeting of the Foresters?—I do not remember a vote being taken, but we have discussed it on the preliminary agenda report.

10,959. Simply on the agenda report?—Simply on the agenda report arising out of previous meetings.

10,960. Has it been before an annual meeting of the Manchester Unity of Oddfellows?—(Mr. Shaw): That I am unable to say. I am not competent to say whether an individual Society has done a particular thing on this particular matter.

10,961. I want to know, and we all want to know, how far you are competent to speak for the 15 million insured persons who are going to be very greatly affected by your proposal? Had the proposal been considered by the members of the Loyal Order of Ancient Shepherds?—(Mr. Saunders): Yes.

10,962. At the annual meeting?—Not in those exact words, but the Lodges have declared in favour of such service more than once.

10,963. Has it been before the Druids?—(Mr. Shaw): Yes.

10,964. Have they declared in favour?—Yes.

10,965. To what extent exactly has it been before the Druids?—On the discussion of the business at the various meetings of the Annual Conference, and in addition to its having been before the Lodges and scores of Friendly Societies, it has been discussed very widely at Friendly Societies' Council meetings throughout the country. They are composed of representatives from all the Friendly Societies in the locality, and they discuss questions of common interest.

10,966. Are they representative?—Yes.

10,967. What are Friendly Society Councils?—I was endeavouring to tell you. They are Councils set up of representatives of the Friendly Societies in that locality for the purpose of discussing matters of common interest to the Friendly Societies.

10,968. I see. Just debating?—That is right; discussing Friendly Society business and State Insurance business, and making suggestions for improvements. They are affiliated to the National Conference of Friendly Societies, a number of them, and they are entitled to be represented, and are supplied with the literature and resolutions passed at the Conference.

10,969. To get right to the individual member, who is the person concerned in this proposal, do you tell me that the doings at the National Conference are ever discussed in lodges?—Yes.

10,970. Is it not the National Conference of Friendly Societies utterly remote from the Lodges?—No, not to-day. I have heard it discussed in many lodge rooms in my own Society.

10,971. And you think, do you, that you can say on behalf of your millions of insured persons that for the most part they would acquiesce in the proposal you are making to abolish the present system of medical benefit, and substitute a public service?—They would. I would like to be candid, and as I said before, it is an ideal, and we do not expect it to be put into operation without a great deal more consideration. Unquestionably, if it comes to a question of legislation, the public will have to express their own opinion through the usual channels.

10,972. I only want to know to what extent you are speaking for your individual insured members,



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and you tell us that in your view they would generally acquiesce in these proposals?—That is our opinion. (*Mr. Marlow*): May I say that although this was carried at Oxford, there has been ample time for them to differ from the opinion then expressed, and I can prove that there have been only two objections since that date.

10,973. That sounds very impressive, but I do not know quite what it amounts to, and I am rather troubled by the fact that even at Oxford, when the proposal was put to the vote, you only got 82 for it, and 51 against?—Yes, I agree.

10,974. So that when Mr. Shaw tells me that, generally speaking, it is acquiesced in, I wonder why the 82 are more representative than the 51 are?—(*Mr. Shaw*): There is the majority.

10,975. I am not troubling myself very much about the majority. Here we are proposing to take away from the individual insured person his right of a free choice of doctor, and put him under entirely new conditions of medical service in respect of that very important matter, the care of his own health, and I ask you if you believe the general body of your members are prepared for it, and you tell me you think the majority are?—So far as we have been able to ascertain.

10,976. Do you really suggest that this is a matter in which the majority should overrule the minority?—Well, I am afraid all legislation depends on majorities, but I am not one to say that minorities should not have protection.

10,977. I should have thought that the views of an individual, even though he be in a minority, would be entitled to respect with regard to such a subject as the kind of medical attention he is to receive when he is sick. Parliament took that view in 1911, did it not, when it gave free choice?—Yes, a limited free choice.

10,978. There is one further point. Are you speaking in any way as regards the number of people to who Professor Gray referred, who are not employed, earning under £250 a year, and whom you proposed compulsorily to bring into your scheme?—No, I am not. I could not possibly speak for them.

10,979. (*Sir Arthur Worley*): I take it you do not favour a complete scheme of pooling?—No.

10,980. You are rather a half-timer, if I may put it so?—Yes, if you put it in that way.

10,981. I mean you suggest you would like to see some system under which there is pooling for branches—have you any views of what the percentage of surplus pooled should be?—Yes, I should say 50 per cent.

10,982. And you in your own minds differentiate between rights and privileges of the units within an Order, and those of the separate societies. You would not wish that the Foresters and the Shepherds should gather together?—No; the lion and the lamb will not lie down together.

10,983. You are also in favour, I understand, of dental benefit?—Yes, if it becomes necessary.

10,984. I take it it is a very popular benefit?—Yes.

10,985. And a necessary benefit?—Yes.

10,986. And, therefore, you would like to see something done in that direction?—Yes.

10,987. So that you are in favour of a certain contribution being made for that purpose?—Yes.

10,988. I am getting away now from the question of surplus. It is a payment made before any surplus?—Yes.

10,989. Would you see any objection to maternity benefit being treated in the same way? Some societies have heavier maternity experience than others, and consequently they are penalised. Would you see any reason why their difficulty should not be provided for in a similar manner?—If a real necessity is proved; but I have yet to learn that there is any such necessity.

10,990. You may take it that in Scotland the maternity experience is much higher than in

England. Would you object to there being some pooling arrangement to meet this?—I thought the facts were that the surplus in Scotland was larger than it is in this country. (*Mr. Saunders*): My experience is that it is so.

10,991. That does not deal with the question of maternity benefit. What I was leading up to was this: Are you prepared to turn over more or less of the benefits to this new authority you propose?—(*Mr. Shaw*): Yes.

10,992. You have no objection in principle to the whole of the treatment benefits being administered as a free benefit, apart from the Approved Society? Your suggestion is that some other and independent body would deal with these benefits?—A body on which insured persons would be represented.

10,993. Yes. Therefore that means, I suggest to you, so far as the payments are concerned, and as far as the benefits are concerned, a pooling of all treatment benefits administered through and by that body. That is the effect of it, is it not?—Well, it is not pooling in the ordinary sense.

10,994. I do not mind by what name you call it, but it is a question of premiums, and out of those premiums certain amounts are paid. There is no question of one society being able to do better with it?—No, except with regard to the additional cash benefits.

10,995. I am still on the treatment benefits, quite apart from cash benefits. Therefore we have it in principle that you are a little more than a half-timer, because you are willing to say 50 per cent. should be within your own borders, and alternatively you see justice in the fact of dental treatment coming from a central pool. All the treatment benefits in your ideal scheme would be administered by that body?—Yes, but we are prescribing treatment benefits for other than insured persons. We are not confining it to them.

10,996. But I am dealing with insured persons. You do state that treatment benefits for insured persons in an ideal scheme would be all administered by one body?—But we take a much wider view than the insured person.

10,997. If it is a good thing, it surely must be quite as good a thing for the minority, or even for the majority. If it is going to be good for all the population, it must be good for 15 million people, must it not?—Yes.

10,998. If it is good for 40 odd millions of people it must be good for 15 millions, if you cannot at the moment get the benefit for the 40 millions?—What I had in mind was this, that there is difficulty in the Approved Societies administering treatment benefits to the insured persons, but we are advocating the provision of specialist and consultant services, dental benefits, and benefits to dependants, and we realise that it is not practicable for Approved Societies to administer all those benefits; therefore we advocate the setting up of a general public medical service.

10,999. What I am asking you to leave out for the moment is the question of dependants. Taking the scheme, apart from dependants, you would agree it is a good thing to unify the administration?—Yes.

11,000. (*Mr. Jones*): I should like to ask you gentlemen for your collective opinion as regards the value of the present medical services, or rather the efficiency of them within the present limits. Do you regard the present general medical services as satisfactory within their limits?—Generally speaking, within their present limits, yes.

11,001. Have you any experience of the administration of the medical service in London?—No, I have not.

11,002. None of you are acquainted with the London medical conditions?—(*Mr. Marlow*): With the conditions in Middlesex, I am.

11,003. We have heard serious allegations about the quality of the medical service in London. Do you

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know anything about that?—I have served on the Middlesex Committee ever since it has been a Committee and I have not. (Mr. Shaw): I am a member of the Manchester Insurance Committee.

11,004. General speaking, is your experience of the medical service quite satisfactory?—(Mr. Marlow): Yes. (Mr. Saunders): No, I do not agree with that.

11,005. You come from Manchester, do you?—Yes, but I do not agree with that. In my opinion the service leaves much to be desired, and there cannot be any question in my mind but that there is still to-day a distinction made between the panel patient and the private patient and the respect shown by the medical man to the respective classes of patients. I am not satisfied that that distinction has gone yet, by a very long way.

11,006. You think that it still prevails in Manchester?—I think it still prevails all over the country, not only in Manchester.

11,007. Does it prevail, do you think, in Manchester more than anywhere else?—No, I think not.

11,008. But you think there is a distinction made in the treatment?—Yes, there is a distinction made in the treatment and the respect generally which is paid to the insured person and private patients.

11,009. (Sir Arthur Worley): Is not that explained by the fact that the insured persons expect to be treated rather differently?—No, I think not.

11,010. I know that an insured person rather starts out with the feeling that he is going to see a panel doctor?—Well, I am expressing my opinion from personal experience when I was myself taken for a panel patient.

11,011. (Chairman): In Manchester?—In Manchester. From the remarks which come to me as General Secretary of a Society and visiting various parts of the country, I think the impression is borne out.

11,012. (Mr. Jones): What are your relationships with the Medical Service Sub-Committee—do you regard it as generally satisfactory?—I have never had any experience on a Medical Service Sub-Committee.

11,013. Have any of you gentlemen any experience of medical service sub-committees?—(Mr. Shaw): I am a member of the sub-committee in Manchester.

11,014. How does it function in Manchester?—Very well.

11,015. And in Middlesex?—(Mr. Marlow): All right. It works very comfortably. We have 634 doctors and 624,000 insured persons, and we do not have any trouble.

11,016. Sir Alfred Watson put a question to some other witnesses, and I should like to ask Mr.

Saunders on behalf of his particular society if he has obtained their opinion on the question of a public medical service?—(Mr. Saunders): Not on the public medical service alone, but the whole matter in evidence which has been submitted to this Commission has been placed before districts in two separate circulars and there have been meetings of the local bodies and local executives, and a special meeting of representatives from the whole country was held at the head office. That is how we came to our opinion.

11,017. So that you regard your experience as representative of the whole of the members of your society?—I do.

11,018. Can you tell me whether in the majority vote there was a large number of representatives of Friendly Societies?—Yes, there must have been.

11,019. Or rather, let me say, the Societies administered through branches?—No, I cannot tell you; the vote was taken by a show of hands, and I cannot tell you whom they were representative of.

11,020. (Sir Arthur Worley): You represent 70 or 80 societies, I think?—Yes.

11,021. And you have 130 people voting?—Yes.

11,022. How are the delegates allotted—by membership? Does each one have one delegate?—No, they are entitled to representation in accordance with the membership of the Society. Unless a vote by members is demanded the vote is taken by a show of hands and if you have a half-a-dozen representatives from one society, it would be six votes. If there was a society represented, whether it consisted of 500 or 50 members it would be represented by one vote.

11,023. (Sir Alfred Watson): Does this representation go by State membership or by voluntary membership?—Both.

11,024. (Sir Arthur Worley): So that if that were the true basis for arriving at an opinion, you might have 60 per cent. in favour and 40 against?—(Mr. Shaw): Yes, it might be that.

11,025. May I put this point of view, that your proposal would make a complete change in the whole thing and that it is not usual to make such a drastic change in organisation on a difference of, say, 10 per cent. in the voting?—I have known drastic alterations made on a much less percentage of difference.

11,026. (Chairman): In the internal administration of your organisation would you be guided by a vote of that kind?—Yes.

11,027. (Sir Arthur Worley): In many important institutions it is necessary to get a 75 per cent. majority?—Yes. It all depends on the constitution of the organisation.

(Chairman): We are much obliged to you for your evidence, gentlemen.

(The Witnesses withdrew.)

Mr. DUNCAN C. FRASER and Mr. E. W. SYDER, called and examined. (See Appendix XXVII.)

11,028. (Chairman): You are Mr. Duncan Fraser, one of the Trustees of the Royal Insurance Officials' Benevolent Association?—(Mr. Fraser): I am.

11,029. And you are Mr. E. W. Syder, the Hon. Secretary of the Association?—(Mr. Syder): I am.

11,030. The membership of your Society is at present about 600 and is composed entirely of what might be called a selected class of life, that is, persons who are practically all under 35 years of age and who remain in insurable employment for only about eight years?—That is so.

11,031. How is the Committee of Management in your Society constituted?—There is a private side as well as a State side, and the government of the Society is dealt with as a whole. Under the rules of the Association: "The Association shall have the following Officers:—President, four Vice-Presidents, three Trustees, Actuary, Treasurer and Secretary. There shall also be a General Committee, which shall

consist of the three Trustees, Actuary, Treasurer, Secretary, and twenty-two elected Members of the Association, together with such additional Members (not exceeding seven) as may be appointed by the Royal Insurance Company, Limited, in terms of the National Insurance Act, 1911. Such additional Members shall hold office during the Company's pleasure, and their appointment or removal shall be recorded in a minute book kept by the Company and in the minute book of the Association. The Company may appoint the Actuary as one of such additional Members. A Member who is under the age of 25 shall not be a Member of the General Committee or a Trustee, Secretary, or Treasurer of the Association."

11,032. So that there is really no separate Management Committee merely for National Health Insurance purposes?—No; there is only one government for the whole Society.

11,033. Do the members of the National Insurance branch of the Society have the right of nomination of

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so many representatives on the Committee of Management?—Yes. Anybody in the Association has a right of nomination.

11,034. But there are no special nominations of the insured persons on the Committee of Management?—No.

11,035. So that this is not one of the democratically run Associations?—It is democratically run, but not separately run.

11,036. But not as regards National Health Insurance. In other words, if there did happen to be a great portion of the 600 members on the National Health side who were not also members of your other side, they would have no special representation?—(Mr. Fraser): They are all members of the other side.

11,037. Even though they are all members of the other side, they have no special representation on your Committee of Management as insured persons under the National Scheme?—(Mr. Syder): That is so.

11,038. Do the insured members of the Society take any special interest in its affairs?—Do you mean on the insurance side?

11,039. Yes?—They attend the meetings. Matters come up at general meetings and they attend the meetings.

11,040. If any matters come up at a general meeting which concerned the State members only, are those matters discussed and voted upon by the State members only, or by all?—According to the rules I think they can be voted upon by all; but as a matter of fact there never has been a case in which there has been any cleavage.

11,041. These rules were approved by the Department, I take it?—Yes, they are an adaptation of the model rules and were approved by the Department.

11,042. And it was approved by the Society then that there was no separate representation to be given to the insured members?—Yes.

11,043. From paragraph 11 I see that it is the practice of the Company to continue the payment of salaries during periods of sickness. If, as is the case with some employers, the salaries were reduced by the amount of the sickness benefit to which the member is entitled, do you think that the members would ordinarily claim the benefit?—Undoubtedly.

11,044. From paragraph 13 I observe that you think that about three-quarters of your members choose a panel doctor. This seems to point, does it not, to a desire for this particular form of insurance, even though members do not in fact have reason to avail themselves of the benefit to any great extent?—I do not think that logically follows.

11,045. Where is the fallacy, may I ask?—The fallacy lies in assuming that because they put themselves on the list of a panel doctor they desire that particular form of insurance.

11,046. Do they accept it?—They have to be insured; they are bound to come under the National Insurance Act, and they do not require the sickness benefit or the disablement benefit. Therefore there is only the medical benefit left to them as a benefit for their contributions.

11,047. They would be entitled to draw the sickness benefit, would they not?—Most decidedly.

11,048. But they do not?—They do not.

11,049. If they claimed it you would have no option but to give it?—Exactly.

11,050. Have you had any claims at all?—Yes, we have had one or two claims, but they have mostly been from members who have left the service of the Company and whose membership is still continued because they have not been able to get into another Association.

11,051. Have you had any claims from persons who are still in the service of the Company?—Yes.

11,052. And did you pay?—We did.

11,053. From paragraph 16 I observe that you have expended about £170 on dental benefit. Could you give us a brief description of the scope of this benefit and of the manner in which it is administered

in your Society?—The scheme consists of this: Payment of part of the cost of dental treatment: "dental treatment" means and includes extractions, filling, stopping, crowning, provision of artificial teeth and the administration of anaesthetics in connection with any such operation. "Benefit" means payment of part of the cost of dental treatment. The benefit is paid at the discretion of the Committee of Management, who decide in every approved case what proportion of the expense incurred shall be borne by the Association. Whenever possible an application for benefit should be made before obtaining treatment and full particulars of the work requiring to be done, and an estimate of the cost furnished.

11,054. Is it an additional benefit?—It is an additional benefit.

11,055. Are there any rules under which this additional benefit is administered?—Apart from the scheme?

11,056. Yes?—(Mr. Fraser): Do you mean rules of the Society?

11,057. Yes, under the scheme?—(Mr. Syder): No, except to the extent that it is our practice to make a man bear at least one day's pay himself. I mean to say, if he was getting a salary of £180 a year we would say that if he had a dental bill he must bear 10s. of that dental bill himself.

11,058. Is it at the complete discretion of the Committee?—"The benefit will be paid at the discretion of the Committee of Management who will decide in every approved case what proportion of the expense incurred shall be borne by the Association."

11,059. That is to say, the Committee of Management, upon which it might quite easily happen was no representative of the insured persons, have the power to say whether an insured person shall have a dental benefit or not and to what extent he shall get it; is that so?—Yes, that is so.

11,060. Do you regard that as being quite sound?—You must remember that all our insured members are very young men, and men who are likely to be elected to the Committee of Management in our Company are not likely to be very young men. They might be; there is no reason why they should not be.

11,061. I quite understand that, but I should have thought it was all the more reason, therefore, to make special provision that the insured persons should have special representation. They are not likely to get it without special provision?—(Mr. Fraser): I think there is this to be said, that all the members of the Committee of Management are men who have been through the grades to which the insured members belong. They are members who can look at it from the point of view of the insured persons.

11,062. These questions occur to me because we hear so much about the desirability of free choice of doctors, for instance, by the societies, and free choice of this and free choice of the other thing. It seems to me that under a constitution such as you have outlined there is very little of the element of free choice about it so far as the government of the Society is concerned. I take it there are rules, under which this discretion is exercised which lay down guiding principles?—(Mr. Syder): The Committee have laid down guiding principles.

11,063. Are these known?—Yes, I think they are generally known. The practice is simply this: A man requires dental treatment; he goes to his dentist and he furnishes his bill. Then the Committee taxes this bill by the scale of the British Dental Association. They do not bind themselves not to allow more than the British Dental Association does, but they tax the bill to see if it is a reasonable one. If there is any evidence of extravagance they would say that the member must bear the extravagance himself; but provided it is reasonable, they pay the whole of the bill with the exception of one day's pay.

11,064. So that any member who desired to have dental benefit could rely upon getting at least the amount you have now described?—Yes, that is so.

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As a matter of fact, there is more free choice in our scheme than in most societies' schemes, because a man chooses his own dentist, which is a very valuable thing.

11,065. That is free choice as far as the dentist is concerned, but not much free choice as far as the government is concerned. He has to accept the government of a society other than his Approved Society, apparently. On your experience, which is limited in the sense you have explained, could you give us any estimate of what the cost of full dental treatment would be, expressed as an annual capitation fee?—I have taken out the figures as far as our experience goes, and they have been rising. The scheme only came into force in the middle of 1921. Although we circularised each member individually at the time the scheme came out, yet I have no doubt that, with the little interest there really is in National Health Insurance amongst our members, a number of them do not appreciate that dental benefit is in force. However, the capitation amount per head of members entitled in 1920 was 1s. 10d., in 1923 it was 3s., and in 1924 6s. 3d. The probability is that it may be reckoned as not having reached quite high water mark yet; but I should say it is somewhere about 6s. 6d. or 7s. perhaps.

11,066. The figure would be higher probably on account of the class of member you have. They will look after their teeth in a way the average person would not be troubled with?—Yes. The average grant was £4 14s. 9d. for last year.

11,067. Would you say as a matter of experience that 6s. 3d. need not be taken as a guide for a general capitation fee apart from your Society?—I should say so.

11,068. What would be your view of a proposal to administer full dental treatment through Insurance Committees, in the same way as medical benefit is administered?—I am afraid that would restrict its use by our members very considerably. I think if they had to go to a dental clinic, or if there was anything in the nature of a contract practice, from the point of view of our members a great many of them would not take advantage of it.

11,069. Do you advocate the inclusion of dental treatment as one of the statutory benefits?—We prefer to have it as an additional benefit from the point of view of our members.

11,070. Would you give us a few particulars as to your "Want or Distress" benefit?—That was adopted largely with the view of assisting in maternity nursing. There is only a very small percentage of members who are married, naturally, because they are young men and the salary is not sufficient in the view of members to support matrimony. But the Committee felt that those members who were married, if they had to meet confinement expenses, would be very seriously embarrassed, and we endeavoured to give an enlarged maternity benefit when the first valuation came out. We found, however, we had to reserve such a large proportion of our surplus that it was not practicable to do anything much in the way of an enlarged maternity benefit, so we sought to meet the case by adopting "Want or Distress," and we consider that we are justified in making the man a grant out of this "Want or Distress" benefit if he has any heavy expenses in connection with confinement. At the same time, in the discretion of the Committee they can make grants in other cases. This is the scheme: "Subject to the provisions of the Scheme of Additional Benefits adopted by the Association and approved by the National Health Insurance Joint Committee and the Ministry of Health on 28th February, 1922, insured members in want or distress or whose contributions under the National Health Insurance Acts shall from any cause whatever be in arrears, shall be entitled to make application for financial assistance. The granting of such financial assistance and the amount to be paid shall be entirely in the discretion of the General Committee, and an entry shall be made in the Minute Book of the Association

recording the circumstances under which benefit in each particular case is paid. This benefit shall take effect as from 1st July, 1922, and subject to the provisions of the Scheme, the total sum available for the purpose of the benefit out of the disposal surplus as shown in the Report of the Valuer on the valuation of the Association as at 31st December, 1918, shall be such balance as may be found to be outstanding as at 30th June, 1922, of the sum allocated to Schedule A of the scheme as sanctioned on 28th February, 1922."

11,071. Have you had many cases falling under that fund?—No, we have had very few cases.

11,072. What kinds of amounts have you paid out in individual cases?—I think £10 is the maximum.

11,073. Is that in cases of maternity?—I think so, but I cannot tell you exactly. They are nearly all maternity cases. There is only one of the lot that is not, I think.

11,074. Is that form of fund chosen instead of the increased maternity benefit as an additional benefit because it gives more elasticity?—Yes, and also because it has wider application; but principally on the other account. (*Mr. Fraser*): I should like to add to that that the "Want or Distress" benefit was adopted at the suggestion of the Department. In connection with maternity benefit and other matters, I came up and had an informal interview with the officials. They drew our attention to the "Want or Distress" benefit. We accordingly substituted that benefit for the proposed increased maternity benefit.

11,075. (*Professor Gray*): May I intervene? It is not really so much a question of elasticity, is it? Is not the point that if you put aside something for the additional maternity benefit, the actuaries would require you to put aside as much as some other society would put aside with the same membership, whereas in your case your people are not married, and there are very few confinements? Therefore, to put aside as much as the actuaries would say was required for an ordinary society would mean an enormous amount in your case which would at the end of the period be largely unspent?—Quite.

11,076. (*Chairman*): As to your surplus on the first valuation, I gather from paragraph 14 that this was about £3 6s. per head as against an average for the whole country of about £1 8s. in societies for men only. Can you tell us what your surplus per head is on the second valuation?—(*Mr. Syder*): £7 13s.

11,077. In connection with the general question of surpluses, I should be glad to have your opinion upon the suggestions we have received from various quarters that there should be some measure of pooling in order that the fortunately placed societies may help those which have no surplus, or very little surplus?—I am afraid that from the point of view of our members we look upon the suggestion to pool surpluses as being a very unfair one. As a matter of fact, our benefit funds are not of much use to our members until they fall into the position of being a surplus, when they would be available for additional benefits. Hitherto our members have been getting very poor value for their contributions, simply because the statutory benefits of the Act are not suitable to their particular circumstances. But we had hoped by an extension of the additional benefits and elasticity in their application and in their administration, that we would be able to give them the benefit of their contributions and of the contributions of their employers; so that in that case we are firmly opposed to the pooling of surpluses.

11,078. Do I gather that your opinion is that people of the type that you represent should not fall within the scope of the National Insurance Act at all?—(*Mr. Fraser*): I think our attitude is that we look upon it as fundamental to the National Insurance Act that it is worked by separate societies. As long as that principle is maintained we have no objection at any rate to our men being under the National Insurance Act in their separate Society. What we

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do attach importance to is that our own men should get the benefit of their own contributions, of the employers' contributions and of the Government's quota. Under those conditions, provided we are given facilities for giving the men benefits suitable to their circumstances, we are in favour of their remaining under the National Health Insurance Act.

11,079. Have you formed any view yet as to how the big surplus revealed on the second valuation should be used in order to give them a benefit such as you are now describing?—(Mr. Syder): We were looking down the list of additional benefits only the other day and we ticked off various items as being suitable for making some allocation. There is the payment of the whole or any part of the cost of dental treatment. We might possibly enlarge that by giving the whole although we have felt that it is rather a valuable provision to make a man bear a certain amount. Our members can bear a certain amount. Then payment to members who are in want or distress; we should retain that. Then there is payment of the whole or part of the cost of maintenance and treatment of members in convalescent homes. We ticked that, but we do not feel that it is a thing that is very valuable to us, because our members mostly undertake convalescent treatment not in homes but by going on a separate holiday or something like that. But if that form of benefit were extended so as to include individual treatment instead of institutional treatment that might help us. Then payment to hospitals in respect of maintenance and treatment therein of members and the payment of the whole or any part of the travelling expenses of members in travelling to and from the hospital—there again that is institutional treatment. At the same time our members do go into hospitals, and when they go into hospitals the authorities expect them to go into a private ward. In our private branch we have paid quite considerable sums for their cost of maintenance. Again, if the administration of that additional benefit could be made more elastic so as to admit of that it would be suitable to us. Then the payment of the whole or part of the cost of medical and surgical appliances; of course that is very seldom required, but we might put it on our list. We have had a case in the last 12 months where we paid for surgical appliances on our private side. Then the payment of the whole or part of the cost of optical treatment and appliances other than as provided under medical benefit, and the payment of the whole or any part of the cost of the provision of nurses for members; provided that can be defined in the way that a man may choose his own nurse and that we can pay part of his nursing expenses, that might be suitable. I think it can be read in that way. Then we thought we should also have to include, if we find we are not allowed sufficient elasticity to adopt benefits which can be used towards the maintenance of health, the repayment of the whole or any part of contributions payable under the Act by members of the society or any class thereof. We do not want to use that benefit if we can use the money elsewhere; but we feel that we cannot keep on building up surpluses.

11,080. Would you not be prepared, then, to see some extension of the germ of pooling which is contained in the present Central Fund arrangement?—We should certainly consider that less detrimental than any form of pooling of surpluses, because in that case everybody's contribution is liable. It does not simply mean to us that those who cannot use the statutory benefits shall be deprived of part of the additional benefits as well.

11,081. In paragraph 17 you refer to the waiting period for additional benefits. Do you suggest that this waiting period should be abolished?—So far as our Society is concerned we could do so quite easily, and I see no reason, seeing that the additional benefits are really the benefits of our Society, why there should be any waiting period. A man is in our Society at the most eight or nine years. It may

happen that he is in six or seven years before he becomes entitled to additional benefits; now it is five years of course. At any rate, there is a very large period of his insurance life when he is not entitled to any additional benefit, so that as far as our Society is concerned we would not object to the waiting period being abolished.

11,082. Would you use that relaxation for the cases where they have for the first time come into insurance or would you use it generally?—I do not quite follow.

11,083. Suppose a youth of 16 comes into your Society, he might be regarded as being in a different category from a person of 23 who might have been transferred from some other Society. Would you draw any distinction?—No.

11,084. You would bring them all in for additional benefits?—Yes.

11,085. From paragraph 20 I see that you make the suggestion of an extension of the free year so as to meet the peculiar case of a Society like yours. What term would you suggest and in respect of what benefits?—I should like Mr. Fraser to answer that. It is a suggestion of his, and he has given the matter some thought.—(Mr. Fraser): Of course, you see the peculiar position in our Society. A valuation is made at the end of 1922, say, and the surplus on that valuation is declared in 1925. The additional benefits come into operation in the middle of 1925. By that time a large number of the members who were in the Society at the valuation date have already gone out; that is, they have been lifted out of the scope of insurance by the fact that their salaries have been increased above the insurable level. That limits the number of members who are entitled to additional benefits and it prevents a large number of members who have contributed to the surpluses from ever sharing in the surpluses. Our suggestion is that, as a matter of equity, ex-members should be allowed to share in the additional benefits; that they shall be allowed to share at any rate for one complete term of five years, and I think it might be extended even beyond that term, because the additional benefits are framed in such a way, and the reserves put aside against them are calculated on such a basis, that the whole of the surplus can hardly be expended in one period of five years. The surplus to which a man has contributed is carried forward to another period of five years, and I think it would be equitable that against his contribution to any surplus he should have the additional benefits for the five years that relate to that particular surplus, and then for a further period of five years. In that way the men will have a fair and reasonable chance of getting value for the money paid in and the contributions paid on their account.

11,086. (Prof. Gray): First of all a few questions with regard to the constitution of your Society. Certain questions were put to you with regard to the control which the insured members had over the affairs of the Society. Is not the position briefly that under the Insurance Act there are two ways in which a Society may become approved? It may become approved as a whole or it may become approved as a separate section. In your case you are approved as a whole; is not that so?—(Mr. Syder): Yes.

11,087. That means in effect that the Society remains one body and that all the activities of the Society are controlled by all the members of the Society?—That is so.

11,088. And there is no distinction in theory between the members who are insured under the Act and those who are insured for private purposes. They are all regarded as members having a common interest in all the activities of the Society?—Yes.

11,089. Is not that more or less the theory of the matter?—Yes, that is so.

11,090. And if a society desires to separate its State activities and put them wholly and entirely into the hands of its State members it has got to form a separate section; is not that the position?—I do not

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know whether that is so. I think it is, but what you have described is our Society. It is one whole.

11,091. Then with regard to your membership. I take it that these figures which you give of members on the private side in fact remain members more or less throughout life?—Yes, they do. So long as they are in the service of the Company they are members.

11,092. You have not got on the private side that curious age distribution which you have for State purposes, have you?—No.

11,093. For State purposes the great bulk seem to have gone in fact by the time they are 25?—Yes, as far as the private part is concerned it really comprises the entire staff of the Company. I have the figures for the 31st December, 1923, which was the date when we made a valuation on the private side. Under 20 there were 283 members; between 21 and 25, 478; between 26 and 30, 339; between 31 and 35, 276; and between 36 and 40, 206. That is to say, 72 per cent. of that membership was under the age of 40.

11,094. That is the private side?—Yes.

11,095. I think you mentioned a provision whereby office bearers had to be over the age of 25?—That was originally a rule of the Association, and it was carried on when new rules were approved.

11,096. So that normally the members on your Committee will be people who have passed out of insurance?—Yes.

11,097. You are in a very peculiar position, are you not, by virtue of the fact that your members go out so early? It comes to this, does it not, as you indicate, that not only do they not claim benefit, but owing to the operation of the waiting period for additional benefits, the member goes out of insurance before the additional benefits are available?—That is so.

11,098. So that, strictly speaking, under the provisions of the Act as they stand it is almost impossible for you to spend any money?—(Mr. Fraser): As things have turned out.

11,099. Have you thought of making any contributions under section 26 which enables you in certain cases to pay certain contributions to charities and hospitals for the benefit of your members?—(Mr. Syder): The only thing is that our members are not people who as a rule get much benefit from hospitals and institutions of that kind.—(Mr. Fraser): I think I may say that we have considered it, but our position is that our members are scattered all over the kingdom in all the large towns and also in the smaller towns. If we wanted to contribute to hospitals which would take in our members everywhere, we should have to contribute to almost every hospital in the kingdom, which would not be practicable. What we would like to do and what we have done where we have had the opportunity, is to contribute to a hospital to which one of our members had gone.

11,100. Did you do that under section 26?—(Mr. Syder): Yes.

11,101. Then you rather rejected the suggestion that in spite of all these difficulties your members should be cut out of insurance. You prefer them to remain in insurance if they can get the benefits of the Act?—(Mr. Fraser): Yes.

11,102. Would you agree that two difficulties arise with regard to any suggestion of cutting out these people? The first which I put to you is that although the great bulk of your members drop out fairly soon, there is always a remnant who remain in. There are only five people over 35, and I suppose possibly they may remain in insurance for the rest of their lives?—(Mr. Syder): I cannot say that I know who they are.

11,103. You can never say which of them may remain in insurance all their life, and therefore you cannot in equity turn the whole class out. Some men remain in insurance always?—(Mr. Fraser): That is so. Of the men of 21 years of age some may leave us.

11,104. And some may be "duds," I suppose, who never get on?—Yes.

11,105. Then another argument you will accept is that although you have got a concentration of this kind of member in your Society, precisely the same kind of people are in all societies in small numbers, and you could not cut out your people from insurance and leave isolated people elsewhere who are exactly on all-fours with your men; is not that so?—I think it is.

11,106. It comes to this: In spite of all your optimism about giving the whole of the 18 additional benefits as far as possible, you really have no hope, have you, of getting rid of your money? Are not the facts that in 1924, when you were as vigorous as you could be in regard to dental benefit and "Want or Distress," you spent £122? You contemplate in your next quinquennium having £1,000 a year. You do not really hope to get through that money, do you?—I think we do. We have the fact that we are spending a large amount of money on these men from the private branch. If we have the extended term that we have suggested we reckon the number of men entitled to benefit would be multiplied by three, and that it would cover a time when they would be much more likely to need the benefits.

11,107. Your suggestion is that you would get over this inequity whereby an insured person is debarred from getting additional benefits because they are turned out before the waiting period is up?—Yes.

11,108. And you want to extend the period for additional benefits, not merely to the end of the quinquennium in which he is serving, but to the end of the following quinquennium?—Yes.

11,109. So that if a person went out of insurance in the first year of a quinquennium, you would give him a free year under the Act for benefits as they stand; but over and above that you would give him nine years of additional benefits. In the minimum case it would be about five years, and in the maximum case something like nine years?—(Mr. Syder): Yes.

11,110. I suppose you realise that although that might work quite well in a limited Society like yours, it might raise very difficult questions if applied elsewhere?—(Mr. Fraser): I suppose its application would not be compulsory anywhere, but would be optional and would be taken advantage of by those societies who find it convenient.

11,111. Your suggestion is that an option might be given to societies which they might or might not take advantage of as they liked?—Yes.

11,112. With perhaps the possibility of applying for sanction to the Ministry of Health?—Quite.

11,113. And that in certain cases they might continue, for a period of from five to nine years, additional benefits to any part of which they have contributed; is that your view?—Yes.

11,114. As a result of your members' self-restraint, I suppose you realise that the figures for administration compared with the figures disbursed for benefit are on the face of them rather unusual?—(Mr. Syder): Yes, we do recognise that; but after all is said and done, what we spend on administration is only £126.

11,115. I am taking the year 1920, in which year apparently, on the face of it, you paid £22 in benefit and £129 in administration?—The difficulty is that there is a tremendous lot of work required. There is the distribution of cards and the keeping of returns, which is probably nearly as much in a small Society like ours as in a very big one.

11,116. I am not criticising the position. I am merely saying that as a consequence of your not paying any benefit you have figures which are open to attack by people who do not understand it?—Yes. (Mr. Fraser): The work is the same whether the money is paid in benefit or not.

11,117. It might be suggested that your work was wasted, seeing that you do not pay anything?—(Mr. Syder): There is always the returns and record work,

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11,118. (*Mr. Jones*): Is the main function of your Committee of Management to exercise its ingenuity in getting rid of your surplus funds?—No.

11,119. One can scarcely see what other duties it has to perform?—(*Mr. Fraser*): The Committee of Management, you will understand, is a committee for the whole of the society. The work of the National Health Insurance section is incidental; it is part of the work of the Committee.

11,120. It must be a very small incident?—(*Mr. Syder*): There are weekly meetings, and there is seldom a week without something arising out of the National Health Insurance Branch.

11,121. You said that in your view the administration of the National Insurance Act through Approved Societies was fundamental. Let me put this question to you: Would it not be possible to take all the insured persons in London, who are scattered through a great variety of Societies, and combine them under one organisation and so administer their benefits quite successfully?—(*Mr. Fraser*): I think the answer is that as a matter of fact the National Health Insurance Act in this country would never have come into operation unless the existence of separate societies was recognised and realised. I do not care a bit about theory; it is a matter of practical possibility.

11,122. The statute has laid that down, but would it be impracticable altogether to administer National Health Insurance for London in one unit?—I do not know. I do not consider it is practicable in this country. It is not practicable for English people.

11,123. I understand there are about 1,800,000 insured persons in London, and we have had evidence from societies with some millions of members scattered all over the country. I put it to you merely as a practical proposition whether it would not be possible to administer the benefits of 1,800,000 persons localised as against millions dispersed throughout the whole country?—I do not look upon that as a practical proposition. Discussing it from the point of view of theory, I think there would be a saving in administration expenses and an increase in benefits paid.

11,124. (*Chairman*): That is discussing it from the point of view of practice?—Yes.

11,125. (*Mr. Jones*): Would it not be possible to control such a society just the same as the societies are controlled at the present time?—No, I do not think so.

11,126. What does the Ministry of Health do when a society has its members scattered all over the country and is living in excess of its funds? What has it done in the past?—It makes inquiries.

11,127. Could it not do the same again?—Yes, and it would have to do so on a very large and expensive scale.

11,128. Would it not be on a large scale if they had occasion to handle a society with millions of members?—They would lose influences and forces which come into operation through the existence of the present societies.

11,129. Suppose these societies were societies as they are at present, but with members on a territorial basis; would they lose that force?—What is that proposition?

11,130. Suppose you had Approved Societies but limited territorially?—The German idea.

11,131. I do not know about that; but suppose you had such a society with a territorial area instead of the area of the British Isles, would that personal touch—that personal management—be lost?—I think it would.

11,132. What is the difference?—Because the people would not be voluntarily organising themselves into groups, they would be organising themselves compulsorily, an idea which I think is contrary to the genius of the British people. It is very suitable in Germany, I think, but not in this country.

11,133. I am still awaiting the evidence of how they run insurance in Germany, but we are talking

now about things as they are in this country?—I agree.

11,134. Do you really attach so much importance to this question of individual choice of a society? After all, do you think that the great bulk of the members really concern themselves with the society to which they belong?—Yes, I think they do.

11,135. Do you think that persons made a careful personal selection at the beginning of insurance when they joined these societies of which the membership runs into millions?—I think many of them did.

11,136. (*Miss Tuckwell*): I was interested in what you said as to maternity benefit. I gather yours are rather picked members?—(*Mr. Syder*): Yes.

11,137. I gather that the statutory maternity benefit was quite insufficient. May I ask what sort of salaries you pay?—Of course every insured member is getting under £250 a year.

11,138. I gather that in addition to maternity benefit you first added £1, which would make the amount £3?—Yes.

11,139. And you also make provision for maternity nursing as well?—We gave up the £1 and in substitution for it we now make a grant towards the maternity nursing expenses.

11,140. You seem to be well able to make a grant?—Yes.

11,141. Do you think that the most desirable way of spending the money?—Yes; it is a very valuable provision.

11,142. Then from your "Want or Distress" Fund, I gather that never, except in one case, have you made an additional payment in maternity?—Those were cases where we made a payment for maternity nursing.

11,143. Were those the payments that amounted to £10?—That was the maximum.

11,144. Under the additional surpluses which you calculate on having, would you be able to do more for maternity?—I think that in most cases £10 covers nursing expenses.

11,145. But you told me there was only one case in which you had paid £10?—(*Mr. Fraser*): Perhaps I could add to that answer that if there are extraordinary and exceptional expenses in connection with maternity, the Society would certainly undertake to meet them, if not from the State Insurance section, at any rate from the private section. That does happen. We have several cases in the year of that sort where serious operations have had to be performed, and where there is a long period of illness and convalescence after maternity. We would meet such expenses from one side or the other of the Society.

11,146. You will understand that I was not in any way trying to cross-question or to trip you. I was simply very much interested in the cases of women, of which I have considerable experience, and I wanted to get exactly what you do for them and the principle on which you work. You do a good deal for them, I understand?—Our object is that the employees of the Company, whether insured under the Insurance Act or not, shall be placed in a position to meet their obligations for medical service, for themselves and for the people for whom they are responsible; that they should not feel that there is a difficulty about carrying out medical advice, and that whatever that advice may be or whatever it may cost they shall be placed in a position to meet it.

11,147. (*St. Alfred Watson*): The general impression that your evidence gives me, Mr. Syder, is that the National Insurance net may have been cast too widely, and it is rather from that point of view that I want to put some questions to you. It is the practice of the Company to continue the salaries of their employees during periods of sickness?—(*Mr. Syder*): Yes.

11,148. For how long normally would the payment of salary continue?—We have cases where it has continued for more than 12 months. There is no fixed period as there is in some services, where six months is a limit, or something like that. It is

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settled on a consideration of the length of a man's service, and that sort of thing. Each case is considered individually by the directors.

11,149. Is there anything in the nature of a superannuation fund?—Yes.

11,150. For all members of the staff?—Yes, for all the members of the staff.

11,151. Are the staff what are called in the Civil Service "established"? They are not employed on contract merely from month to month or from year to year, I suppose, but there is a definite appointment continuable during good service, I suppose?—Yes.

11,152. To take those five members over the age of 35 of whom Professor Gray spoke, although they or some of them may be destined to be within the insured category for all the period of their service, yet substantially I suppose they are entitled to or will receive their full salaries during sickness, even if it be prolonged, and will receive a superannuation payment?—Exactly.

11,153. It struck me that the conditions of your service in the Royal Insurance Company make your members very similar in circumstances to employees of the railway companies and to the local authority people, who are exempted from insurance. If the conditions of insurance were being reviewed, would you prefer that people in service such as yours should be excepted or would you prefer to have these special concessions by way of additional benefits which you propose here? Which way does your preference lie?—I think we would prefer to continue in the Act. If there is any benefit to be got out of the Act we would prefer to continue in it, and we think by extending the additional benefits in the manner we have suggested; provided there is reasonable elasticity in the administration, that we can give our members, not only the value of their own contributions, but the value of the contributions of the Company and of the State.

11,154. You think that there is scope among the necessities of your members, such as they are, for the spending of over £1,000 a year during the next five years, because it really comes to that, does it not?—Yes.

11,155. Can you spend the surplus? Can you devise a method of spending it?—(Mr. Fraser): I do not think we should reach the rate of £1,000 a year at once, because it would take a little time for the extension of the term to produce its full effect; but I think we should work up to it.

11,156. If the term were extended to the end, not of the current scheme but of the scheme after that, making an average perhaps of seven years, you think it possible that you might work up to a total expenditure equal to the amount of the surplus?—I think so.

11,157. If that were so, the members would be getting value for their money?—Yes.

11,158. In the present circumstances, they certainly are not?—That is so.

11,159. May I put a question to you Mr. Fraser, arising out of your knowledge of Friendly Societies and Approved Societies generally, and not with special reference to the Royal Insurance Company's officials? We have heard a great many opinions expressed on behalf of Approved Societies that the present system should continue, and I understand that you yourself are averse from pooling or the substitution of administration on a territorial basis. Would you go so far as to say from your experience of the capacity of people who are administering National Health Insurance that the practice in administration that they get and the insight that they get into the conduct of public business is of national value?—Yes, I think so, certainly. I think that is of very great national value.

11,160. Would you go so far as to say that that alone affords some reason for continuing the present system?—Certainly, that is an incidental but a strong reason for continuing the present system.

11,161. (Miss Tuckwell): In paragraph 4 of your

Statement you say that lady members of the staff are not allowed to become insured members. What becomes of them?—They join other societies.

11,162. The only reason for that is because you had so few at first?—Yes.

11,163. Have you more ladies now?—We have at present.

11,164. But you do not propose to admit them?—The question has never been reconsidered, I think.

11,165. (Sir Arthur Worley): Following upon that the lady members of your staff are not receiving the same benefits as the male members are, presumably, because they belong to other societies which are not in the affluent condition that your Society is?—(Mr. Syder): I do not quite follow that. They may be or they may not.

11,166. Your Society is one with a very large surplus which can give very large benefits. Whether they are accrued or held over is immaterial. Suppose one of your girls joins some other society—she may join a society, for instance, which gives no additional benefit whatever, or it may be a society with a deficiency. That is the reason I say that the ladies do not receive the same benefit; you have discriminated against the ladies?—That is putting it rather severely. The reason was that when the National Health Insurance Act was first passed we had in our employ about 20 ladies in Liverpool out of a staff of perhaps 500. This was in 1911. It meant getting special records for men and women, so we decided that we would not become an Approved Society as far as women members were concerned.

11,167. May I ask you how many ladies you have in Liverpool now?—I should think about 125.

11,168. Which is, I suppose, 25 per cent. of your staff?—Yes.

11,169. So that 25 per cent. of your staff do not get as well treated as the other 75 per cent?—Yes.

11,170. In fact, in the case of most of those 25 per cent., if I may hazard an opinion, they would be practically 50 per cent. of the members of your Approved Society, because practically all those women would be eligible for your Society?—Yes; if we took female members.

11,171. I am taking the staff of the Royal as it now stands. I should imagine that 25 per cent. is probably about the right figure; but it is 25 per cent. of the whole; whereas you have only got 600 insured. It is 25 per cent. of your total male staff, I suppose?—Between one-fifth and one-fourth.

11,172. Therefore half of those who would be eligible are put on one side. Of course that is a matter for your choice?—(Mr. Fraser): May I add a point to that? One of the things that influenced us was that if we admitted women members to the Society we should incur an indefinite responsibility for the rest of their lives, because they might come in after a long interval, after marriage, and after becoming widows, and come back into the Society. We felt that it was not appropriate for us to undertake such responsibilities as the payment of benefits to women perhaps thirty years after they had left the service of the company.

11,173. (Sir Alfred Watson): That is not the law now?—No. That was the original Act, and that was a thing that influenced us strongly at the time.

11,174. (Sir Arthur Worley): What I was following in my mind was that first we set out with a National Scheme, so-called, and then we divided it up and said it can go into societies, and then we get the class societies, as I think yours might be called. Then you go a step forward and make it not only a class society for your employees—you will take this in a friendly way—but you divide those into men and women, and then because the women would cost you more in all probability, you put them on one side, so that you are getting a super-class society. That is leading me on to the question of pooling by degrees.—I may say that we do not discriminate against them on the private branch of the Society, and we find that they get, at any rate, their full share of benefits on that side.



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11,175. Quite, and I suggest that if you do that on your other side, you would not have such a large surplus as you have now?—Yes.

11,176. (*Chairman*): Do they get their full salary if they are ill?—(*Mr. Syder*): Yes.

11,177. Do you know if they draw sickness benefit in addition from their society?—I do not think we enquire about that.

11,178. (*Sir Arthur Worley*): Is not the sickness benefit, if they draw any, credited to the Company who pay them the full salary?—Not at Liverpool. I do not know whether it is in other parts of the country, but it is not so in Liverpool.

11,179. I think that is very general with Insurance Companies; they pay the full salary and take the credit for anything they receive?—It is not so in our office.

11,180. Coming back to your Society, the contributions are round about £1,000 a year. Roughly, you rule out £500 of that, I suppose?—Yes.

11,181. That £500 more than pays the whole of the benefits, exclusive of the administration, for each and every year. You see the highest figure you have paid in benefit is about £400?—Yes.

11,182. If the Company pays £500 they are paying the whole cost of the benefits, excluding the administration. I was following Sir Alfred Watson's proposition with regard to what you said about the original Insurance Act. You could start a society and, with the £500, give these benefits and pay the administration costs, and everybody would be just as well off. The State incidentally would have saved some money, particularly if you brought the ladies in.—(*Mr. Fraser*): Do you mean that if the men were taken out of the Society the Company would save some money?

11,183. Yes?—The Company does not want to save the money, but that would be the effect.

11,184. I want to come down to the question of pooling. I take it from what you say that you are against it?—(*Mr. Syder*): Yes.

11,185. Do you think it right that a Society like the Royal Insurance Society should receive money from the Government when they have such a surplus that even their employees' contributions pay it all—that they should take money from the Government to store it up, seeing that that money is paid by other people? It is paid indirectly by members of other Approved Societies where there are actual deficiencies, and yet your answer was that you would prefer, if there was something to be got out of it, that your members should remain under the Act. Is it quite equitable when there are societies which have deficiencies and their members are not getting more than the cash benefit in the ordinary way, and yet they are needing help very badly?—Did you say you were leading up to the pooling of surpluses?

11,186. No; but I have a suggestion in my mind that out of these payments it is not inequitable that some scheme should be evolved which would help the poor societies, though it would not necessarily amount to pooling of surpluses?—It is a form of taxation, in other words, applied to a limited class.

11,187. I am putting the boot on the other foot, namely, that you are getting the result of the taxation when you do not need it?—You penalise the surpluses built up out of the contributions of young men who are forced into the Insurance Act, or who have come under the provisions of the Insurance Act.

11,188. I was going to put to you that you have got a Central Fund in connection with all Societies. You are entitled in the case of bad days falling on you to call upon that Fund, and it has been put to us that it would be quite reasonable that that Central Fund should be increased, and that out of it should be taken the cost of dental treatment, for instance. Would you not agree with that?—We are providing dental treatment in another way. Why should we pay for others as well?

11,189. Why should the State pay for you when you do not need it?—Because that is the law.

11,190. I know; only the other may become the law, and I want to get your acquiescence in it, if I may?—(*Mr. Fraser*): That the State should avoid its obligation for men getting £3 a week if they are in our service?

11,191. Does it avoid its obligation to anybody in the Royal Insurance Company who gets £3 a week?—That is your proposition, I think.

11,192. It is a new one to me, if it is?—Our idea is that a man who gets £3 a week in our service should have the same right to his proportion of the Government money as a man who gets £3 a week in any other occupation.

11,193. I do not follow that. I am trying to postulate that you have got a Society that draws so much money in certain cases, and the advantage that it gets from better health conditions and the class of men that it has builds up a surplus. As a matter of fact there is £1,000 of your surplus which comes out of the State Grant?—In our Society we draw exactly the same money as another society with the same number of members—not a penny more. Our men refrain from taking certain benefits to which they are legally entitled. They refrain from taking them in the hope and expectation that they will receive an equivalent later on in the shape of additional benefits. There was a reasonable anticipation of that in the early years of the Society. It is due to the difference in the scale of the salaries, which has risen in late years, that they have been lifted out of the scheme of insurance and lifted out of the reach of benefits which they reasonably expected to be able to claim.

11,194. Quite so; I recognise that the increased cost of living has had a good deal to do with it. At the same time, the fact is that the State has granted you £948 towards your surplus, and you really do not need it?—I do not admit that we do not need it. We know the circumstances of these men, and we know how often they are placed in extremely difficult circumstances. They are exposed sometimes to conditions which may cripple them for life. That is why we formed this Association a few years before the National Health Insurance Act came into operation. We felt that the National Health Insurance Act could be utilised to supplement and help out the work of the Association; but in the course of the work of this Association we see week by week the difficult cases that arise.

11,195. I am only taking your figures. In 1919 your benefits paid were £29 a year; then £22, and the next year, £24?—You see you are only taking our figures on the National Health side. We have explained why such small amounts go through the National Health Section. But let me give you some figures of the insured men, the payments being made out of the private branch: Age 23, specialists' fees and expenses of convalescent holiday after a severe attack of neurasthenia, a grant of £25. Age 21, dental expenses, £6 13s. 6d., not out of the National Health Insurance Scheme. Age 21, surgeon's fee and operation on ear, a grant of £18. Age 23, specialist's fee, convalescent expenses, surgical appliances, synovitis, a grant of £15. Age 18, not entitled to additional benefits, dental expenses, £2 2s. Age 19, convalescent holiday after gastric catarrh and neurasthenia, a grant of £15. Age 20, convalescent holiday following scarlet fever, a grant of £8. Age 26, operation and hospital fees, a grant of £14. Age 21, optical expenses, £2. Age 20, operation and nursing home fees, poisoned gland in neck, a grant of £34. Age 21, operation for hernia, surgical and hospital fees, a grant of £15. Age 24, grant towards expenses of course of treatment for stammering, a grant of £30.

11,196. (*Chairman*): Was that effective?—(*Mr. Syder*): It is still going on, and I think it is improving.—(*Mr. Fraser*): There is another case of stammering where the treatment was effective and where there was a grant of £12 12s. The one case led to the other. Then I have a further case: Age 26, optical expenses, operation on eyes, including

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surgeon's fees, nursing home fees, cost of glasses and fares to London, a total grant of £59. Age 19, cost of hospital fees and nursing home fees, arthritic spinal trouble, a total grant of £53.

11,197. (*Sir Arthur Worley*): That is quite an interesting list, but that is from the other side of the Society for which they have paid. They contribute to that?—Yes. These are men all insured under the National Health Insurance Scheme. We were not able to meet these expenses or to make grants towards them out of the National Insurance Scheme, and we met the expenses out of the other side. These are cases which we think to a considerable extent, should come under the National Health Insurance Scheme, and with a more liberal interpretation of the benefits we think that could be done.

11,198. I think there is a way of getting round that. Some of the Approved Societies have got over that. But suppose you had thrown all those benefits into the Health Section, and suppose it had meant a deficiency, as it might have done. Would that have altered your views on pooling—if the boot had been on the other foot?—You see that we are situated in this way, that we have two sections and one can support the other.

11,199. I know, but the theory you are putting

forward there, I take it, is that here are special cases of illness and hardship and the benefit which was the best for the individual member of your staff was not one which came within the four corners of your reading of the Act?—Yes.

11,200. Suppose the money had come out of the State Insurance, and suppose it had made a deficiency?—I think there is this peculiarity, namely, that you cannot have a deficiency on additional benefits. You are limited to a certain amount of expenditure every year, and you are not allowed to spend more, so that the question of deficiency does not really arise.

11,201. I wanted you to see the justice of what I was trying to elaborate. I think you probably in your heart know it; at any rate, you would see that it is justice that the girls of the Royal Insurance Company should come into this scheme?—I do not know. The suggestion can at any rate be considered.

(*Sir Arthur Worley*): To a very limited extent, pooling would come into operation then. You would be diluting on the one hand and helping on the other. However, I will not press it any more.

(*Chairman*): Thank you.

(*The Witnesses withdrew.*)

Mr. WILLIAM F. BOWEN and Mr. F. BUTTERFIELD, called and examined. (*See Appendix XXVIII*)

11,202. (*Chairman*): Mr. William Bowen, you are the President of the Incorporated Dental Society, Limited, are you not?—(*Mr. Bowen*): I am.

11,203. And you, Mr. Butterfield, are the Secretary?—(*Mr. Butterfield*): Yes.

11,204. Will you describe to us briefly the constitution and representative character of your Society and what is its relationship to the other three dental bodies which have been giving evidence before us?—Our Society was formed originally in May, 1893. That was the parent Society. Then the present Society, which was constituted under the Companies Act as a company limited by guarantee of £1 per member, was formed in March, 1911. So far as the British Dental Association is concerned, our relationship with them is friendly, and it is friendly also with the Public Dental Service Association. That organisation is an organisation which was formed for the purpose of working, in conjunction with the Approved Societies, the present dental benefits from the surplus funds of the various organisations. With regard to our own Society its membership to-day is 2,360. We have 23 branches throughout Great Britain and Ireland, and at each branch we have for many years held, during the winter session, clinic lectures and demonstrations. The Society pays for the branches' maintenance, and allows to-day a sum of £20 to each branch for each sessional clinic for the year.

11,205. How is your Society related in membership to the other societies?—The British Dental Association was the original Society, and they confined their membership to those who were registered under the Act of 1878 and licenciates in dental surgery. Our organisation, in its inception, was organised for the purpose of protecting the interests of the men who were then known—I am speaking now of 30 years ago—as unregistered practitioners. After the Act of 1921 was passed, when the whole of our members were admitted to the Dentists' Register under section 3 because of the report of the Departmental Committee, who stated that we were the only organisation that had established a legitimate claim for registration, our conditions of membership in those days were that a man must have served an apprenticeship of not less than five years to dentistry; must have been in practice for himself as a practitioner for a period of not less than two years, and had to pass an examination, both theoretical and practical, in operative and mechanical dentistry. That was in the days prior to registration. Since registration in

1921, the examination qualification has been dispensed with because of the fact that we only admit to membership those whose names appear upon the Dentists' Register.

11,206. (*Sir Humphry Rolleston*): Might we know whether the examination was conducted by the Society?—The examinations were conducted by examiners appointed by the Society. I have copies of the various examination papers that were set from time to time. I appeared before the Departmental Committee and proved to the complete satisfaction of that Committee the skill and training necessary and the disciplinary measures which we exercised over our members. I proved that to the satisfaction of that Departmental Committee. That is why we were the only Society who were exempted from any specific conditions except age and character.

11,207. (*Chairman*): Are there any other dental societies besides the three we have had here and yourselves?—Yes, there was one termed the National Dental Association. That was an organisation which practically sprang into being during the time of the war and during the time when our membership was closed by the request of the Departmental Committee. But after registration came in, that organisation died out. There has been an attempt to resurrect from the dying embers by some of the members another association whose headquarters, I believe, are situated in Blackpool. I forget the name of it. So far as I can learn, however, the attempt has not been a success. There is also the Chemists' Dentists' Society. That is a society which is reserved exclusively to the members of the pharmaceutical profession who obtained registration under the Act of 1921. They have amalgamated with a society which was originally known as the Registered Druggists' and Chemists' Dental Society of Ireland. It seems that the laws with regard to pharmacy are rather different in Ireland from what they are in this country. Therefore they have their own organisation, which, according to their Secretary, has a total strength to-day of not more than 200.

11,208. In paragraphs 2 to 17 you describe what you consider the defects of the present arrangements for dental treatment as an additional benefit. You criticise these on the grounds that they are narrow and of varying scope, unequal in their application to the insured population, that they involve payment to a varying extent by the persons under treatment,

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and that the administration by Approved Societies is unsatisfactory. We should be glad if you would develop this last point a little?—The only things that I can deal with there are the facts which are stated in this statement, which I had the honour to draft. The anomalies which exist to-day, in my opinion, will continue in the future so long as individual societies, or even a combination of societies, are allowed to administer their dental benefits in whatever way they think fit and proper. My view is that there ought to be a standardisation of control under one controlling body.

11,209. And that dental benefit should become a normal benefit under the Statute?—Yes, absolutely.

11,210. Is it your opinion, then, that if financial arrangements can be made the benefits should be based upon the same footing as medical benefit and administered by the Insurance Committees?—Yes, with the reservation that there should be dental representatives added.

11,211. In paragraph 20 you indicate that there would be about 10,000 dentists available for such a scheme and willing to work under it. Would you indicate to us how you arrive at this figure?—I can only arrive at this figure in this way. I have been in the practice of dentistry, apart from my duties as Secretary of this Society, for 40 years. My duties are now entirely those of Secretary of this Society, and in that capacity I cover every part of England, Ireland, Scotland and Wales, and I come into contact with all sections of the profession. I base my calculation of 10,000 upon the information and knowledge which I have gained by the fact of having to travel throughout the country as the Secretary of this organisation of ours. I have no facts or figures in the way of writing that I can put before you.

11,212. May we take it, then, that the dental profession would give cordial co-operation in any such general scheme?—I believe so.

11,213. Do you consider that there is a sufficient number of dentists for complete treatment of the insured population, even at the start when arrears would have to be overtaken?—I do. May I amplify that? I give that answer for the reason that at the present moment the dental profession, owing to the slump in the country, are, in a tremendous number of cases, anxiously wanting work, and I am firmly of opinion that the dental profession of to-day could easily do 50 per cent. more work than they are doing.

11,214. And you do not reckon that the work added to the present work would be more than 50 per cent.?—I say that it would be a very easy matter to do that without any strenuous effort.

11,215. Referring to paragraphs 21 and 22, perhaps you would indicate to us the arguments for the principle of free choice of dentist. Do you consider this is as desirable as free choice of doctor?—Yes. If I may say so, I think it is even more desirable in dentistry than in medical practice, because of the inherent fear which is in the mind of every person in connection with having his mouth attended to. I myself, as a dentist, will admit that within the last two years, for the treatment of one of my teeth, I travelled from London to Oldham in Lancashire, so that a man who used to be in partnership with me could attend to my teeth. I think that if that is my personal fear, I can only regard it as typical of almost every other man and woman, because when all is said and done, there is nothing a man or woman fears so much as having his mouth attended to, and if you have a dentist in whom you have confidence, distance is no object to you.

11,216. But money may be?—I am just giving my personal experience. I will give you another instance. I had a son at Cambridge who had trouble with one of his teeth, which had been crowned some years before. He telegraphed from Cambridge to Oldham to the man who has taken over my practice there and asked him to go and attend to him, although there were dozens of dentists in Cambridge.

11,217. But there may be clannishness in Oldham, such as there is in Scotland?—No; I regard these two examples in my own family as typical of what is in the minds of the majority of people. You yourself will know that if you have anything wrong with your teeth, the first man you would think about would be your own particular dentist.

11,218. You must not argue from my experience, because it is quite contrary to that. — Then the way I look at it is this: if a member of an Approved Society has a dentist who has been his family dentist for years, it is an undoubted fact that the person would go to that dentist with a great deal less fear and anxiety than he would if he were compelled to go to a stranger.

11,219. You put it so high that I am really not disposed to lower it.—(Mr. Bowen): I can cap that. I had a patient in 1896 who came all the way from British Columbia to me for nothing else, because he had been pulled about when a young man, and he would have gone twice round the world before he would let anybody else attend to his teeth. I agree that that is exceptional, and that one swallow does not make a summer.

11,220. But you are not suggesting that these very exceptional cases that you have named are general, are you?—They are general. (Mr. Butterfield): I would be prepared to say that, except where you have got a floating population like that of London, it is very common. If you take the industrial centres of the North and the Midlands it is very common. It is a general statement that I have made which can be proved.

11,221. But these are cases that do not necessarily fall under the Insurance Act at all?—At the town where I practised, ours would be 90 per cent. of insured persons. It was that sort of practice.

11,222. (Sir Arthur Worley): Do not you really mean that in a place like Oldham the people would prefer to go to some particular dentist. If he left the town they would not follow him, but they would find another dentist?—You would be surprised to find how far they do follow him. (Mr. Bowen): If you take my practice, there is not above one person in four who comes to me from Bolton, where I practice. Three out of four come from outside the district. The reason I got a reputation outside was that I was one of the first in the field with the local anæsthetic. That was 40 years ago. I had no competition and I had a monopoly, but I have not got it now.

11,223. (Chairman): In paragraph 23 I observe that your view is that the scope of the service should include full treatment, that is extractions, fillings and dentures. Would you include scaling in the scope?—(Mr. Butterfield): Yes, that is a necessity.

11,224. And you hold that the insured person should not be called upon to pay any part of the charges, the whole being provided from the Insurance funds?—That is my argument.

11,225. What would be your opinion of a proposal to leave the insured person to pay part or the whole of the cost of the dentures, the remainder of the service being provided from Insurance Funds?—At the present moment there are some societies doing that, and I know that a percentage of their members have been unable to find their quota. I think if dentistry is to become a statutory benefit that you must provide a 100 per cent. service to be of any value at all.

11,226. On what basis do you consider that the dentists should be paid, by a scale for services rendered, or by a capitation method?—By a scale for services rendered.

11,227. Have you any objection to the capitation method?—I could not say that I have any objection to the capitation method, providing it is sufficient.

11,228. What is your idea as to what would be sufficient?—I based my calculations on my practical experience. I want you to bear in mind that this Statement was drafted last October, before some of

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the witnesses had given their evidence. My figure was 6s. 6d. per annum per patient.

11,229. You mean 6s. 6d. per annum per insured person, do you not?—Yes.

11,230. Do you consider that the capitation fee method would offer more opportunity for abuse than in the case of medical benefit? I mean in the way of inadequate service?—I feel inclined to agree to that.

11,231. For what reason?—I feel that if a capitation fee was paid a dentist might not put his heart and soul into his work as he would if he was paid on a piece-work basis.

11,232. I suppose there is a high standard of honour and conduct in the dental profession?—There must be. We are both members of the Dental Board, and if a man was found to be guilty of infamous or disgraceful conduct I think the Dental Board would take a very serious view and that he would not be allowed to practise.

11,233. But you feel that with a capitation fee there would be an opportunity for neglect?—There are always black sheep in every profession. The only thing I am thinking about is that if it is to be piece-work, that is, to be paid according to the work a man does, a man will undoubtedly put his very heart and soul into his work, so that other members of the Approved Societies would be recommended to him.

11,234. Do you consider that the scale method would offer opportunities for abuse in the way of unnecessary work being done?—I do not.

11,235. Is there not a temptation when one puts one's heart and soul into one's work to do more than is necessary?—Some people might look at it in that light.

11,236. You must keep in mind that you said some people on the capitation-fee system might not be quite honourable?—I say they might not put their very heart and soul into the work if they knew they were being paid on a capitation fee, without any responsibility being attached to it. But if you have the responsibility for this work, it might meet with the disapproval of the disciplinary body if any complaint arose.

11,237. That would be so under the capitation-fee method?—Would it? The work might be satisfactory on that method. But, on the other hand, there are men who are good workers and men who are not. I will not say good or bad workers, but willing workers and lazy workers. If you have a capitation fee and you get a man with a panel of 2,000 or 3,000 he might slack. I do not say he would, but the temptation would be there.

11,238. In paragraph 24 you indicate that a weekly contribution of 1½d., made up in equal parts from the employer, the employed person and the State, would cover the cost on a basis corresponding to the present agreed scale of fees. Can you tell us how you arrive at this estimate?—Yes, I arrived at this estimate in rather a peculiar way. During the War I was asked to visit a certain city in the North to meet a certain man who was connected with a certain Approved Society. He wanted to discuss with me the question of arranging for some additional benefits for their members, and he wanted to know if I could give him an idea of what the basis of a *per capita* fee would be for their members. I told him I had not given the question any consideration and that it was the first time it had ever been suggested to me. I then said to him: "Could you give me an idea as to what you would be able to pay for your members, and I will try and work it out in my own way as to whether it would be sufficient to satisfy the dentist to provide you with the treatment you want." He then told me that they were making about 4s. 6d. a head from their members. When this question came up I had no means of finding out from anyone what the amount of surplus funds might realise, so I ran off the number of years in which the sum of 4s. 6d. per head would be contributed, plus interest on capital, and I arrived at an estimate of between £40,000,000 and £45,000,000.

11,239. I think you regard this as adequate only to the normal work and that extra money would have to be found for the initial overtaking of arrears. Have you made any estimate of this initial charge?—That is a point about which I am rather concerned, because one has to consider as to what will happen when it becomes publicly known that there is a 100 per cent. dental benefit. I calculate that for three years we should have an extra rush of work.

11,240. Arising from paragraphs 29 to 31, we should be glad to hear in a little more detail your objection to a system of clinics, dividing your remarks under the headings of clinics under professional control and clinics under lay control?—The only objection I can find to clinics is on the ground of what I should call facilities for and treatment of that class of the community who would be compelled to go if clinics were established. It would be inconvenient, in my opinion, for a large number of the community to go to these clinics and be immediately attended to, because in the day-time, if they were working and had to go to these clinics, it would be very much like the hospitals are to-day. They would have to go at a time set up by the management, and the result would be that many of these patients would be waiting hours before they were attended to, or they would be told at the conclusion of some hours of waiting that they could not be attended to that day. On the other hand, if it was a class of people who could only go in the evenings, then I say there would not be sufficient time in which an operator would be able to attend to all those people within a given time before the closing of the clinic. I am certain, also, that if people were compelled to wait at these clinics for any considerable length of time they would lose their work, and household duties would have to be neglected.

11,241. Is that the only reason? Is it only on account of the difficulty of making these arrangements?—No; there are other reasons as well. There is the human side. A man who has a private practice has to be exceptionally kind, courteous and humane, so that he may continue to maintain the reputation he has gained, and to retain the confidence of his clientèle. I am satisfied in my own mind that, so far as clinics and hospitals are concerned, that side of professional consideration does not weigh in the balance as it does in private practice.

11,242. But if the public were prepared to submit to less humaneness and consideration and kindness, would you then accept clinics as a proper system?—No. The point you have to consider also is that if you are going to establish clinics you will only establish them satisfactorily, if at all, within the large industrial areas, and therefore no clinic would be a satisfactory method of dealing with what is termed "country practice."

11,243. I gather that there is no professional objection?—(Mr. Bowen): It is from the public point of view. Fifty per cent. of people would not attend a clinic. (Mr. Butterfield): I have not finished yet, if I may deal with that question. The difficulty of the dental profession in the past has been that it has not been sufficiently attractive to induce would-be students to come forward and qualify. As a consequence, there was a shortage of qualified dentists. That is why the Act of 1921 admitted those people, so as to bring up the numerical strength of the dentists to meet the needs of the country. If you reduce any possibility of attracting students to the dental profession I am quite certain you will find in 10 or 15 years that lack of numerical strength of dentists that there was in 1921. Even to-day the Dental Board are offering bursaries, and they are or no mean order, because they provide for the whole of a student's college fees.

11,244. One moment; may I ask if you have any professional objection to clinics?—Yes, I have.

11,245. What is the professional objection?—My professional objection to clinics is that clinics would

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kill the attraction of the dental profession to would-be students.

11,246. Would the clinics not be places where the students could get experience?—(Mr. Bowen): No; it would not be allowed.

11,247. Not even as assistants?—(Mr. Butterfield): No.

11,248. Is that your real objection?—That is one of the objections. (Mr. Bowen): I may say that I have the figures here of the students who are entering now. In the last four years there were only as many students as in the two previous years. The entry of students is 50 per cent. less than it was. In the 2 years 1919-1920, the number was 1172; in the 4 years 1921-1924, 1102. In 1919 there were 612, in 1924 only 200.

11,249. You feel that under the clinic system the attraction would be less?—Yes.

11,250. How do you account for the falling off in students?—Because of the slump in dentistry. (Mr. Butterfield): I ought to say that the bursaries which the Dental Board have offered, which run from anything from £300 to £900, have not all been applied for.

11,251. Bursaries of £900?—Yes. (Mr. Bowen): They cannot give them away.

11,252. What term of years would that be for, may I ask?—(Mr. Butterfield): One of the bursaries, which I know has been given to a boy at Guy's Hospital in London, was to pay all his college fees, all his books, all his instruments, pay for his Union fees, and a maintenance grant of £2 a week for four years.

(Sir Alfred Watson): Will the witness explain to us why there is this difficulty?

11,253. (Chairman): Because of the slump in dentistry generally, I gather, is it not?—(Mr. Bowen): Yes. I might supplement that by saying that 500 dentists this year could not pay their practising fee of £5. (Mr. Butterfield): There is something further than that which Mr. Bowen misses, and that is that dentistry, in some way or other, does not carry with it the local status that the medical profession does in a town. Therefore, some of the boys who have been going in for the dental profession have swung over to the medical profession because of the status it gives them amongst their fellow townsmen. Take, for instance, the point of the Mayor's reception. You will find that the medical men are invited, but not always the dentists. You see there are the two professions, and in some way or other the dental profession is looked upon as being more a mechanical profession than the other.

11,254. In paragraph 39 you refer to the provision of dental treatment for dependants. May I take it that you are not pressing this very much at the moment, but that you aim at its ultimate inclusion?—That is quite true.

11,255. What is your suggestion for a central body which would negotiate with the Ministry of Health the general terms of service, including the scope of the treatment, method and scale of payment, regulations for discipline, and the like?—Just as it is with medical benefit to-day.

11,256. Reverting to paragraph 1, I note you say there that the co-relationship of medicine and dental treatment has become a question of paramount importance. Assuming that medical treatment were taken entirely out of the Insurance system and included in a general local system of health services, would you think that dental treatment should follow medical treatment in this matter?—That dental treatment should follow medical, no.

11,257. Would you still retain dental treatment under the insurance system if medical treatment were taken out?—Yes; I should prefer that.

11,258. (Sir Arthur Worley): I am just trying to follow the questions about clinics. As I understand it, you have got so many dentists now—about 14,000—and they are not, generally speaking, fully employed. News of that has permeated into student circles, and as the result you are not getting the number of new students coming forward that you would

like. How is that going to be made worse by clinics, because if clinics were opened, I take it that, generally speaking, it would result in an amendment of the Act, and consequently a number of people would be able to get dentistry who hitherto have not been able to afford it? I am not quite sure how the opening of clinics in certain large towns would adversely affect things. I cannot see why it should make less students?—Do you think the clinic would have a soul like a practitioner has?

11,259. I do not know whether the question whether a clinic has or has not a soul has anything to do with the students coming in?—I think it would affect the number of students.

11,260. I know you do, and I am asking why?—I take it that if would-be students realised that a large percentage of the community of this country would have no option, but would be compelled to go to clinics in certain areas, they would realise that after they had matriculated there would not be an opportunity for them to open and develop a practice. It would compel the ordinary dentist who has qualified, to try and build up a practice over and above that class of the community who came under the Health Insurance Act.

11,261. If any arrangement were made for increasing dental practice and treatment, the aim is rather to see that the insured person got competent advice and skill in connection with dentistry. It is not in order to find employment for dentists?—I agree.

11,262. Suppose dental treatment was advocated in a wholesale way. It would be necessary to see that the insured person gets it first, and, secondly, to see that the insured person gets it at a reasonable price, consistent with humane treatment?—Yes.

11,263. If they could be achieved at a reasonable cost, incidentally, the dental profession would have so many more clients thrown into their hands?—Yes. But take another view. A man who has been in practice for many years would be quite satisfied in his own mind that the statements as to what clinics could be run upon could be proved not to be true.

11,264. I see there has been some correspondence in "The Times"?—Yes. I am quite prepared to produce balance sheets for 30 years of a private practice, and I am quite certain that the man who made that statement in "The Times" is absolutely mad.

11,265. (Chairman): Do you put it as high as that?—Yes. In my opinion the writer has no practical knowledge of his subject.

11,266. (Sir Arthur Worley): Is not one of your objections to the clinic that it would provide dental treatment in the mass at a less cost and in a more concentrated form than a free choice would?—I quite agree it would be at a less cost.

11,267. It would concentrate it more, which is the reason for the less cost?—I quite agree that the cost would be less; but, on the other hand, I do not think the services would be as beneficial to the public. (Mr. Bowen): It would be as notorious as the Army dentistry.

11,268. (Sir Arthur Worley): We have had reasons for that, which I will not give you.

11,269. (Chairman): This all seems to me to reflect on the honour of the dentist, which, on the other hand, you hold up so high?—(Mr. Butterfield): What seems to reflect on the honour of the dentist?

11,270. The discredit which dentists themselves cast upon clinics?—I am not doing that. I said it would be cheaper, but I said it would not be as convenient, nor do I think it would be as beneficial to the public. There is not the personal tie that there is between the dentist and the patient; there cannot be. It is just like a hospital. It is the personal element which is so important. It is the fundamental thing, and you have got to face it every day of your life, all the time the patient is in the chair. (Mr. Bowen): Especially with regard to anaesthetics.

11,271. (Sir Alfred Watson): I want to investigate a little further the statement in the second para-

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[Continued.]

graph of your Statement where you explain that the choice of additional benefits lies with the members of the societies, and that the members are being guided by the lure of additional cash benefits rather than more serious considerations. What do you mean exactly by that?—(Mr. Butterfield): There was a meeting held in South Wales, I believe, during this last year at which the members were asked whether they would consent to have their surplus funds divided in cash benefits or whether they would have dentistry and optical treatment instead. The meeting was held in Swansea, and the people, by resolution, decided upon the cash. I think other societies have done the same thing. I will take the Miners' Society, which some time ago decided to give a cash benefit. The choice, which has sometimes been given to the members, has proved now not to be so wise as they thought.

11,272. But might not the choice of cash benefits have been a very wise choice?—I say it now, and I say it with the greatest respect to this Commission, I do not mind whether the societies distribute cash or whether they go in for dental benefit, but I am not sure that dental benefit as administered by the Approved Societies has been at all conducive to the welfare of the community or of the dental profession.

11,273. I do not know that the welfare of the dental profession is a consideration which the societies have to look at?—That is what we have to consider.

11,274. I know, and I can quite understand that you, as dentists, feel that there is nothing like dental benefit?—No, not from a financial point of view. It is the worst thing that could have happened in some of our practices, because the present scale of fees is undermining them. The ordinary remuneration of the dentist is going to be very considerably reduced.

11,275. Forgive me, but have you not come to us to advocate dental benefit?—In the interests of the community, yes, whole-heartedly. I am sinking my individual ideas and the ideas of the profession I represent in saying that, because personally I believe that the dental profession has the welfare of the community at heart. But the dental profession ought to be entitled to a fair remuneration for the services it renders, and many of the dentists are not satisfied with the remuneration they receive.

11,276. (Sir Arthur Worley): That is a matter of private contract at present?—Yes.

11,277. (Sir Alfred Watson): I suppose nobody in this world thinks they are as well paid as they ought to be for the services they render; but surely it is a very serious consideration for members of Approved Societies as to how a family is to manage on 15s. a week when the bread-winner is on a bed of sickness?—You are thinking now of what I may term sick pay for the members of Approved Societies.

11,278. You have challenged additional cash benefits in this second paragraph?—No, I am not challenging that at all. I am saying they have preferred it. I am not challenging the wisdom of their choice. I leave that to them.

11,279. Whoever drafted this statement talks about the lure of additional cash benefits rather than more serious considerations?—If the 15s. has not been sufficient then the cash bonus may have been a great lure to them. I hope I am not being asked to give an opinion as to what the cash payment ought to be for sick pay, because if I was I should say that 15s. was nothing like enough.

11,280. Then on your own admission the question of additional cash benefits may be a serious consideration?—That is for the Commission to decide.

11,281. I only want to get it clear as to the point of view from which we are approaching this?—I would like you to bear in mind that in considering this question of sick pay, good health depends extensively upon good teeth, and if you provide dental benefit the number of persons requiring sick pay of 15s. would be considerably reduced by the general benefit which the public would receive eventually.

11,282. That I quite appreciate; but what I rather challenge is your right to reflect upon the choice which the insured persons have made in the exercise of an undoubted right given to them by an Act of Parliament?—I have no intention of reflecting on them, and I should be extremely sorry if you looked upon it in that light.

11,283. To pass from that point to the estimate of 6s. 6d., I do not know that I heard quite distinctly what you said to the Chairman, but I rather gathered that in arriving at the 6s. 6d. you first of all made some kind of an estimate as to what the surplus funds of Approved Societies would be?—No. In arriving at the amount of the surplus funds I gained that from a conversation I had in Liverpool some ten years ago. I built my supposition upon that. I have no proof in any shape of form. As regards the likely cost of dental treatment for the members under the Health Insurance Act, I base that on an estimate of 6s. 6d. per head.

11,284. That is the amount you have given?—Yes, and I have taken that from my own practical experience and from an examination of records of my practice at Oldham from the year 1887 to the year 1893.

11,285. As a practical man you have made that estimate of the cost of providing dental treatment?—Yes, and I am taking that from my own individual practice, which was essentially a working-class practice.

11,286. If a system were set up under which a sum of money, be it 6s. 6d. or any other sum, were paid into what I may call the Dentists' Fund, and the dentists were paid according to the services they rendered, which I gather is the system you prefer, how would you propose to control the service that each dentist should render to each person going to him?—The method at the present time is by a dental letter which is presented to the dentist, who has to chart the mouth and give an estimate according to the agreed scale of fees. I think that system, if adopted, would be a right one. Then that dental letter, being taken to the persons in authority, would give authority for the dental work to proceed. Coupled with that, I think every dentist who is willing to do this work under the Health Insurance Act should enter into some personal agreement of this kind, that he would consent, in the case of any complaints arising, to his work being examined, say, by persons set up in authority, and if the work was not found satisfactory that that work should be made good, and he should be surcharged for the same. That was the condition we had when we originally set up a national dental service under the aegis of the United Dental Service Limited. I have a copy of the agreement here. The words used in that agreement are: If the Company shall receive any complaint in connection with a practitioner's treatment, or otherwise as to his conduct, such complaints shall be investigated by a person to be appointed by the directors, and if the directors decide upon such investigation that the practitioner is in fault, then the practitioner shall pay to the Company on demand the reasonable costs incurred in connection with such investigation and in making good any defective work. If every dentist who was willing to come under a national scheme entered into an agreement of that kind, he would be bound by it.

11,287. Then the system would be that the insured person would go to the dentist; the dentist would in the first place make a survey of what that person required to have done?—Before going to the dentist he must apply for a letter of authority to go to the dentist.

11,288. That is the same thing as producing a medical card; it is some indication that he or she is an insured person?—Yes.

11,289. I mean there would be no question of authority arising if every insured person was entitled to dental benefit. A letter of authority now is required because it is only a particular Approved Society that gives the benefit out of its surplus?—Yes, but with regard to dentistry, if a person comes

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under the Insurance Act to-day you would not give him an absolutely free hand to go right away to the dentist.

11,290. I do not know; that is what I am asking?—If you were asking me that, I should say there should be a time during which a person must have been contributing under the Health Insurance Act before he or she is entitled to dental benefit, otherwise you might be swamped.

11,291. What sort of time would you say?—It is for the persons in authority to consider that question; but if you give a 100 per cent. service, the individual who receives that 100 per cent. service must have paid something toward that service.

11,292. People have been in insurance now—millions of them—for thirteen years. If the Act set up a universal dental benefit, presumably the vast majority of them would be qualified at once as regards any contribution test which is likely to be coupled with the benefit?—Yes, but your Act of Parliament may not come into operation, say, till the 1st of April, although passed now, and you might have a person who joins on the 2nd of April, and he might go straight away and get dental benefit and then drop out the week after. You must make some provision, so that if you have 15,000,000 people, those who have been contributing to the funds from the inception of insurance or for a period of, say, three, four or five years should be entitled to the first consideration.

11,293. That only means that some kind of a document will be placed in the hands of those insured persons who have qualified by length of membership for dental benefit?—Yes.

11,294. Then they go to the dentist, and the really important point then arises under your plan as to what the dentist should do. I understand he is to make a survey and to give an estimate of the cost?—Yes.

11,295. Then those documents would go to a central authority, which would or would not authorise the work to be done?—Yes.

11,296. Would you agree that when the work has been done it should be subjected to some general kind of supervision on a regional basis?—That could be done; but if the patient signs the form and says that the work has been completed to his or her satisfaction, that is the thing that stands to-day. I do not know what it might be in the future.

11,297. If some £4,000,000 of public money were being distributed in dental benefit, it would be necessary to have the ordinary—I suggest nothing more than the ordinary—methods of supervision to see that that money was being wisely expended?—Quite so.

11,298. To that you would not object?—Not at all.

11,299. Suppose there was an upper limit, say your 1½d. a week on the amount available for dental benefit, and that were paid into a fund and the dentists' bills were paid out of that fund, what would you say would be the position if the total amount of the bills came to more than the total amount of the fund? Would the dentists be prepared to discount their bills?—I could not say. I have not asked dentists that question.

11,300. It rather arises out of your suggestion of a definite amount, does it not?—It does. If you had a dental letter, and that had to be applied for first, you would be able to control that and to see that orders were not issued which would exceed the amount at your disposal, and you could take the members who had been insured longest first.

11,301. But there are 8,000 different Approved Societies and 15,000,000 insured people. This document which you call the dental letter would have to be obtained from the insured person's Approved Society, and it would say no more in it than that he had paid the necessary number of contributions to qualify him for dental benefit, would it?—As I said before, that is a question of administration. I think I could see a way to overcome your difficulty in a simple manner if I had the organising of it to-day.

11,302. We want you to tell us the way out, if you please?—You give each person a medical card now, do you not? Could you not have the colours of those cards altered so as to indicate the length of time that an individual have been a member in possession of a card?

11,303. But the card is given to a person when he joins?—Yes, and is not the card changed from time to time? You could easily change the colours of the cards to indicate when a person had been a particular time—say two or three years—and instead of his having a white one he could have a pink one—it could be done in that way.

11,304. But the card is not changed at present, is it?—I do not know. I am not a member of the Insurance Committee.

11,305. But you are suggesting some system by which the card might be changed?—My suggestion is that at present you have a system under which a person is entitled to certain benefits and I am saying that after a time the person who has been in receipt of those benefits should have a different coloured card.

11,306. I do not know what the system is myself, but my belief is that the medical card is issued to an insured person and by that insured person it is handed to the doctor and remains there and does not remain in the hands of the insured person at all?—I do not know.

11,307. (Mr. Jones): I think what happens is this, that as soon as a person joins the National Insurance and has paid a first contribution he becomes entitled to the medical benefit?—Yes.

11,308. And he takes his card to the doctor who signs it. It is then handed to the Insurance Committee, who note the acceptance and return to the insured person the card, which is his evidence of his title to treatment. The suggestion is that you should have different coloured cards, and if the colours varied very often it would involve, would it not, a tremendous amount of expense and would swamp almost any benefit which might be obtained from such a system?

11,309. (Sir Alfred Watson): No matter how many coloured cards there are no one could possibly say at any one time during the year what the total cost of dentistry would be?—No.

11,310. If there was a limited fund, would it not be essential that the dentists should enter into an agreement to have their bills scaled up or down?—Do you mean reducing the amount of their accounts?

11,311. Reducing the amount of their accounts if the total aggregate was too much?—The only thing I can say about it is that if they are going to reduce anything on the present-day scales many dentists will be obliged to close down.

11,312. But your own suggestion is 1½d. a week.—Yes, and I am calculating on my practice in a good working class district.

11,313. But someone would have to underwrite the solvency of the fund?—Yes, it is a very far-reaching question and one to which I cannot give any definite answer. It is a question I should have to consider very seriously with the members of my organisation, and other members of my profession.

11,314. I am sorry you cannot be more definite than that.—And I am sorry I cannot give you a better answer.

11,315. (Miss Truckwell): I suppose the real reason that there is such a falling off of entrants into the dentistry profession is because there is not enough for them to do and that there is not adequate and proper employment?—No, not altogether that, but the curriculum for qualification has been increased and what with the registration and entrance fee of £5 per annum many of the dentists are going to the medical side of the wards.

11,316. But there is not enough employment?—No, there is not.

11,317. And if it was properly safeguarded the profession ought to lead to a very good income?—It ought to. May I say that within the last two months a dentist sold his bed from under him to pay his fee

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of £5 to practise this year and on the same day he committed suicide.

11,318. (*Chairman*): Have you no benevolent association?—Yes, but he was not a member of our organisation or he would not have been in that predicament.

11,319. (*Mr. Jones*): You were asked about the shortage of dental students?—Yes.

11,320. Is not the same thing really occurring in the medical profession? The numbers are not so great as they were?—I am not aware of that fact. (*Mr. Bowen*): I can answer that. There are 49,000 medical men on the register. (*Mr. Butterfield*): And the register for dentists is 13,818.

11,321. Dentists are not so seriously in demand as medical practitioners, are they?—(*Mr. Bowen*): They are not so frequently called upon, but there is a very great difficulty in regard to dentistry as compared with medical services, because valuable material has to be found as well as a piece of paper.

11,322. And a man requires to have some capital in his business?—(*Mr. Butterfield*): Yes, he requires more capital and he not only requires capital but he requires a great deal of skill.

11,323. Does not the usual law of supply and demand apply, so that if there is no demand boys do not go in for dentistry?—(*Mr. Bowen*): You cannot get him unless he seeks an appointment.

11,324. But if the conditions changed and there was a great demand, I suppose we might look for an improvement in the number?—Yes.

11,325. Is not that what applies to the medical services at present, because we know that numbers of women rushed into it at a great rate and the demand was not at all equal to the supply?—Yes, that is correct.

11,326. So that the defect might remedy itself in time?—Yes, in time.

11,327. I think Mr. Butterfield has stated that clinics can be supported more cheaply than private practice?—(*Mr. Butterfield*): Yes.

11,328. As an ordinary business proposition?—Yes, if anything is done wrong there is more difficulty in bringing it home to a clinic than there is in bringing it home to a private individual.

11,329. That is a matter of administration, is it not, or record?—But you cannot move the man from the clinic, you know.

11,330. There is a very wide need for dentists amongst the population nowadays, is there not?—Yes.

11,331. Would you put it as high as 75 per cent. of the population?—No, because as counsel of perfection we would get practically everybody's teeth looked after.

11,332. I think the reports of school inspection put the figure as high as 75 per cent.?—Yes, that is in the case of temporary teeth, not in the case of permanent teeth.

11,333. Again in the case of recruiting for the Army, we have figures not so far short of these. Probably some of these people had services of some sort from a dentist in their neighbourhood, but if I were to put it at 50 per cent., do you think I should be putting it too high?—Yes, I do, because people will not accept the services under any circumstances of a strange dentist because they are too timid. The tendency is for people to think that if the service is paid for, they are getting something for it.

11,334. From the standpoint of public health do not you consider it is desirable that people should be encouraged to go in for dentistry?—Yes, certainly.

11,335. How many of the persons who are untreated do you think have seriously considered what sort of dentist they would wish to select?—I find in my practice, and I can only speak for myself though I hear a good deal from others, that people will apparently not go to a strange dentist.

11,336. But taking the great mass of the population, have you any idea what sort of dentists they would like to select under a free service?—I think

in the case of the majority of people, though they may not have taken very great care of their teeth, they would prefer to go to a dentist who was a free dentist because at some time or other they may have had some trouble and have gone to have their teeth seen to. (*Mr. Bowen*): But do you not think the process is all done away with by this Act and that a man must absolutely depend on the personal recommendation of his patient since 1921?

11,337. But in the case of a clinic being supplied in any part, do you think people would be greatly impressed?—By the clinics?

11,338. Yes?—No, I do not.

11,339. Do you think there would be very serious objection to attending these clinics when persons had occasion to make up their minds as to the individual dentists they would attend?—(*Mr. Butterfield*): I think that is proved by what happens at infirmaries in large towns where they do not have a large number of cases and those are practically free.

11,340. Is it not one of the instances of general neglect throughout the country?—(*Mr. Bowen*): People generally look upon dentistry as a luxury, and if they can get it cheap they go for it, and if they cannot get it cheap they let it alone.

11,341. But I thought you said there was an opportunity of getting it for a penny and they do not take advantage of it?—I know, but the trouble is that when it comes to landing them into a considerable amount of money, they do not go in for it.

11,342. Supposing a scheme were introduced which would provide dentures and they were reasonably obtainable, do you think that the great mass of the people would rather attend an official dentist or that they would rather attend one in private practice?—(*Mr. Butterfield*): I believe they would rather go to the man in private practice because the treatment is more personal, and they may have been to him before and therefore would go to him again.

11,343. Would the treatment be less efficient?—I should say there would be better treatment from the dentist in private practice.

11,344. Have you ever heard any personal complaint about the quality of the dentistry service rendered at school clinics?—No, but it is a different class of treatment altogether.

11,345. But have you heard any complaints?—I am not conversant with the subject. (*Mr. Bowen*): Are you speaking of school clinics?

11,346. Yes; is the service given at school clinics a less efficient service from a professional point of view than you get from a private dentist?—(*Mr. Butterfield*): I do not think it is, but there, you see, you have a different class of people to deal with and a different class of patient altogether.

11,347. Turning for a moment to two groups—first, the man who is entitled to dentistry treatment as an ex-Service man and gets an order from his Local Pensions Committee and there is a panel of dentists fixed—do you mean that this man would seriously object to going to a local man?—Yes, and I have had experience of that.

11,348. In what district?—All over the country. We have approached the Ministry, you will remember, on purpose to allow these men to be transferred, and they would not allow it.

11,349. Then let me put to you another case—the case of a man suffering from tuberculosis. Dental treatment is recommended as a very necessary adjunct on the part of the medical man to enable him to treat the patient for tuberculosis. Do you hear the same complaint made there?—(*Mr. Bowen*): I have not experience of that. (*Mr. Butterfield*): I know that people have gone to sanatoria and the doctor has had to get a dentist at once to operate on the patient's teeth. The man is placed under an anæsthetic and his teeth are taken out.

11,350. On account of the very unhealthy state of the patients' mouth which retards the treatment?—Yes.



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11,351. Have you any experience of clinics run in connection with a sanatorium?—No.

11,352. I have some experience. I have experience of a case in a city where the operator is a leading dental official, who is also a teacher at a dental college and where, of course, there is no choice at all and the ordinary extraction is done by a medical staff, but a great amount of dental work is still done in it. Would you suggest that that man when working in a clinic is not giving his patient the same personal consideration and attention as the man who is working at a dental college or in private practice?—It is not possible for us to give you information upon anything of that kind because we know nothing about it. In a sanatorium or an institution of that kind, the accommodation is limited to a certain number of men and it is possible that the dentist can attend to them, but if the dentist has only a few hours a day and afterwards has to attend patients, that means a different condition of things altogether to what you are suggesting. I know nothing about the clinics you have in the back of your mind and therefore I am not in a position to offer you any opinion.

11,353. But they were your own words, you know, that the private practitioner was kind and humane?—And I say he is.

11,354. Do you say that the professional treatment is not humane also in connection with dentistry practised under the public service?—I cannot say. It might not be.

11,355. But you did not say what might be but what was, and I wanted to know what was the basis of your statement?—(Mr. Bowen): I have a document here coming from a lady who belonged to an Approved Society and who had had her teeth taken out by a dentist who was not on their list. She afterwards wanted to go to the same dentist but she was sent a list of the dentists of the Approved Society and she wrote to the society and asked if she could go to her own dentist, but they told her if she did not accept one on their panel, they would not help her. Here is the letter saying so from the secretary, and that shows the personal attitude which there is between the patient and dentist.

11,356. (Chairman): Did she go to her own dentist?—She went to her own dentist first, and now apparently she will have to pay for her set of teeth and she will lose her grant.

11,357. For anything you know she may yet receive the grant if she chooses one of the dentists on the panel?—Yes, if she goes to someone who belongs to the Approved Society, but if she does not, she will have to pay for the whole transaction.

11,358. But, as I understand it, the case is still pending and she may prefer now to go to a person on the panel; she will not be prevented from doing that?—She says she will go to her own dentist or to no one.

11,359. Has she said that?—Yes, she has sent the papers to me, and here they are, and I know nothing about the dentist at all.

11,360. (Mr. Jones): But this does not at all reflect upon the efficiency of the other dentists mentioned?—No. I put it merely as showing the personal element in regard to the relationship between the practitioner and the patient.

11,361. (Chairman): But as far as I can see there is nothing in these papers to show that this lady has decided to forego her grant and go to her own dentist?—But she has been told that if she does not accept the panel dentist she will lose the grant, and she has had her teeth taken out.

11,362. Mr. Bowen has handed me these letters to show that the lady had said she would not go to one of the people provided in the panel, and I say the correspondence does not show anything of the kind. It is not at all conclusive and for anything either Mr. Bowen knows or we know she may yet decide to go to the panel dentist?—But she has

refused to go. I have been told so and she sent the documents to me.

11,363. (Mr. Jones): The fact was that she first went to one dentist and had her teeth out, as I understand it?—Yes, and then she discovered that she was entitled to the benefit.

11,364. (Chairman): And she may yet prefer to go to the approved dentist, who may be on the panel, for her dentures. It is rather different from the case of a woman who had a list put before her in the first instance and then had refused to be attended by the approved dentist?—Yes, she went to her own dentist.

11,365. Because she did not know what she was doing?—No, she did not.

11,366. (Mr. Jones): Has that any bearing whatever on my question as to the professional relationship of a dentist in a clinic as compared with the professional relationship of a patient with the dentist in private life?—(Mr. Butterfield): Well, Sir, it is a matter of opinion as far as that is concerned. If I had brought you half-a-dozen letters in which patients said they had been to certain clinics and on account of their treatment there they had refused to go again, you might have told me that you had one hundred others in your pocket. I should have offered you those papers, but that does not prove that that is the general complaint. There are cases undoubtedly. The only thing I am afraid of is this, that if under a statutory benefit clinics of that kind were established there might be—I do not say there would be—the probability of grievances arising through want of consideration being shown towards the patients.

11,367. But that is a matter, is it not, which might pass?—It is a matter which might pass in time, but time must prove one way or the other.

11,368. So that at the moment that might be an exaggerated opinion?—Exactly. I am afraid I cannot give you any more definite opinion on the point.

11,369. (Professor Gray): I think you told us that your membership is at the present moment 2,360?—Yes. I have the figures, I have taken them from the register.

11,370. And you were formed in 1893?—In May, 1893.

11,371. Is that approximately the number of members you have had all the time?—No.

11,372. How many members had you in 1919, say?—Something short of 2,000.

11,373. After the Departmental Committee's Report and the consequent action taken, something like 7,000 unregistered dentists I think were put on the list?—Yes, but not put on *en bloc*.

11,374. No, but they were in the end put on?—Yes, under conditions, and you must divide those into four sections, of which a portion is under the prescribed examination.

11,375. Of these 7,000 approximately 2,000 are your members?—2,360.

11,376. You are not here answering for the other 5,000?—No.

11,377. What is the position as far as the other 5,000 is concerned?—The position as far as they are concerned is this: that all members of the profession should be treated alike.

11,378. You know, do you not, that the practice of dentistry before 1919 had certain abuses?—Undoubtedly.

11,379. And the Departmental Committee said that it was open then for any person, however negligent or untrained, to practice dentistry?—Quite true.

11,380. And in the end their recommendation was to the effect that provision should be made for the inclusion of certain people, who were in *bond fide* dental practice before the date of the Report and whose "practice had formed his means of livelihood"?—"Principal means," it says in the Act.

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11,381. And that he can be trusted to practice dentistry on the public. Then in pursuance of their recommendation they say applicants should do various things, and they say: We are aware that possibly a number of not very skilled practitioners may obtain registration?—Yes.

11,382. In your opinion do you consider that there is any man on the Register nowadays who can be regarded as coming under this description, or has there been such an elimination of the undesirable element that you can say now that they are all good?—As a member of the Dental Board appointed by the Privy Council to represent those men who were applying for registration under the Act of 1921, when I was before the Departmental Committee I recommended in the interests of the men who had been in practice for a number of years that there should be a qualifying section for admission to the register, and I also recommended there should be a registration fee of £5, and that each man who was admitted to the register should take out a practising certificate each year, for which he was to pay a sum of money not exceeding £5.

11,383. The object of that was to provide money for research?—Money for the building and the equipping of dentists' schools and for students' bursaries, so that students could be trained in the proper manner. Now I realised in recommending that sum of £5 per annum that the revenue would certainly be not less than £40,000 per annum, and I also realised that in putting a penalty on those admitted to the register it was going to be a filter bed which would clarify the men who had obtained registration. Under the Act of 1878 a man could pay £2 and was on the register for all time, whether he practised as a dentist or not, and we proved that one man was placed on the register before he was born.

11,384. (Chairman): So that there was a rush to the dental profession at that time?—Yes. I am speaking of the Act of 1878, and it was in Scotland, too. Now the question arose before the Departmental Committee as to how many men I thought were likely to come on the Register if it was open, and my answer was not more than 8,000. There was not a witness before the Commission who stated such a

figure, except myself. I had a census, and we covered all the ground in England, Ireland, Scotland and Wales in order to obtain the number of men who were actually practising.

11,385. (Professor Gray): I take it your implication is that fewer men were admitted than might have been expected?—No; what I mean is this: The constant payment of this £5 fee has weeded out and will weed out the inefficient members, because now that the canvassing and advertising and publicity is got rid of, each particular man has to depend on the quality of his work and upon his skill for the continuance of his practice. It is surprising the number of men who have not paid their fees this year and last year.

11,386. So that the canvasser type has gone?—Practically. The few remaining will soon follow.

11,387. I think you spoke about the slump in dentistry. There are three classes of dentists, are there not? Roughly there are 6,000 who were dentists before under the Act of 1878, you have 2,000 odd of your own people, and then you have 4,700, who, though registered dentists, were not in your Society, and who had not passed examinations?—Yes.

11,388. Is it or is it not the case that the slump is confined to a large extent to the 4,700?—Oh no.

11,389. You have mentioned people who could not pay the fees?—Yes, but the point is that some of these men will not join our organisation, any more than some men will not join the British Dental Association. You always get men sitting on the fence and leaving others to do the work for them.

11,390. But you tell us that these old men are finding life hard and are going to the wall?—Yes, I think they are.

11,391. And I suggest to you that these men are confined to the 4,700?—It is really surprising that even in the highest class practices great financial stress is being experienced. I have had to deal with hundreds, and know that that is so. May I put in a list of our members, our clinics, and the Society's Journal?

11,392. (Chairman): Yes, but you will not expect us to print them of course?—No; I thought if necessary they might be used in connection with any statements of mine.

(The Witnesses withdrew.)

## TWENTY-FIRST DAY.

Thursday, 12th March, 1925.

PRESENT:

SIR ANDREW DUNCAN, IN THE CHAIR.

THE RT. HON. SIR JOHN ANDERSON, G.C.B.  
SIR HUMPHRY ROLLESTON, BART., K.C.B., M.D.,  
P.R.C.P.  
SIR ALFRED WATSON, K.C.B.  
SIR ARTHUR WORLEY, C.B.E.

MR. JAMES COOK, J.P.  
PROFESSOR ALEXANDER GRAY.  
MR. WILLIAM JONES.  
MISS GERTRUDE TUCKWELL.

MR. E. HACKFORTH (Secretary).  
MR. J. W. PECK, C.B. (Assistant Secretary).

Mr. WILLIAM WOOD and Mr. WILLIAM HYDE. called and examined. (See Appendix XXIX.)

11,393. (Chairman): You are Mr. William Wood, a member of the Executive Committee of the National Federation of Rural Approved Societies, and you have been Secretary of the Scottish

Rural Workers' Approved Society since 1912, and for four years a member of the Consultative Council of the Scottish Board of Health?—(Mr. Wood): That is so.

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Mr. WILLIAM WOOD and Mr. WILLIAM HYDE.

[Continued.]

11,394. And you are Mr. William Hyde, Secretary of the Federation since its formation, and for three years a member of the Consultative Council of the Ministry of Health?—(Mr. Hyde): That is so.

11,395. You are here representing 14 Rural Approved Societies and groups of Approved Societies with a total membership of 154,600. I note from paragraph 1 of your Statement of Evidence that practically all your members reside in the rural parts of the country. Have you any occupational test for admission to membership?—(Mr. Wood): Yes. In the case of the Scottish Rural Workers Approved Society, the largest Society in the Federation, the test is that at the time of joining the Society the insured person lives in a country district or is engaged in an agricultural or other rural occupation or in any other occupation which in the opinion of the Board of Management is

similar in character. In the case of the other Societies the rules do not prescribe any occupational test, but as far as possible membership is confined to persons who at the time of joining are engaged in rural occupations.

11,396. So that the bulk of the members are actually either engaged in rural occupations or some allied occupation?—That is so.

11,397. From paragraph 1, I note that at the first valuation all the Societies in your Federation had substantial surpluses. You do not indicate to us the amounts of these surpluses. Could you give us the figure for each Society per member so that we can contrast it with the average for the whole country?—Yes. I submit a table showing the gross and disposable surpluses of 12 constituent Societies. (Table handed in.)

NATIONAL FEDERATION OF RURAL APPROVED SOCIETIES.

Statement showing Gross and Disposable Surpluses of Twelve Constituent Societies at 1918 Valuation.

Society and Approval Number.	Gross Surplus.	Disposable Surplus.	Average Gross Surplus per Member.	Average Disposable Surplus per Member.	Membership, 31st Dec. 1918.
The Scottish Rural Workers A.S., 262 ...	£ 152,860	£ 103,991	£ s. d. 2 4 6	£ s. d. 1 10 3	68,710
The Counties Society for National Insurance A.S., 1345 ...	13,347	7,518	1 7 10	0 15 8	9,602
Wiltshire Working Men's Conservative Benefit Society, A.S., 1074 ...	19,856	12,678	1 4 3	0 15 5	16,365
Dorset Rural Insurance Society A.S., 1311 ...	2,746	1,711	1 13 0	1 0 7	1,663
Royal United Benefit Society, A.S., 1684 ...	1,298	920	2 1 1	1 9 4	626
Bedfordshire United Insurance Society, A.S., 2591 ...	10,178	6,325	1 17 0	1 3 0	5,501
Royal Berkshire Friendly Society, A.S., 1260	5,958	4,033	1 14 3	1 3 2	3,478
East York United Friendly Society, A.S., 2802	6,509	4,625	1 18 7	1 7 5	3,377
Yorkshire Rural Friendly Society, A.S., 2260	15,589	10,729	1 14 10	1 4 0	8,952
Lancashire Federation of Rural Friendly Societies, A.S., 2260 ...	11,686	8,042	2 1 10	1 8 9	5,572
Cumberland Rural A.S., 2471 ...	4,213	2,969	2 1 11	1 9 6	2,910
Rural Workers Insurance Society, A.S., 1221	23,529	17,119	2 1 6	1 10 3	11,323
	£267,769	180,660			

11,398. The societies are named and the surpluses given?—That is so.

11,399. I see the largest society had an average gross surplus per member of £2 4s. 6d.?—That is so.

11,400. The surpluses vary from £1 4s. 3d. up to £2 4s. 6d.?—That is so.

11,401. From paragraph 3 of your Statement we observe that while most of your Societies are centralised some operate through registered branches. Have you any views on the relative merits and financial cost of the two types of organisation?—Only the Lancashire Federation of Rural Friendly Societies have registered branches, and as their membership is only 6,000 no general conclusion, we think, regarding the relative merits of centralised and decentralised societies can safely be drawn. Our experience is that a centralised society having branches for certain administration purposes operates quite satisfactorily.

11,402. Those are unregistered branches, are they?—Unregistered branches.

11,403. In paragraph 4 you recommend the extension of medical benefit to include all necessary medical services and medical and surgical appliances. Do you put this as first in order of priority of extensions of the present scheme?—Yes, we do.

11,404. Could you give us in a little more detail your view of the scope of the extended medical benefit?—We recommend that medical benefit should be extended to include the following services: *medical services*—surgical operations and hospital treatment generally, electrical and massage treatment, testing of eyesight, and specialist and con-

sultant services; but not dental treatment. *Appliances*—artificial limbs, surgical boots, trusses, surgical belts, hearing apparatus, and elastic hosiery such as is required in cases of varicose veins.

11,405. Have you made any estimate of the cost of such an extension of medical benefit?—We endeavoured to make an estimate but there were no statistics available from which any reliable estimate could be made.

11,406. May we take it you have mentioned the services in the order of priority in which you would give them, or do you wish to re-name them in order of priority? Assuming it was found that there was not sufficient money to do everything, what would you wish to place first?—Medical services first, that is to say, surgical operations, hospital treatment, and so on, then appliances.

11,407. From paragraph 19 it appears that the Federation is of opinion that any increase of the present contribution for the purpose of providing dental benefit would not be acceptable either to employers or insured persons. Would you contemplate an increase of the present contribution for any purposes at all?—As regards the extended medical service which we recommend we think that there is sufficient money in the present contribution to provide it. If the extended service which we recommend should cost more than the present service, and certain Societies should be placed in deficiency as the result, we would not object to the Central Fund being drawn upon to make up these deficiencies.

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[Continued.]

11,408. Are you then against any increase in the contribution?—We are.

11,409. On what grounds?—Because we think that both employers and employed persons, those with whom we have to deal at any rate, would oppose it, and also because, so far as they are concerned, it is unnecessary.

11,410. How is it unnecessary?—There is sufficient in the contribution just now to enable our Societies to pay for this extended medical service.

11,411. You could carry it as an additional benefit, could you?—Either that or as a normal benefit.

11,412. Of course as a normal benefit, as a statutory benefit, it would have to apply to all?—That is so.

11,413. You yourself would not contemplate, would you, the possibility of increasing the contribution for others than members of your Society?—I do not think so. I do not think it would be necessary, seeing that we are willing that deficiencies arising from an extended medical service like this should be made good out of the Central Fund.

11,414. (*Professor Gray*): Would you increase the Central Fund?—If necessary for this particular purpose and no other. Perhaps I should explain that we think that Parliament originally intended medical benefit to include the services which we now recommend.

11,415. (*Chairman*): How do you gather that impression from the Act of Parliament?—Because Section 10 of the Act defines medical benefit as medical attendance and treatment and appliances. We are recommending that certain services which have not hitherto been included, I understand for financial reasons, should now be included, because we think there is sufficient money in the contribution to provide them.

11,416. Do you regard your members as being in a better position to face an increase of contribution than workers who have also to contribute to unemployment insurance?—The main body of our workers do not contribute to unemployment insurance. I do not think our workers can be regarded as in any favourable position in consequence of not having so to contribute. If there is no unemployment to provide for, and they are not asked to provide for it, then I do not see that they are in any more favourable position than others amongst whom there is unemployment for which they are asked to provide.

11,417. From a financial aspect I should have thought that stated in these terms it was self-evident that they were in a more favourable position. There may be other things that would make it less favourable. The fact that they have little or no unemployment would ordinarily put them in a stronger financial position to stand an increased contribution than those who are subject to periods of unemployment. There may be other considerations, as no doubt there are?—That would depend on the wage they were receiving. I think, generally speaking, the rural worker receives a smaller wage than the industrial worker.

11,418. From that point of view, although he does not contribute to unemployment insurance, he may not be in any better position to face an increased contribution for health insurance?—That is my view. I should also like to point out that in agriculture, when a period of depression occurs, the farmer does not dismiss his workmen in the same way as the industrial employer does. He keeps them on, and that to some extent accounts for the higher proportion of contributions which we receive. If the farmer and the rural worker were required to pay Unemployment Insurance contributions, I think the farmer would probably dispense with a certain number of his employees when a period of depression came on, or even in inclement weather during the winter months, and so save insurance contributions. On the other hand, the unemployment fund would be drawn upon by these people for unemployment benefit.

11,419. In paragraph 5 you regard the extension of medical benefit to dependants as impracticable on financial grounds. Have you any views on the suggestion which has been made to us that medical

benefit should be taken out of the Health Insurance Scheme altogether and administered on a territorial basis through enlarged local Health Authorities for the whole population of each area?—This proposal has not been considered by the Federation, and I am unable to express an opinion upon it.

11,420. You do not care to express a personal opinion upon it, do you?—No, I would rather not.

11,421. In paragraphs 6 to 15 you indicate a number of criticisms of the present administration of medical benefit. We shall question you on these later, but perhaps you would tell us how, in your opinion, medical benefit works in the sparsely populated rural areas. Apart from the points you mention, is the service on the whole satisfactory and appreciated by the insured persons?—Apart from the points to which attention is called in these paragraphs, I think I can say that on the whole medical benefit works satisfactorily in rural areas.

11,422. Was there much in the way of club practice in rural areas in pre-insurance days, and could you indicate to us whether you think the present service compares favourably with the service previously given under private arrangements in such areas?—In Scotland there was practically no club practice in rural areas before the National Insurance Act. I understand that in England there was. Perhaps Mr. Hyde will be able to explain to what extent?—(*Mr. Hyde*): In the case of the larger number of branches of constituent societies in England there was a pre-insurance club practice. That club practice was carried on to a great extent by substantially the same practitioners who now undertake the provision of medical benefit under the National Insurance Act; and as far as our observations go there is no marked difference between the standard of pre-insurance club practice and the present medical service provided under the Act.

11,423. In paragraphs 6 to 9 you make some criticisms of the medical certification procedure as carried out by the doctors. Do your Societies or your members in fact take many complaints against rural doctors before the Insurance Committees?—(*Mr. Wood*): Members seldom take complaints against doctors before the Insurance Committee, I think because of the cumbersome procedure. They frequently complain to us, sometimes with reason and sometimes, I think, without reason. Societies at one time took complaints before the Committees, but I think because of the cumbersome procedure and also because of the inadequate penalties that were imposed by the Committees when the complaints were substantiated they have almost ceased to do so. In obvious cases of breach of the medical certification rules the usual procedure now is to ask the Clerk to the Insurance Committee to communicate with the doctor, to point out in as polite a way as possible in what respect he has broken the rules, and try to get him not to do so again. It can never be in the interest of a society to bring complaints against doctors because if you do so, you make an enemy of the doctor, and therefore we try as far as possible to get these irregularities corrected by the intervention of the Clerk.

11,424. Apart from the desirability of showing prudence of that kind, no matter what the system were, what is the criticism of the present practice on the ground of cumbersomeness?—Firstly, the comparatively long period that elapses between the making of the complaint and the decision of the Insurance Committee.

11,425. How long is that period, as a rule, in your experience?—As long as six months, sometimes. The procedure briefly is as follows: The Clerk, on receiving the complaint, sends a copy of it to the doctor. The doctor replies. He may take a week or two to do so. His reply and the complaint are then considered by the Chairman of the Medical Service Sub-Committee. The chairman decides whether it is a case calling for a meeting of the Committee to consider the complaint. If the Medical Service Sub-committee is

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[Continued.]

called together, another fortnight or three weeks probably elapses before it meets. In County areas it is more difficult to get a meeting at short notice than in the Burghs. Then, when the Medical Service Sub-committee meets it gives its decision in the form of a report to the Insurance Committee. The decision cannot be intimated to the Society till the Insurance Committee itself has approved of it, and sometimes three months will elapse before the next meeting of the Insurance Committee.

11,426. Have you had any glaring instance in your own experience where you might regard it as evidence of unnecessary delay or inadequate penalty?—Yes, there are many cases. I have a note of one case here where it was reported to the Insurance Committee at the end of October 1924, and it was not heard till this week.

11,427. October to March—was not heard by whom?—By the Medical Service Sub-Committee.

11,428. And it may not be heard by the Insurance Committee on your outline for another three months?—That is so.

11,429. Is that a serious complaint? Could you indicate the nature of the complaint?—The complaint is of ante-dating a certificate.

11,430. Is that an isolated complaint against that doctor?—I cannot say whether it is an isolated complaint or not.

11,431. Against that doctor?—I have not that information.

11,432. I am not minimising the case in any way, but is that the type of case which you would regard as requiring more speedy treatment? You would not call that a glaring case. I take it?—As a general rule, the complaints which societies may take to the Medical Service Sub-committee are complaints regarding the issue of certificates. We have no right to make complaints of any other kind. I mean we have no right to complain regarding inattention to any of our members, that being a right which the insured person alone has.

11,433. That may account for the ease with which these things are dealt with, may it not?—We do not make complaints unless we regard them as of a serious nature.

11,434. That is rather what I wanted to get?—And they are not dealt with any more expeditiously than other complaints which you might call trifling, but in point of fact we never make trifling complaints. They are serious cases, serious either because the individual case is serious or because it is one of a succession of irregularities where the same doctor is involved.

11,435. That is why I wanted to know whether in the particular case to which you referred it was an isolated charge of ante-dating against that particular practitioner or whether it was one of a series?—I have reason to believe it is one of a succession.

11,436. Have you any suggestion to make for dealing with these things? Apart from speeding up the machinery, are you satisfied with the procedure?—No, we are not satisfied with the procedure. We think there should be some expeditious means of dealing with doctors who commit breaches of the Medical Certification Rules, and what we suggest is that the Ministry in England and the Board of Health in Scotland should be empowered to deal with breaches of the Medical Certification Rules without the intervention of the Insurance Committee. I think that proposal is justified when you have regard to the fact that after all, the Ministry in England and the Board of Health in Scotland revise the decisions of Insurance Committees as regards the penalty that is imposed. We would like, for example, when we get in a batch of certificates as we frequently do, all granted at one time and dated at weekly intervals for two or three months back, to send these to the Ministry or to the Board of Health and ask them to take the matter up with the doctor at once, instead of our having all this procedure to go through, and having to wait sometimes six months before anything is done.

11,437. You have sufficient faith in the Ministry of Health and the Scottish Board of Health to expect greater expedition, have you?—Yes, greater expedition than on the part of Insurance Committees, and in any case we have some means of stirring them up if there is delay.

11,438. In paragraph 10 you state that in your opinion the majority of insurance practitioners are overpaid under the present capitation arrangements. Assuming that a uniform capitation fee is continued, to what extent would you reduce it?—Two years ago when the question of the capitation fee was under consideration the Board of Management of the Society with which I am connected made a very careful investigation into the whole question, and the other Societies in the Rural Federation later on joined in it, and we were unanimously of opinion that 7s. would be a fair fee for the services rendered, excluding mileage allowance, and we are still of that opinion.

11,439. Apart from the points you mention in paragraph 10, have you any other evidence in support of your view that the insurance practitioners are overpaid?—When you consider that in pre-insurance days substantially the same service which is now being rendered by panel practitioners was rendered at a capitation fee of from 4s. to 5s., which in most cases included drugs, I think our suggestion that 7s. is a fair fee now is justified.

11,440. What is the evidence for the 4s. or 5s.?—In 1912 Mr. Lloyd George made an inquiry to ascertain what was the usual fee paid in those days, and I think 4s. to 5s. was what he found.\*

11,441. In paragraph 11 you make the interesting suggestion that there should be a sliding scale for the capitation fee. Would this not have the effect of benefiting the doctors in the rural areas at the expense of the urban practitioners?—Not so far as the practitioner with 500 or less insured persons on his panel is concerned. He would get the same rate whether he was in the town or in the country.

11,442. Except that the country doctor would get his mileage grant in addition?—Yes. This suggestion of ours has reference, of course, to insured persons within the two miles radius of the doctor's residence.

11,443. What have you in mind when you suggest that a panel of 1,000 does not necessarily mean twice as much work as a panel of 500?—If you have two doctors, one with 1,000 on his panel and another with 500, setting out at 10 o'clock to make their rounds, the doctor with 1,000 on his panel will visit probably twice as many patients in the same time as the doctor with 500 on his panel.

11,444. And therefore do twice as much work?—Not necessarily. He may have made twice as many visits but that does not mean that he is doing twice as much work. In two or three hours he may see twice as many patients as the other and yet they have both been working for the same length of time.

11,445. The one who has seen twice as many patients may in fact have done three times as much work. I do not follow your reasoning in this?—The time spent in visiting ten patients may be as great as the time spent in visiting twenty.

11,446. Quite, but it is not a question of time entirely?—Not entirely, but mainly, and our proposal does not attempt to equalise them. It merely tries to remove to some extent the inequality which we think exists at present.

11,447. That is the point of difficulty that I have. I do not see what it is you are regarding as an inequality. I draw the deduction from your statement that you seem to think that a panel of 1,000 should

\* NOTE.—The Witness later submitted that Mr. Lloyd George in his Statement to the Advisory Committee on the 23rd October 1912, as to medical remuneration (Cd. 6520) stated as follows:—

"I think it is generally recognised that the average fee—capitation fee, I mean now—sometimes it is high, sometimes it is very low—the average fee, I think, is something like 4s. 0d. per member including drugs, including everything except what are known as major operations and specialised services."

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[Continued.]

not and could not involve twice as much work as a panel of 500. I wonder why that is so?—I think it is obvious that a doctor would be able to attend a panel of 1,000 in less than double the time that he would require to attend a panel of 500.

11,448. May I put it in another way? Supposing you had two panels of 500, would you regard that as being double the work of one panel of 500?—Generally speaking, it would be.

11,449. If that be so, what is it that makes a panel of 1,000 less than double a panel of 500? Is it merely a question of the amount of time a doctor can spend in the home?—No. In the first place if you have two practices each of 500, you have the double capital outlay in connection with them.

11,450. That is what is in your mind, is it?—That to begin with; I think some allowance should be made for capital outlay.

11,451. That would be a very small amount, would it not?—(Sir Humphry Rolleston): That implies that the panel patients require a greater outlay and are better treated than ordinary patients?

11,452. (Chairman): No, I gather it is a question of on-cost charges. I doubt whether it really applies because, as a matter of fact, if the doctor had not 1,000 panel patients he might still have 1,000 patients. I gather now that what you are thinking of is the difference in the on-cost charges for the maintenance of a practice which is to provide for 500 persons and the on-cost charges for the maintenance of a practice that is to provide for 1,000 persons?—It is that partly, not entirely.

11,453. What is the other thing?—The larger your panel, I think the amount of work you require to do is reduced in proportion.

11,454. That is what I do not see?—Because of the geographical distribution of the patients.

11,455. That again is a question of time purely, is it not?—It is mainly time, I admit.

11,456. Entirely time. The skill that is required for attending two patients surely does not vary with the distance at which they live from each other but the time required to attend two patients will vary with the distance. Is not that so?—That is true. Doctors are paid largely for the time that is required as well as for the skill which they exercise.

11,457. That is what is in your mind?—Yes.

11,458. Have you any reason to believe that the doctors, or any substantial section of them, would approve of such a sliding scale?—I have no doubt that all the doctors with the smaller panels would approve.

11,459. Neither have I. I was rather thinking of the doctors with the larger panels. Have you any reason to believe that they would approve? Would the medical profession regard it as being fair?—I think they would, because I know the rural doctors think that the urban doctors with the larger panels are running away with more than a fair share of the Central Practitioners' Fund.

11,460. I rather imagine they are in the minority, are they not, the rural doctor with a small panel of 500?—By no means. In Scotland 64 per cent. of rural doctors have less than 500.

11,461. (Sir Arthur Worley): Would not the rural doctor put it that he ought to get more per patient, that he ought to be paid at a higher capitation rate for 500 than another with 1,000?—Practically all the rural doctors would under our proposals get a higher rate than the urban doctors.

11,462. (Chairman): In paragraph 12 you suggest that only one-third of the normal capitation fee in respect of persons who have not chosen a doctor should be credited to the Central Practitioners' Fund because of the lesser liability in respect of such persons: but as the full capitation fee for these persons is part of the present bargain with the doctors, would not a reduction such as you suggest involve a claim to an increased capitation fee?—I do not think so, because according to my understanding the figure

upon which the present capitation fee was based did not include attendances upon casual insured persons who visited the doctor and were not on his list.

11,463. Assuming that was so?—Assuming that the fee was fixed on the 3.5 figure, which was submitted to the Court of Inquiry last year, that figure related to visits and attendances on panel patients only, patients who were on the lists of the doctors. As an illustration of what we mean in this proposal, taken an area with 600 insured persons in it, of whom 500 are on the list of a doctor and 100 are not. Assuming that 20 per cent. of these insured persons require medical attention during the year, which would mean 100 on the doctor's list and 20 not, I think we may take it that each one of the 100 would go to his doctor and get medical attention. As regards the 20 not on a doctor's list, I think you would find that very few of them would go to a doctor and ask for treatment free. As a general rule they do not know that they have the right. Some do not want to receive treatment as panel patients and prefer to pay for the treatment they receive. I think if you allow the doctors the full fee for one-third of those who are not on any list you give them ample remuneration for any service they perform to these persons. It would always be open to the doctors if they thought they were not being sufficiently paid to submit statistics showing that they were in fact giving greater services than they were being paid for.

11,464. What do you suggest should happen to the two-thirds of this capitation fee which is not credited to the Central Practitioners' Fund? Is it to be returned to the societies or set aside for some special purpose?—I think it would be very useful for providing the extended medical service which we recommend.

11,465. How far would it go towards doing that? Have you made an estimate?—Assuming that about 12 per cent. of insured persons are not on the list of any doctor—

11,466. Have you anything to base that figure on? 12 per cent. looks a high percentage?—The Scottish Board of Health have stated that the figure is probably above 10 per cent. in towns and in country districts rather more. In any case if you assume 12 per cent. there would be £562,000 available for this extended medical service, that is to say, two-thirds of the 9s. in respect of 12 per cent. of the insured population.

11,467. How far do you estimate that would go?—As I said before, I was unable to make any estimate of the cost of the extended service, but there you have a substantial fund to begin with.

11,468. We should like to hear a little more detail relating to the statement you make in paragraph 14 that the doctor's fee at confinement absorbs the whole of the maternity benefit. Have you any concrete figures showing the increase of the doctors' demand or midwives' demands when the Act started, or at the time of the increase of the maternity benefit rate?—Yes. In pre-insurance days the ordinary confinement fee was 15s. for the doctor and 10s. 6d. for the midwife.

11,469. Is that in rural areas in Scotland?—Both in Scotland and in England.

11,470. In the rural areas?—Yes.

11,471. 15s. for the doctor and 10s. 6d. for the midwife, that is the average?—Yes.

11,472. That is apart from distance, is it?—Yes, that was the general fee apart from distance.

11,473. Do you regard that as an adequate fee?—That was in pre-insurance days. Seeing that it was the fee which was charged by the doctor voluntarily we must regard it as having been adequate.

11,474. I do not think that would be the necessary deduction to be drawn. It might be that was all the fee they could get?—At any rate that is the fee which was accepted by them.

11,475. I suppose that would cover attendance either before or after confinement if necessary?—As a rule it did. At present the fees are: In England 35s. for

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[Continued.]

the doctor—these are the average fees—and 2s. for the midwife: In Scotland 40s. for the doctor and 23s. for the midwife.

11,476. For the doctor 40s. in Scotland as against 35s. in England, and for the midwife 23s. in Scotland as against 21s. in England?—These figures as regards Scotland are arrived at from enquiries which I made recently all over the rural parts of Scotland; and in England they are drawn from the rural areas generally.

11,477. Is it your proposal that attendance at confinement should be part of medical benefit with an appropriate fee included in the practitioner's agreement?—No, that is not our proposal. Our proposal is that an insured woman or the wife of an insured man should have a right to requisition the services of a panel doctor at confinement, and that the doctor's fee should be a prescribed one.

11,478. Which she would pay?—Which she would pay out of maternity benefit as a rule.

11,479. Who is to prescribe this fee for the doctor?—I would leave it to the Ministry to prescribe, and I would suggest that there should be a normal fee payable in cases where the insured person was less than two miles from the doctor's residence, and another fee, either fixed at a definite amount or based upon mileage, where the insured person resided outside the two miles radius.

11,480. What you want is that someone shall create a standard payment?—Yes.

11,481. Which, I suppose, the doctor might go below but might not go above, is that it?—That is so. There is great dissatisfaction, we find, in consequence of doctors making different charges for attendance at confinement.

11,482. I follow that. Have you any sum in your mind as a sum at which the fee should be fixed?—As far as attendance within the two miles is concerned I think if a fee double what was the fee before the Insurance Act were prescribed it would be sufficient.

11,483. That is 30s.?—That would leave from 10s. to 20s. of the maternity benefit for other purposes at that time.

11,484. For the midwife it would be double also, 21s.?—I think that would be fair.

11,485. That is round about what it is?—Yes. That is within the two miles radius.

11,486. I understand, and for all beyond two miles a mileage grant or fixed fee?—Yes.

11,487. (*Sir Arthur Worley*): I understand what you are proposing is to standardise what is the position now as regards midwives?—That is so.

11,488. (*Sir Alfred Watson*): Mr. Wood, when you gave us the list of medical services that you would desire to have provided as part of the present medical benefit, I think you confined your attention for the most part to operations and appliances. Do you consider that specialist services should come within it?—Yes, specialist consultations.

11,489. You did not mention specialist services, did you?—I intended to do so if I did not. I have it in my notes. I think I said specialist and consultant services.

11,490. Passing from that, I am very interested in your suggestion that the first 500 persons on a doctor's list should attract a higher degree of remuneration than the number in excess of that figure. You said that geographical distribution was a factor which made the doctor have more work to do proportionately for 500 people than he would have to do for 1,000. I suppose you are thinking of rural practices?—I am thinking mainly of rural practices, but the same argument would apply in the case of urban practices.

11,491. Would it?—Yes. A doctor might have 10 patients in one street whom he could visit in an hour, and another doctor might take three hours to visit the same number of patients.

11,492. Is that quite a sound argument? If a doctor has only got 500 insured persons on his list, is it not a fair presumption that he has also got a substantial private practice and that his insurance

visits work in with his other professional duties?—That would not be so in rural areas.

11,493. Let us leave out rural areas for the moment. You said distinctly just now that the same argument would apply to towns, and you instanced 10 persons in one street. I want to know whether if a doctor in a town has a small list he is really doing more work proportionately than if he has a large list, seeing that his insurance practice and private practice are mixed up together?—I do not think we are entitled to consider what he is doing apart from his insurance duties.

11,494. But you are visualising a doctor in a town who has 500 people on his list and they are scattered very widely, and he has to devote himself to travelling round seeing those people, and you say he has much more work to do per head than a doctor with 1,000 persons on his list. I am suggesting to you that he has to do that travelling round anyhow to see his private patients, and that you cannot separate insurance practice from private practice and disregard the private practice in estimating the quantity of travelling that he is really doing to attend his insurance patients?—If you assume that his private patients are commensurate with his panel patients, then it seems to me that practitioners with large and small panels are on the same footing so far as the time that would be occupied in visiting any particular number of patients is concerned.

11,495. Now let us go back to the rural practice, which I think is really at the basis of your proposition, because you have frequently referred to the advantageous position in which it would place the rural practitioner compared to his present position regarding remuneration. You have got in your Societies some very handsome surpluses, have you not?—We have not all got our second valuation results yet. We had satisfactory surpluses on our first valuation.

11,496. Are not those surpluses very largely the result of a low rate of sickness claim?—That is so.

11,497. If in the rural districts there is a low rate of sickness claim on the Societies, is it not a fair presumption that, member for member, there is less sickness in rural districts than in towns?—Yes, I think that is quite clear.

11,498. May not that less amount of sickness with which the doctor has to deal be taken as a fair compensation to him for the increased amount of travelling he has to do?—Of course, the rural doctor gets a mileage allowance for his travelling outside the two miles area. Inside the two miles area he has practically no more travelling than the urban doctor has, only it is more per patient.

11,499. Then your point of geographical distribution of a small insurance practice does not seem to be a very important one?—It seems to be important in this respect. If you have 1,000 persons within a certain area, and within a similar area elsewhere you have 500 persons, the doctors working in those two areas are not on precisely the same footing as regards the time that will be taken in visiting the patients.

11,500. You will not concede my point on that. If the 500 area is in fact a rural area, the point I put to you is this, that the doctor, though he may have a little more travelling to do to attend the 500 people, or those of them who are within the two miles limit, is attending them less because they have less sickness than the townspeople?—Yes, I think on the average the doctor makes fewer visits to members in Societies such as ours.

11,501. If that be so, why should you seek to revise the terms of medical remuneration to give more to the rural doctors and necessarily less to the urban doctors?—Because it takes the rural doctor, I should say, on an average twice as long to visit a patient as it would take an urban doctor.

11,502. When you say twice as long are you reckoning all the patients of the rural doctor or only those within the two miles radius?—Those within the

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two miles radius. You will have a farm here and the next farm a mile away, and so on, round the circle.

11,503. All within the two miles area?—Yes, all within a radius of two miles from the doctor's residence.

11,504. Suppose he has more travelling to do—you have admitted he has fewer visits to make because he is dealing with a healthier people—his professional services are called upon to a smaller extent. May not one thing be balanced against the other?—I do not think so. The hospitals relieve the urban doctor of much surgical work which the rural doctor has himself to perform.

11,505. Is there in fact any complaint by rural doctors that they are not sufficiently compensated for their disadvantages by the mileage grant?—Yes, I think it is very general. They think the urban practitioner is getting more than his fair share of the capitation fee which we pay.

11,506. And the rural doctor has your sympathies, I gather?—I have no doubt.

11,507. (*Miss Tuckwell*): Among these Societies you represent, none of them are Trade Union Approved Societies, are they?—No.

11,508. Have you a very large number of women in your Societies?—Not a large number, less than 20 per cent. I understand over all the Societies in the Federation. In the Scottish Rural Workers Society, which is the largest of the group, there are 16,500, a little over one-fourth of its total membership.

11,509. You seemed to have considered the question of the doctors and medical benefit very carefully. Have you any experience in your Society of sickness claims by pregnant women?—Yes, we receive claims for sickness benefit by pregnant women on a considerable scale. Our practice is in normal cases, where there is no complication of any kind, to pay sickness benefit for a period of four weeks prior to confinement.

11,510. Have you found that as clinics have started to spread knowledge among women on conditions of health at that time you have been getting increased claims?—Yes. I may say that at one time we made an effort to encourage women to go to maternity hospitals in the large towns, but there was a very indifferent response to our invitation.

11,511. Is it getting better?—No, I do not think so. My friend, Mr. Hyde, says it is increasing in England. I cannot say that is the case in Scotland.

11,512. With regard to payment of the doctor, if a woman is herself an insured person and is married to an insured man, she would get £4 as maternity benefit, would she not?—From us she would get, generally speaking, £4 18s.; from £4 10s. to £4 18s. including additional benefit.

11,513. If you took off the 30s. as payment for the doctor that leaves £2 10s.?—Yes, that is where they are both insured.

11,514. Yes; much less where they are not. That divided by four gives a little over 12s. per week for the four weeks for which a woman must not work after confinement?—Yes.

11,515. Do you think that would be enough to give her the additional comfort she needs?—Not if she depended solely upon the payment from us for all her requirements at that time, but of course she has her husband who, I take it, is mainly responsible for her needs at that time.

11,516. That is taken for granted, the husband always pays. But you do not allow the husband any more when his wife is confined, do you?—What I meant was, I do not think a married woman depends, or should depend, for all that is necessary at confinement upon what she has to receive from the Approved Society.

11,517. You say she would depend also on her husband's earnings?—Yes, I should think mainly.

11,518. Those earnings are just the same whether she is confined or not, are they not?—Yes.

11,519. My point is that in those circumstances she would need more than that sum?—She gets £4 18s., of which the doctor may get 30s. or £2, leaving from

£2 to £2 10s. for other necessities. That, on the whole, is a substantial contribution to the husband's liabilities at that time.

11,520. Do you really think in the case of the best paid woman a sum of 10s. a week is sufficient addition?—No, I should be very glad to see it increased if it could be.

11,521. (*Mr. Jones*): May I come back to the question of size of practices again? I suppose the bulk of rural practices are under 1,000? Yes.

11,522. Many of them are round about 500?—Yes.

11,523. And no possibility of increasing?—That is so.

11,524. Have you any idea of the proportion of 500 insurance practices in urban areas?—No, I cannot say that I have.

11,525. Will you take it from me that they are quite considerable?—I believe they are.

11,526. Assuming that, think for a moment of a 500 practice somewhere on the outskirts of Glasgow and yet still within the range of the tram service, and compare it with a similar size practice in any rural area except the extreme conditions of the Highlands which we know are very special. Does this unit of work of 3·5 hold equally good in both?—I understand that figure of 3·5 was arrived at from an examination of a number of representative practices, and I assume there would be some of the kind you describe as well as others.

11,527. Both urban and rural?—Both urban and rural.

—11,528. Do you recollect statements similar to those you are now making that were published by the Scottish Insurance Commissioners in their Report for the year 1913-14 on the average number of services rendered by practitioners in Scotland, both in towns and in counties?—I do not recollect it. I think it would be unsafe as a guide if it were based on statistics of 1913, immediately after the Act came into force. Medical benefit commenced in January 1913 and the conditions during the first year would be abnormal.

11,529. These abnormal conditions would apply equally in burghs as in counties, would they not?—I think so.

11,530. My recollection of these figures is that the sum total of the services was substantially the same, 3 and a decimal?—That may be so.

11,531. There was this difference, however, that whereas the proportion of consultations in towns was high the proportion of visits in the other areas was higher?—I think that must be the rule still.

11,532. Does that suggest that in a purely professional way the rural doctor is called upon to render any more service than his colleague in an urban area?—I think it does.

11,533. Leave out the question of travelling, I am referring to purely professional service?—In an urban area the patient visits the doctor at his surgery on a much larger scale than in a rural area.

11,534. You think they are greater in number?—No doubt.

11,535. Whether it is in the way of visits to the doctor's surgery or the doctor's visits to the patient's home in either area, is the one doctor called upon more than the other to render a greater quantity of professional service?—If I am right in assuming that, generally speaking, the rural worker has less illness than the urban worker, I think it follows that the rural doctor would have fewer visits to make.

11,536. As a matter of fact he has a greater number of visits but that is because of geographical distribution. I was coming to that in a minute. Assuming the fact—and I think it is the fact—that the total number of services added together, visits and consultations, in both cases, are pretty equal, does not that suggest that the city doctor is rendering just as much professional work to his patients as the country doctor is in given cases of illness?—Yes. I do not think I have suggested that he is not.

11,537. Is there any need, therefore, from the purely professional aspect of the case, to suggest that



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there should be a differential fee. Will not the doctor with 1,000 persons on his panel, whether in a county or a burgh, be called upon to render these 35 services for each of the number of persons on his list?—Probably he will, but, as I said before, when we find that it takes much less time—

11,538. Leave out the question of time for the moment, and deal with the professional service?—If professional service is the only element then I agree that our proposal might not be a sound one.

11,539. In other words the doctor in the town is called upon to do just as much professional work as the doctor in the country. You agree to that?—I dare say he is.

11,540. I think the facts all point that way. Is not the only difference between them this question of time?—Substantially.

11,541. Is that aspect of the matter not fully met by the mileage?—No. I have endeavoured to point out that a doctor in the country, even within the two-miles radius, requires a great deal longer time to make a given number of visits than a doctor in an urban area.

11,542. But the doctor in an urban area is not paid mileage?—I am referring to within the two miles radius.

11,543. The mileage is surely not just a payment because the doctor covers so many miles to visit his patient. Is it not really compensation for the greater time that is spent in accomplishing the same amount of professional work?—It is partly that and partly to cover the cost of his running expenses.

11,544. Yes, the two together?—But, as I have said before, even within the two miles radius the rural doctor has a great many visits to make for which he receives no mileage allowance, and it will take him far longer to make the same number of visits in these circumstances than it would an urban doctor.

11,545. There are few rural practices that are wholly rural; they include some communities—townships and villages?—Yes, small villages.

11,546. When a doctor is making visits in those areas can he cover them as quickly as a doctor in his consulting room?—Not by any means. As I stated before, when you have a farm here and another one a mile farther on, and so on; a cottage at the end of one field and another cottage at the end of another field, and the doctor has to go there, it takes him twice as much time as it would take an urban practitioner to do the same number of visits.

11,547. These people have no other choice of doctor, but is it not quite common for people at considerable distances from a doctor's consulting room in a town to be on that doctor's list, and that he may have some pretty long calls as well?—That is so; but patients in a town attend on a much larger scale at the doctor's surgery than patients in the country.

11,548. The statistics prove that; but, after all, is the difference so great? I can visualise a number of villages which would fall into your rural area where the doctor would start at one end of the village and go along there, and it is not a matter of travelling beyond two miles to pay 10 visits. He may travel two miles to visit one case and be able to visit the rest in a quarter of an hour?—You may find a case of that kind, but I am taking the general position in the country, where the doctor may have to see a dozen patients at farms within the two mile radius. It may take him the whole afternoon or the whole day to see those, even though they are within two miles radius.

11,549. Does it not really resolve itself into this, that the mileage, although it may be calculated on a two-mile basis, has really been fixed in order to allow the rural doctor reasonable compensation for the time involved and for travelling expenses apart from the professional work?—Outside the two-mile radius, I agree.

11,550. Is it not a fact that the mileage allowance is really fixed as remuneration for time? It is not remuneration for distance?—It was an attempt, I agree, to put the rural doctor on an equal footing with the urban doctor.

11,551. If there is any complaint, however, it arises no less in regard to the professional capitation fee than in regard to the allowance for mileage. Would not you put it in that way?—There is no question of mileage in our proposal at all. It refers to the area within the two miles radius.

11,552. (Chairman): And applies to urban doctors as well as to rural doctors?—Yes.

11,553. (Mr. Jones): I am trying to ask you to view it from this point. Is not the whole mileage allowance something expressed per mile instead of per hour, because it was a reasonably ascertainable basis; but is not the whole idea of the mileage scheme an extra remuneration to the practitioner working in a country area because of the extra time involved?—The extra time involved and the extra cost of travelling.

11,554. It could not be so much for mileage and so much for time?—That would be impracticable.

11,555. The mileage allowance is then a means of giving him some extra remuneration because of the peculiar conditions of his practice?—You had to start at some point to give mileage. Three miles was fixed to begin with and afterwards it was reduced to two.

11,556. However, you agree that as regards professional services there is no difference between the two?—That is so.

11,557. And the compensation for time or distance has to be obtained otherwise. That is really the difference. It is not a matter of professional service? So that from that point of view there should be no differentiation of the fee between the two classes of doctor?—That is so.

11,558. (Chairman): Not from the point of view of professional services?—No, I think that is so.

11,559. (Mr. Jones): I am not holding any brief for the city doctor, but I want to find the equity of the case?—I think our memorandum makes it quite clear. It is the time and expense of working. That is our point.

11,560. I would like to come down for a moment to your proposed extensions of the medical service. Have you consulted your members in regard to these proposals?—No, but we have almost daily applications from our members for services of that nature which, in certain cases, we are able to provide by donations under Section 26 of the Act. We know, therefore, that these services are very much in request.

11,561. Have you had any expression of opinion from your members as to the desirability, apart from financial considerations, of extending the present medical benefit to dependants?—No; we have had no expression of opinion whatever on that point.

11,562. You say in your statement, however, that you regard this provision as a desirable extension?—Desirable if funds permit.

11,563. Leave out the question of finance. Is that a benefit which would be appreciated by your members?—I have no doubt. It may be taken for granted.

11,564. Would they appreciate it more than an extension of a complete medical service to the existing insured?—I do not know that I am in a position to express an opinion on that point. We have really not consulted them.

11,565. Do you know if your members have any difficulty in providing medical attendance to their dependants at the present time?—None, as far as I know.

11,566. No financial difficulty?—No.

11,567. Does the question of increased cost, as is apparent in other directions, not apply there as well?—I have no doubt it does.

11,568. But your members are not complaining of the burden?—No.

11,569. Do you think the dependants get efficient medical service, let me say of the same adequacy as the insured?—I have no reason to suppose that they do not.

11,570. With regard to the proceedings of the Insurance Committee you say you write to the Clerk and he pretty well adjusts things for you?—Yes.

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11,571. Are you a member of an Insurance Committee?—I am.

11,572. Do you know the provisions in the Medical Benefit Regulations with regard to complaints?—I do.

11,573. Is it within the competence of the Clerk to dispose of these matters summarily in this manner?—Strictly speaking, it is not, but we rather encourage him to get over the little difficulties in that way.

11,574. To break the Regulations?—It is not breaking the Regulations. If I invite him in the first place to ask for an explanation from Doctor So-and-so of his having done something, that is not breaking the Regulations.

11,575. (*Prof. Gray*): It is only a formal complaint that stands referred to the Medical Service Sub-Committee. In that case the Clerk must refer, but if you write him a letter which is not a formal complaint that does not, on the face of it, stand referred in the same way?—That is substantially the position. If the explanation obtained by the Clerk is not satisfactory then we would ask him to treat the complaint as a complaint under the Regulations to be submitted to the Medical Service Sub-Committee.

11,576. (*Chairman*): In the event of a serious complaint you would not be satisfied with an explanation given by the doctor?—It depends.

11,577. Even if the explanation seemed reasonably satisfactory?—We often accept explanations in cases of serious breach of the rules if we think that there is no likelihood of the same thing happening again.

11,578. (*Mr. Jones*): Does not that defeat the whole purpose of the Regulations?—We of course have many things to consider. As I said before, we do not want to make an enemy of any doctor by pursuing him if we can adjust the difficulty otherwise.

11,579. Would not a warning given to one man act as a warning to the rest of the men in the area and perhaps save you trouble in a variety of directions?—If the Insurance Committees would impose adequate penalties when a serious offence was committed and proved, that would be so; but our experience is that their decisions in that respect are unsatisfactory, and it appears also to be the experience of other Societies, judging from a circular issued recently by the Scottish Board of Health on this subject of decisions of Insurance Committees.

11,580. (*Chairman*): To whom was this circular addressed?—It is addressed to Insurance Committees. It starts off with the following: "The Board desire to state that they have recently received representations from Approved Societies that the decisions on complaints which have been under investigation by Medical Service Sub-Committees, more particularly in respect of breaches of the Medical Certification Rules, have not ordinarily been such as to tend to enforce the strict adherence to these rules which they consider is necessary." Therefore, I take it that other Societies have had the same experience as we have had.

11,581. (*Mr. Jones*): If societies are not satisfied with the doctor's explanation, does it suggest to the Insurance Committee that they are required to take very drastic action; and do not you think you should aid and abet that action?—As I said before, the explanation may or may not be satisfactory. If assurance is given that the same thing will not happen again, I think the societies generally are satisfied.

11,582. You know the very serious view that the General Medical Council take about irregular certificates?—I do not know that I do.

11,583. They also have issued circulars on the subject in pretty straight terms. On the question of delay, is it not really the case that most of the County Insurance Committees only meet quarterly or half-yearly?—That is so.

11,584. You would take away from the Insurance Committee this work of dealing with complaints?—With regard to medical certification only; I am not suggesting the other.

11,585. If you take away the one why should not you take away the other? Would it not be rather anomalous to split the responsibility in such a case?

—I personally should have no objection to the work now being done by the Medical Service Sub-Committees being transferred to the Central Department.

11,586. If you did that what would you leave for the Insurance Committees as Committees?—Not very much. In point of fact they do not do very much now.

11,587. What is your view of the usefulness of Insurance Committees at the present time?—I am expressing my own personal view now when I say that I think they have very little to do that is of real value.

11,588. Is not their only interesting function at the moment dealing with complaints? Is not that the only function that allows them any administrative discretion?—Practically.

(*Chairman*): When you say "interesting" do you mean "useful"?

11,589. (*Mr. Jones*): Yes. (*To the Witness*): If you take that away you would leave them solely with clerical and routine duties?—I would hardly think that a continuance of the duties of the Medical Service Sub-Committees would be a sufficient justification for maintaining Insurance Committees in existence.

11,590. Is it your view that they should be wiped out altogether?—I am not prepared to go so far as that. I think that their numbers could with advantage be very considerably reduced, at any rate, so far as Scotland is concerned. I think that in the county areas it is unfortunate that it should be necessary to call together a considerable body of men and women to meet in the county town and spend a whole day in approving minutes of Sub-Committees, and transacting formal business of that kind. In point of fact, when the present Insurance Committees were appointed a year ago we had occasion to ascertain how our representatives had attended meetings of old Insurance Committees, and we found that in many cases their attendance had been unsatisfactory. On enquiring for what reason, they told us that there was nothing to do when they went but to carry through formal business, and they were not going to spend a whole day on work of that kind.

11,591. How would you view a proposition to transfer the responsibilities of Insurance Committees with regard to medical benefit to some other authority meeting with greater frequency and with other responsibilities?—As I have said before, I have not considered that question, and I am not in a position to express an opinion upon it.

11,592. Would it not provide at any rate for a more lively interest in these complaints and a more ready dealing with them?—I cannot say I am much concerned about creating a lively interest in complaints. If that were the only reason I should say that that was no sufficient reason for making a change.

11,593. Is it quite fair in your Statement of evidence to make all these complaints about medical certification and then to say you have no lively interest in them?—Our suggestion that matters of that kind should be dealt with by the Central Department is, I think, the best way of dealing with the situation.

11,594. You think that is the best solution of the present rather stagnant state of affairs?—Yes.

11,595. (*Prof. Gray*): You refer to the extension of medical service, and you mention various lines along which that might be done. I suppose you realise there might be some difficulty in extending certain of the things you mention to rural areas?—Yes; I quite agree that the number of specialists is so small that it would not be sufficient to cover the rural areas and that we would have to find some means of bringing the people to the large towns where all these services might be had.

11,596. It really means ultimately bringing insured persons, from very remote areas, possibly, in your case, into urban areas?—That is so.

11,597. Amongst the things you mentioned were, I think, treatment of the eyes and the provision of appliances?—Yes.

11,598. These, of course, are both available at the present moment in certain cases as additional benefits. How far have your Societies given these as additional

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benefits?—As regards the Scottish Rural Workers Society, during the last two years I think I may say that all necessary medical and surgical appliances have been provided to members where the doctor has recommended that they should be provided.

11,599. Under Section 26?—Under Section 26.

11,600. And elsewhere, Mr. Hyde?—(Mr. Hyde): To a very little extent on the first valuation.

11,601. The first valuation surpluses went for cash mostly?—Yes.

11,602. Of course, if these were taken and incorporated in medical benefit there would have to be a reaction on the additional benefits; that is granted?—(Mr. Wood): Well, it would just be, I presume, a transfer of money from the one fund to the other.

11,603. This Statement is prepared on behalf of 14 Rural Societies, I understand?—Yes.

11,604. Does it represent the views of all together or does the view of the predominant Society dominate it, as it ought to?—I understand it represents the views of all the Societies. (Sir Andrew Duncan): What is the dominant society?

11,605. (Prof. Gray): Mr. Wood's Society.—(Mr. Wood): It is an effort to combine the opinions expressed by all the societies in a questionnaire which was sent out to them, and their views as expressed at several meetings of representatives of the societies.

11,606. The reason I ask is that I wondered how far the difficulties you referred to in paragraphs 7, 8, and 9, with regard to medical certification were a common complaint of all societies, or whether you felt them more acutely than the others?—These paragraphs were considered and agreed to by all the societies, and I have illustrations from English Societies of all the instances given in paragraph 7.

11,607. No doubt; they occur everywhere in certain numbers. Can you give us any idea on this point, though it is rather a difficult point for you to answer possibly: To what extent are cases delayed or queried, looked at from the point of view of proportional number? Reading this paragraph, it suggests that you are scrupulous in all cases where a doubt can be raised. You suggest that if there is any hesitation in your mind as to the date of certification, or anything of that sort, you make further enquiries or postpone payment until you are satisfied. Can you tell us what proportion of cases are in fact delayed in that way or in what proportion of cases payment is not made at all perhaps?—There are very few cases that are not paid at all, because if the certification is unsatisfactory we always give the insured person an opportunity of making up what is wanting.

11,608. In what respect?—Either by asking him or her to get the doctor to give fuller information, or, what happens more frequently, our medical officer—that is, the medical officer referred to in our statement—communicates with the panel doctor, and, as a rule, gets sufficient information to clear up any doubt that there may be.

11,609. That is the point I was really on. Are your relations locally with the doctors satisfactory? You rather suggest that the doctors are somewhat unfriendly if you want information?—There is a certain percentage—I should say about 10 per cent.—of the doctors with whom our relations are not what we would like them to be, in this respect, that they will give us no further information than they give in their certificates even although that information is hopelessly inadequate.

11,610. You put it as high as 10 per cent?—Yes, and I say so advisedly after consultation with our medical officer.

11,611. You have told us about the Insurance Committees and your preference for the Board of Health in your case to look into these matters. Would not that ultimately lead in effect to the medical service being run by the Board of Health? The Board of Health at present are under no contract with the doctors. You suggest that the Board of Health should be the authority to consider all complaints and to bring the doctors to book if anything was wrong?—I said before that they are at

present a revising authority on the decisions of all Insurance Committees. The decisions of Insurance Committees on the reports of Medical Service Sub-Committees are reported to the Board under the Regulations, and the Board, if they are not satisfied with the recommendation to impose a penalty or whatever it may be, have power to make a deduction from the payment to which the particular Insurance Committee would be entitled, and that irrespective of what the recommendation of the Committee has been.

11,612. On the question of a sliding scale, which you suggest, and on which you have been asked a good many questions, you have attempted to justify this sliding scale on the ground of justice, and you suggest that it would be a proper thing to pay in certain cases a higher fee than in other cases, because more work is done?—Not because more work is done, but because it takes longer time to do the same amount of work.

11,613. I am not quarrelling about that; but is it not the case—perhaps I am wrong—that the genesis of this idea is quite different? You would agree that a really big panel is a thing which has a great many objections. If you have 3000 persons on a panel there is a possibility of the work being neglected?—I agree.

11,614. The doctor scamps his work and there has been a good deal of discussion as to how to cut down the number of insured persons whom a doctor should attend from time to time; is not that so?—Yes.

11,615. And is it not the case that this suggestion ultimately, when you go far enough back, is devised to discourage doctors from accepting too many insured persons?—It would have that effect, I think, but I would not like you to assume that it was a device for that purpose.

11,616. But is not that very largely the reason why this scheme has been advocated, namely, in order to prevent a doctor accepting too many patients by putting a kind of tax upon him if he did in fact accept beyond a certain point. By decreasing his emoluments beyond a certain point you encourage him to accept fewer, who will thereby get better treatment?—That certainly would be the effect of it; but seeing that we are the authors of the suggestion, I do not admit that it is a device or that there is anything intended except what is clear on the face of it.

11,617. But when you first evolved this idea that was in your mind too, was it not?—It was one of the things, I think, which were obvious to me when I was considering it.

11,618. (Mr. Cook): You are opposed, I understand, to extending medical benefit under the National Health Insurance Act to dependants?—Yes.

11,619. You are speaking not only for the Scottish Rural Workers Society but you represent the view of the National Federation of Rural Approved Societies?—Yes.

11,620. Do you think that it is possible for the dependants of the rural workers of this country to receive adequate medical attention under present conditions?—Yes, I think that at the present time they are adequately attended.

11,621. Doctors' fees, especially in the case of a prolonged illness, are heavy, and I believe that even rural workers are not exempt from long sicknesses occasionally. Doctors' bills are stiff for them to pay, are they not?—I do not think we can complain about the doctors' fees being unreasonable, even in cases of long illness.

11,622. But they are fairly stiff when you have to pay so much per visit?—Sometimes.

11,623. And the rural workers' wages are low, particularly in the rural districts of England?—That is so.

11,624. And the family of the rural worker is generally a pretty big family on an average?—That is so.

11,625. Perhaps you have read, as I have recently, some statistics dealing with the stamina and general health of rural workers' children owing to the low

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wages, it is asserted, and the bad housing conditions and other factors adverse to health. I see that statistics have been compiled which go to show that the children of the rural workers from a health point of view are in a much less satisfactory state than the children of the town communities, because they cannot be supplied with the necessary food to keep them healthy?—I am not aware of this state of things; but might I say that I think we are really at one as to the desirability of medical benefit being provided for the dependants of insured persons. If you will refer to our Statement you will see we say in paragraph 5 that the Federation regards the provision of medical benefit to dependants of insured persons as a desirable extension of the National Health Insurance Scheme, but it appears to be impracticable on financial grounds, unless the present contribution be increased. I estimate that the dependants of insured persons are at least as numerous as the insured persons themselves, and on this assumption the cost of providing medical benefit to dependants would be equal to the present cost of medical benefit to insured persons. At 12s. per annum this would amount to £3 over a quinquennium, and seven-ninths of this sum, which the Societies would have to meet, would be in excess of the disposable surplus of all but a few Societies. The provision of medical benefit to dependants appears therefore to be impracticable, unless you increase the weekly contributions.

11,626. I have read your statement, but frankly I am not at all satisfied with the logic of the position you are taking up. Necessarily if you extend medical benefit to the whole population of the country you would have to pay more than you are paying at the present time. But, on the other hand, are not you really paying that already? The individual is paying it now when he calls in the doctor to attend to his wife. You say that that is done adequately, but I differ from you there. We have had evidence adduced before this Commission that has frankly admitted that the wives and families of large sections of the workers are not adequately attended; that it is only when the wife's illness is very serious and critical that the doctor is called in, and that the medical attendance of dependants is far from being satisfactory. Would it necessarily mean a bigger strain on the finances of the average household even if this benefit were extended to dependants, seeing that they are paying it now in doctors' bills when they call in the doctor to attend to dependants?—But the cost of it would have to be defrayed from an entirely different source.

11,627. It would come in part out of the wages of the workman, but he would have the assistance of the contributions of the employers and the assistance of the State contribution. At the moment he is bearing the whole of that himself?—It seems to me we are both agreed that it cannot be provided out of the present contribution.

11,628. Have you any opinion on the question of the cash benefit? Do you think that is adequate, leaving the medical part of it aside?—You mean the present rates of sickness and disablement and maternity benefits?

11,629. That is so, particularly sickness and disablement?—Our opinion is that the maximum rates of additional cash benefits which were authorised after the first valuation are as high as it would be advisable for any Society to pay, having in view the relation of these amounts to the normal wage which the workers receive.

11,630. Do you not think it would be advisable that in sickness the cash benefit should be a sum which would reasonably and adequately meet the requirements of the workman's household? A man and his family cannot live on less in sickness than when the man is enjoying good health, can they?—As a rule he will require more during sickness, but, on the other hand, I do not understand the National Health Insurance Scheme to be a scheme which is intended to provide for all requirements during sickness, but rather to provide a substantial help at these times.

11,631. You are aware, are you not, that that is the only source from which a man can be assisted and that in innumerable cases—in millions of cases—he has no other source of income?—I do not know if it is right to say "in millions of cases." No doubt it is true in many cases. On the other hand, it should be kept in mind that in the case of insured women, particularly women who are employed casually or for part time only, the sickness benefit represents in many cases more than the actual wage they receive.

11,632. They would be very low wages?—Not necessarily, if the women are engaged for part time only—two or three hours a day, or one or two days a week. Take school cleaners, for example, getting from 2s. 6d. to 5s. a week. When they are sick they get 16s. a week from us.

11,633. So that you do not think it would be advisable to increase the statutory sickness benefit?—I do not think that would be wise.

11,634. (Sir Humphry Rolleston): Would it be a fair deduction from your general argument to assume that you would be in favour of extending the medical service, and to a certain extent paying for that increased advantage by diminishing the capitation fee of the panel practitioners?—I do not suggest that the practitioners' capitation fee should be diminished for the purpose of providing the extended service. I suggest that it should be diminished because it is more than enough for the service now being rendered. I say that the reduction which we suggest would provide to some extent for the additional service which we recommend.

11,635. The reduction you suggest is to 7s.?—Yes; that is the capitation fee which we think is reasonable.

11,636. You estimate that before the days of National Insurance, doctors who were attached to the Clubs received from 4s. to 5s. per head?—Yes, including the provision of drugs.

11,637. So that you would grant them an increase of 50 per cent.?—More than 50 per cent. If you deduct 1s., which I think would be reasonable for the cost of drugs, it would leave from 3s. to 4s. Take 4s. as the normal rate. Then if you add 75 per cent. to that, I think you take into account all relevant considerations such as the increased cost of living and working and such like.

11,638. That is 75 per cent. on what?—Added to 4s.

11,639. Is that the increase which Approved Societies have received, or have they not received so much?—Do you mean in our administration allowance?

11,640. Yes?—I do not think we have had 75 per cent. We have had 1s. added to 3s. 5d., which is about 30 per cent.

11,641. With regard to the fee for attendance on confinement, you suggest that the increase should be from 15s. to 30s.?—Yes; it is in fact 30s. in a great many cases already.

11,642. Why do you make an increase of 100 per cent. in one case and an increase of 75 per cent. in the other?—The provision that is made through medical benefit for attendance on these occasions is such that we think 30s. is not an unreasonable fee for the services that a doctor is called upon to render in these cases.

11,643. But still it is a little more generous than you allow to the panel practitioners, is it not?—I do not know that that is a complaint that the doctors would make.

11,644. No, but it might conceivably be used as an argument for raising your 75 per cent. to 100 per cent. in the other cases?—I do not think the two services are comparable. You have in the one case what is supposed to be a precise number of visits made, and in the other you have to take a sort of general average. In cases of confinement there may be one or two visits or there may be many.

11,645. There is one point about paragraph 7, the fifth section. There is rather a severe accusation made or implied there: "The granting of certificates in which the cause of incapacity is stated in vague

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and indefinite terms, when the precise cause is known." That rather suggests a suppression of the truth. That is meant, is it?—I do not know that it is wilful suppression so much as carelessness and indifference.

11,646. With regard to the first part, if I may leave out the suggestion that there really is a *suppressio veri*, I suppose you know that it very commonly happens in the early stages of a disease, although it is perfectly clear that it is to the advantage of the individual that he should rest and should not be working, that it is impossible to put a definite label on the disease, and that therefore it must be vaguely expressed in some term such as "debility." I think "debility" is a term you would be inclined to inquire into?—I agree; but our remarks do not refer to vague diagnoses in the early stages of an illness but to vague diagnoses continued long after the date when the precise cause of incapacity is or ought to be known.

11,647. That is the difficult point—when it should be known. Who is to decide that? Do you have a panel, or is it referred to the ordinary members of the Insurance Committee?—As explained in our Statement we have a Medical Officer who is practically a member of our staff. From our experience, after having had cases of this kind sent to the Medical Referee, we have no hesitation in saying that in cases such as we complain about the precise cause of incapacity might have been stated. May I add also that if the precise cause were stated on the certificate, or on request by our Medical Officer, a large proportion of the cases which we find it necessary to send to the Medical Referee would not have to be sent.

11,648. (Sir Alfred Watson): Arising out of the answers you have given to Sir Humphry Rolleston, I have been looking at your paragraph 10 where you appear to challenge the settlement by the Court of Inquiry of the medical practitioners' fees, on the ground that the information collated by the Ministry of Health to settle the quantity of services rendered was unsatisfactory. I will not put it higher than that. Now I have looked at Dr. Smith Whitaker's evidence as printed on page 39 of the Report to which you referred. It says this: "The first point was that the practitioner should be carefully selected, so as to be sure that the practice was a reasonably fair sample of the practices as a whole. The only exception was that they were instructed to select those who kept good records, because if they kept bad records it would mean that the attendance would not be reliable and that the Ministry would be taking an unfair advantage of the profession. When it was found that the attendances recorded were much lower than the average the record was rejected." Now, on that you say the Federation does not know on what ground these practices were excluded. Is it not a perfectly definite inference from Dr. Smith Whitaker's statement that where the records showed an abnormally low number of attendances they were regarded as being bad records?—If the practices were all selected because the practitioners were known to keep good records, then I do not think it would be fair, when you found that one or more of them showed a low average, that these should be excluded or that they should be thought to be the result of bad keeping of the records.

11,649. There is no very good criterion, is there, of what is a good record, except the criterion of looking at the record itself? Is it not very difficult to say *prima facie* what is a good record and what is not?—It does not follow, surely, because one record shows a lower average than another that that record is badly kept.

11,650. No; but Dr. Smith Whitaker's phrase was "much lower than the average"?—Even much lower. I submit that if a certain number of practices were selected for making this test, and these considerations were kept in view, namely, that they should be a reasonably fair sample of practices as a whole, and that they should be the practices of doctors

who were known to keep good records, these having been selected, the average should have been struck upon the result without excluding any of the practices that showed a substantially lower average than the others.

11,651. How could the Ministry have known that the doctor kept good records without looking into the record he kept and seeing what kind of a thing it was?—I do not know how they arrived at the opinion that such and such a doctor kept his records well. I dare say they had some reason for it, but it might very well be that although a practice was quite a normal one, it showed a much lower average number of visits than another. If you had a large number of chronic cases to attend to, and instead of paying weekly visits you paid monthly visits, and used the special intermediate certificate, then that might account for a much lower average than your neighbour's who was dealing with other kinds of cases and paying weekly visits.

11,652. Do you think that this point—rather an elementary point, if I may so with respect—would not be present to the minds of the highly-skilled medical men in the Ministry when they were examining the question?—It is possible that the right of a doctor to visit these cases once a month instead of once a week may not have been present to their minds when they were making the investigation. I observe that the investigation was made by the Regional Medical Officers. I would not assume that this point must have been present to their minds when they were making the investigation.

11,653. I was under the impression—I may have been quite mistaken—that the Regional Medical Officers were selected from among panel doctors in the country with the widest possible experience of actual practice?—Yes; but that wide experience of actual practice does not imply a knowledge of the Medical Certification Rules, or that in making their investigation they had in view the point I have mentioned.

11,654. You think that a fact of that kind might easily escape the notice of the Regional Medical Officer?—Yes.

11,655. Would anybody think from reading your Statement that the 3·5 attendances at which the Ministry arrived was a figure put in, after careful inquiry, to combat a claim of the profession that they should be paid on the basis of 3·77 attendances?—I understand the profession's claim was unsupported by evidence of any kind.

11,656. Dr. Smith Whitaker said so. You do not know it of your own knowledge, but it is all recorded?—If I am not mistaken, Dr. Smith Whitaker makes a statement somewhere in his evidence that the doctors' figure is unsupported by evidence.

11,657. Yes, he does. But the point I am putting to you is that you would have led us to think that 3·5 was the figure on which the whole question turned, whereas it was put in, in fact, as a counter-figure to a considerably higher one submitted by the doctors?—I say that we believe that 3·5 was the figure upon which the capitation fee was based, because there was no other figure supported by evidence submitted to the Court of Inquiry.

11,658. Do you think that figure is too high?—I think so.

11,659. (Chairman): In paragraph 17 you suggest that the Prolongation of Insurance Act should now be allowed to expire. Is there much unemployment among the rural workers at the present time?—There is practically no unemployment amongst the rural workers at the present time.

11,660. Is that what leads you to suggest that the Act should be allowed to expire?—No. We think that the time has come when the Act should be allowed to expire because the emergency with which it was intended to deal has now become, I think we may say, a permanent feature of our industrial conditions.

11,661. Do you regard an unemployed register of 1½ millions as a permanent feature for the future?

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—I think that we must expect always to have a very large number of unemployed.

11,662. Would you put it so high as 1½ millions? That is extraordinarily high, surely, as a normal figure?—I agree; only if it is desirable in the national interest that these people who are unemployed for prolonged periods should not be deprived of sickness benefit when they are ill, I think the nation as a whole, and not merely their fellow workers, should provide the money to keep them in insurance.

11,663. And the employers?—And the employers.

11,664. And the State?—The State to a small extent.

11,665. To quite a considerable extent?—To the extent of two-ninths.

11,666. Even two-ninths is quite considerable. It is your view that the emergency has sufficiently passed to allow the change to be made?—Our view is that it is no longer a matter of emergency.

11,667. In paragraph 18 I see that you are opposed to the pooling of surpluses. Are you against this entirely or would you agree to any extension of the present Central Fund arrangements so as to give a little more assistance to those Societies which, by reason of their occupational character, have very small or even no surpluses?—We are opposed to the pooling of surpluses and we are also opposed to the extension of the Central Fund, except to such an extent as might be involved in our proposal for an extended medical service.

11,668. Do you think that the wide difference in surpluses and consequently in additional benefits which have emerged as a result of segregation, are fully justified in a national scheme?—My answer is yes. I think that the existing scheme is national only in name and in the uniformity of its compulsory contribution. It was never intended to be otherwise.

11,669. What was it intended to be?—Uniformity of contribution implies an excessive contribution in certain cases.

11,670. But the intention was, was it not, that each Society should get the full advantage of its own wise administration. It may be, may it not, that many of the surpluses have been created, not as the result of any special organisation, but as the result of the particular type of member?—I have no doubt that is so.

11,671. Do you think that that does not make any difference, in your view?—Yes. We were assured, when the Act was passed, that our surpluses would remain with ourselves and that we would be allowed to divide them amongst our own members.

11,672. Can you refer me to the assurance that was given in those terms?—I intended to look up some authorities upon that point, but after the questions that were put by Sir Alfred Watson to a previous witness, I thought I was absolved from making any such inquiry. May I refer to Questions 7995 to 7998 put by Sir Alfred Watson to Mr. Alban Gordon on the 29th January?

11,673. I do not remember any question put by Sir Alfred or any answer received that satisfied my desire to have a more specific reference from witnesses to what the promises were that were made. Sir Alfred's question was: "Are you not aware that over and over again in 1911, when the Insurance Bill was before the House of Commons, the most solemn pledges were given on behalf of the Government of the day that Societies would be able to use their own funds for their own members and administer them in their own way"?—I assumed that Sir Alfred knew what he was saying when he asked that question.

11,674. No doubt he did.—Had these questions not been put I should have had the *ipsissima verba* to read to you to-day. That can be obtained later and sent in if you would like it.

11,675. I should be obliged if you would take the trouble to refer us to those passages in Parliament, spoken by the recognised authorities, which make it quite clear?—I shall be glad to do so.

(The Statement promised in reply to Question 11,675 is here inserted for convenience of reference.)

REFERENCES TO STATEMENTS made on behalf of the Government in Parliament and in Parliamentary Papers during 1911 to the effect that Approved Societies would be allowed to use their own funds for their own members, and administer them in their own way.

1. Memorandum by Mr. Lloyd George explanatory of the National Insurance Bill dated 8th May, 1911. (147.)

Page 4.—"According to the actuarial calculations which have been made the proposed contributions will provide a margin of approximately 10 per cent. in addition to the amounts required for the payment of the minimum benefits, the Societies' costs of administration, and the liquidation of the original deficit in fifteen to sixteen years."

"This margin will, if the actuarial anticipations are realised, be made available for the grant of "additional" benefits, as provided for in the Bill, as soon as experience shows that it can safely be devoted to that purpose."

"Well-managed Societies will thus almost from the outset be able to make a very substantial addition to the standard schedule of benefits . . . ."

Page 10.—"If a surplus is found upon a valuation of a Society, which is not a member of an Association of Societies, the Society will be entitled to prepare a scheme for granting one or more of the additional benefits specified in the Act."

2. Parliamentary Debates—Official Report 1911, Vol. XXVII, 6th July, 1911.

Mr. C. BATHURST having asked the Chancellor of the Exchequer what the position of agricultural labourers in certain circumstances would be under the Bill.

Mr. HOBHOUSE on behalf of the Chancellor replied as follows:—

Col. 1460.—"The Hon. Member fails, I think, to realise that the whole of the saving arising from a reduction of sick pay under Cl. 9 (2) and the whole of the saving arising from a better standard of health among the members of any Approved Society remain in the hands of the Society for additional benefits. A Society composed of agricultural labourers will thus get whatever insurance their contributions, with the assistance of their employers and of the State, will buy."

3. Parliamentary Debates—Official Report 1911, Vol. XXX, 30th October, 1911

Mr. C. BATHURST having stated that there was a strong feeling amongst agricultural labourers that the flat rate of contribution would impose serious burdens upon them as compared with other classes, and that if as a result of the enjoyment by them of a higher standard of health their Societies had surpluses, these should be applied in reducing their contributions.

Mr. MASTERMAN, on behalf of the Government, replied as follows:—

Col. 613.—"All I meant to signify was that the whole discussion on the Bill, both in this House and in the country, has, up to the present, proceeded on the assumption that 4d. shall be required to meet that insurance. Any reduction of that amount would, if it came about, seem to be less desirable than the granting of additional benefits, which are in themselves exceedingly desirable, as much to the agricultural labourer as anybody else in the country."

Mr. LLOYD GEORGE discussing how surpluses would arise and be disposed of, said:—

Col. 630.—"How are these surpluses to be made? They will be made far more out of good management than out of good lives. Societies that happen to have skilled, able, and experienced men at their head, and not merely at their head

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but in all branches of local administration, that have the courage to stand against malingering, even at the risk of losing membership, will have a good surplus. Money will be lost far more from cowardice than ill-health. It is a very difficult thing for societies to apply their rules ruthlessly. . . . Therefore I say that surpluses will not be attributable to the good health of the members, or to the choosing of good or bad lives, but rather to the skill and courage of administration which will not make for immediate popularity but rather for the establishing of a sound basis, which will appeal in the long run to the best instincts of the community. Is it fair that we should go to a society that has saved a large surplus through management of that kind and say, "You have got a surplus. Here is another society that has got a deficit"? That deficit may be attributable not to the fact that they are not applying medical tests, but to the fact that they are not very strict in examining claims. Is it fair to say, "Half of your surplus you have to give in order to make up the deficiency of this illmanaged society" . . . . It is the way in which the management of a society examines the claims for sick benefits that is important. If it just looks at a claim the moment a man sends it in with a medical certificate and decides to honour it and pay its ten or twelve shillings a week, that society will soon have a deficiency. On the other hand, a society that examines claims carefully and has checks upon them will have its surplus. I do not want to see a surplus built up in that fashion taxed to the extent of 10 or even 20 per cent. for the benefit of the other society."

4. *Replies to Letters addressed to the Chancellor of the Exchequer.* (Cd. 5733.)

Top of page 17.—"In these circumstances, while you have correctly interpreted the effect of the Government schemes as rendering it necessary for societies to make some alterations in their existing scales of benefits, you will now be able to appreciate more fully the advantages offered by the Government scheme, and also that it will be, in fact, administered through the societies themselves for the benefit of their members. (30th May, 1911.)

5. *Further Replies to Letters addressed to the Chancellor of the Exchequer.* (Cd. 5835.)

Page 3.—"The society will receive sufficient funds to provide this insurance, according to the calculations made by the actuaries employed by the Government from the actual experience of the Manchester Unity, and if it can provide the ordinary benefits at less than the calculated cost, the whole of the saving will go to the members in additional benefits." (4th September, 1911.)

6. *Reports of Deputations to the Chancellor of the Exchequer.* (Cd. 5869.)

Deputation from Scottish Chamber of Agriculture and National Farmers' Union of England on 4th July, 1911.

In the course of their statement the deputation explained that there was a great deal less illness amongst agricultural labourers than amongst town workers, and they urged that there should be differential treatment in the Bill as between agricultural and other industries. In his reply to the deputation Mr. LLOYD GEORGE stated as follows:—

Page 48.—"If the agricultural labourer wants to get the benefit of his healthier occupation all he has got to do is to form rural societies, and there are a very considerable number of them at the moment, because in that case he gets the full benefit of his own money, and he could not mix up his money with the town man at all. If you form rural societies it is to the agricultural labourer's advantage to join them, and then he gets the full benefit of the  $\frac{1}{2}$ d. or  $\frac{3}{4}$ d. as the case may be."

7. *Memorandum explanatory of the Bill as passed by the House of Commons.* (Cd. 5995.)

Foot of page 4.—"The scheme provides certain minimum benefits; and societies which manage their business prudently will also be able to grant some one or more of certain additional benefits."

8. *Reports of the Actuaries as to the rate of sickness prevailing in the agricultural districts of Scotland.* (Cd. 5966.)

Concluding sentence of Report by Messrs. Hardy and Wyatt, dated 16th November, 1911:—

"The principle of the Bill is, in this respect, to adopt a uniform rate of contribution throughout with a margin for contingencies, and should experience prove the contribution to be in excess of requirements in the case of any Society or group of Societies, this will be put right at the periodical valuations by the return of such excess contribution in the form of extra benefits."

Submitted by

WILLIAM WOOD.

On behalf of the National Federation of Rural Approved Societies.

11,676. You would admit, would you not, that that does not at all prevent Parliament from changing its mind?—Parliament can, of course, do anything it likes; but having given a definite assurance of this kind, I think it would be very unfair to Societies such as ours if there should be any substantial modification of the existing scheme.

11,677. Would you draw any distinction between a promise or a pledge given that societies would have the advantage of their own wise administration and a promise given in more general terms?—I am not sure that I follow the point.

11,678. Assume that the pledge was that societies were to retain the advantages that accrued from wise administration, and that, in point of fact, surpluses had been created which had nothing at all to do with wise administration, the limited pledge would not cover all of those surpluses; would not that be so?—So far as surpluses of societies such as ours are concerned, I think they are due, if I may say so, entirely to wise administration.

11,679. That is your opinion. Suppose you assume that not all societies have surpluses in proportion to their wise administration, but have them in much greater proportion. Would the pledge cover them?—Of course, when I speak of wise administration, I do not mean only the dealing with claims and the everyday work of the Society; but also avoiding the difficulties arising from the deliberate segregation of persons engaged in hazardous occupations, difficulties which should have been apparent to those who are now faced with them. Only one result could follow segregation of that kind, and I say it was very unwise to group such people in one Society. We avoided that.

11,680. When you say you avoided that, I think you had within your Society workers in your particular occupation?—But it is not a hazardous occupation.

11,681. It is no virtue of yours that yours is not a hazardous occupation and that other occupations are hazardous. It seems to me that your answer just now puts you on an exact parallel with the society against whom you make the comment?—No. If our people had had hazardous occupations, we should not have had a society of our own.

11,682. Precisely, that is just the whole point?—That is where our wisdom comes in.

11,683. But you cannot say, surely, what you would not have done; you can only say what you have done?—I can say that I should not have had anything to do with the formation of a society composed of workers in hazardous occupations.

11,684. You might not personally; that is true. But that does not at all mean that even though

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yours had been a hazardous occupation, there would not have been a society formed for that occupation?—It would have been very unwise to form such a society.

11,685. In your view. I gather that from what you say. But that in itself would have been a matter beyond your control if you had had nothing to do with it. However, that satisfies me. I suppose your Approved Societies are giving a good deal in the way of additional benefits out of their surpluses. Could you give us any typical details?—We give the increased cash benefits; in some cases the maximum figures, and in others less. We give from 2s. to 5s. additional sickness benefit and a corresponding increase in disablement and maternity benefits.

11,686. What is the increase in the maternity benefit?—5s. to 10s. It varies according to the surplus of the particular society. Then a few Societies give dental treatment, optical treatment, medical and surgical appliances and convalescent home treatment, in some cases in accordance with a scheme under section 37 of the 1911 Act, and in other cases by donations under section 26 of the 1924 Act.

11,687. I see from paragraph 20 that you are opposed to the repeal of section 26. Would you agree to any amendment of it which would give the Central Department a little more control over such expenditure?—I should not agree willingly to any such control, because I do not think it is necessary. If Societies which have been in existence for 12 years have exercised their power under this Section for the last two or three years only, that is to say, were careful not to exercise it until after the first valuation when they saw they had funds available, I think there is no call for greater control than there is just now.

11,688. But suppose the result of the experience of the last two or three years had been that they were exercising this discretion in a way which admittedly was intended to defeat the Act. Would there still be no reason to control?—I do not see how a Society could exercise it in such a way as to defeat the Act.

11,689. I was rather asking you to assume that?—If it is not allowed under the Act, then it is illegal, and the auditor can check it.

11,690. That is rather a narrow construction of what I am saying. If they have unbridled discretion under Section 26, then nothing they do could be said to be contrary to the Act, but they could do many things which might quite well defeat the intention of the Act. The question that is addressed to you is as to whether there should be such control exercised over the making of payments under Section 26, as would secure that societies would not, in their payments, defeat the object of the Act. Have you any objection to that?—My answer would be that if the power has been abused by any society, and it has been shown to you that control of this kind is necessary, then I should not object. But if this unbridled freedom that you refer to has been used with caution and discretion, then I should say let well alone.

11,691. You make an interesting suggestion in paragraph 22, namely, that employed married women should be insured only for medical and maternity benefits because of the difficulties of supervision of sickness and disablement benefits in such cases. Have you any knowledge of what view your employed married women members would take of such a deprivation of the benefits promised in 1911, which was also a Parliamentary promise?—I cannot say that we have consulted the married women, nor do I think that they attach very much importance to or know anything about the Parliamentary pledge to which you refer.

11,692. Have you consulted your women members on this?—No.

11,693. If it be true that there was a Parliamentary promise upon this also, you are making a suggestion

that that Parliamentary promise in this regard should be departed from, while I gather you were very averse from a Parliamentary promise given in another direction being interfered with. I just wanted to see whether there was any consistency in it?—I do not think that the Parliamentary promise comes into this question at all.

11,694. Or into the other?—Oh, yes. The other was a very definite promise that we should have our surpluses for division amongst our own members.

11,695. But I am sure there was a Parliamentary promise about this also. As a matter of fact, it was more than a promise?—Here we state that in our opinion it would be a more satisfactory arrangement if employed married women were insured for medical and maternity benefits only. You would not be asking them to pay for other benefits and then not giving them those benefits.

11,696. No; but precisely the same thing would happen with regard to the partial pooling of surpluses. If these words are offensive, I ask you to substitute other words for them yourself; but as from a given date, people would be contributing with a knowledge that certain things would happen. Now the women would be contributing with a knowledge that from a certain date different things would happen?—But they are not being asked to pay for more than you propose to give them.

11,697. It would be a different thing from what they were getting in the past in the other case. I suggest, however, that the principle is the same, and that is all I wanted to put to you?—I do not see that the two cases you state are on the same footing.

11,698. I do not suggest that the two cases are the same. I am rather suggesting that there is a similar principle involved in the two?—If you should recommend that married women, instead of paying the contribution of 9d. which they now pay, and 4d. of which is deducted from a very small wage (in many cases as little as 2s. 6d. a week), should have nothing deducted from their wage, but that the employer should pay 5d. a week, and that in return for that 5d. which the employer pays, the married woman, without paying anything herself, should get medical and maternity benefits, I do not see that you are interfering in any way with any assurance that was given when the Act was passed as to the benefits which the insured person would get in return for certain contributions. Our suggestion is that the married woman should not be called upon to pay anything.

(Chairman): I quite follow that, and I have got your answer on it.

11,699. (Sir Humphry Rolleston): With regard to dental benefit, how many of your fourteen Societies give dental benefit, and what percentage do they pay of the cost of the dentures, and so on—50 per cent. or 25 per cent.?—I understand the position to be that none of the societies gives dental benefit under section 37, but most of them have provided part of the cost of dental treatment through institutions.

11,700. I do not think I quite understand what "through institutions" means?—By donations under section 26.

11,701. What are the extremes in the amount of assistance they get? Is it 25 per cent. or 50 per cent., or what?—In the case of the largest society, the assistance is about 60 per cent. The whole cost of the treatment up to 30s. is provided and half of the difference over that sum.

11,702. Do you know what the average cost amounts to for providing dentures?—I am afraid I have no information to-day as to the average cost per case; but I have some information as to what the total cost might be if dental treatment were provided on a 100 per cent. basis, if the Commission desire to have it.

11,703. (Chairman): That would be useful.—Based on the experience of the Scottish Rural Workers Society, whose members have been getting



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this benefit for the last two years, we estimate that the cost of a full service on a 100 per cent. basis would be 6s. per insured person per annum. The actual cost has been 4s. 6d., excluding any allowance for administration. We would allow 6d. for administration and another 1s. for the fact that if you provided it on a 100 per cent. basis you would get a larger number of claims. Accordingly, we think that 6s. would be a fair estimate of the cost of providing it as a normal benefit.

11,704. What would be covered in this 6d. for administration?—I am assuming that the society would administer the benefit. There would be the instructing of the dentist, the settling of the estimate, the postages and all that sort of thing that are incurred.

11,705. And you think that that might come to 6d.?—I think 6d. would be enough.

11,706. That is 6d. over the whole membership of the society?—Yes.

11,707. Do you find that from experience?—I think it is an ample allowance; perhaps I should say it is an outside figure.

11,708. (*Mr. Jones*): That is the cost of administering the medical benefit through the Insurance Committees?—Yes.

11,709. (*Chairman*): It might be an outside figure, then?—Yes. I was going to say that the majority of societies would be unable in our view to provide this, and at the same time continue the existing normal benefits. In these circumstances to make dental treatment a normal benefit would mean that a large number of societies would show a deficiency on valuation which would have to be made good out of the Central Fund. In effect this would mean the partial appropriation of the surpluses of those societies which would be compelled to contribute to the Central Fund and never be in a position to claim anything out of it. Dental benefit should therefore, in our view, remain as an additional benefit to be provided by societies which have funds to do so.

11,710. (*Professor Gray*): Could you tell me a little more about your attitude towards the regional medical officers? You rather complain, do you not, that they do not give you quite as much help as they might?—Yes.

11,711. It is the case, is it not, that cases are referred to the regional medical officers with two objects in view. There are cases which are sent for a further and more general report on the nature of the illness, and there are cases which are sent to medical officers on some question of incapacity?—Yes.

11,712. Do I understand that even in the cases referred on the question of incapacity you want a detailed report?—We want a report which will show to us what in fact is the condition of the insured person so as to enable us to decide between the panel doctor and the medical referee where they differ, as they not infrequently do, and to see whether or not benefit is payable. It is emphasised by the Ministry and the Scottish Board of Health that it is the duty of the society to decide from the information given to it by the insurance doctor or the referee whether or not benefit is payable. If we do not get the information, we cannot arrive at a proper decision.

11,713. But you realise, do you not, that there is rather a difference in principle between the two kinds of cases. In the one case there is some doubt connected with a man's illness?—That is so.

11,714. In the other case it is not referred with regard to his illness, but on the question of incapacity?—That is so. As a rule the reference which a society makes is the incapacity reference.

11,715. The doctor does the other?—Yes.

11,716. I do not want to take you on to the general question of deposit contributors except in so far as you put forward a new suggestion. You rather suggest, do you not, that there should be two kinds of deposit contributors?—That is so.

11,717. You suggest that they should be required in effect to apply to some society, and if they do not do so they are to remain deposit contributors on the usual individual basis?—That is so.

11,718. On the other hand, in regard to those who try to get into some society and fail, you alter their status?—Yes. I would suggest two classes of deposit contributor: those who would be entitled to benefits at the present rate, and those who satisfy the Ministry that by reason of the state of their health they have been unable to gain admission to a society, and who would then establish their right to the special rates of benefit that would be fixed by the Actuary and be payable out of the funds which we suggest.

11,719. Will you tell me first of all what kind of test you think ought to be laid down to prove that a person cannot get into a society?—I suggest a test similar to the test which now obtains in the case of discharged soldiers, who are retained in the Navy and Army Insurance Fund because they cannot get admission to societies.

11,720. In order to get the thing complete, what is that test?—I understand it to be that the insured person has to satisfy the Navy and Army Insurance Fund that he has applied to a society and has been refused on the ground of the state of his health. In practice the Navy and Army Insurance Fund communicate with the society to verify the information which they have got from the insured person.

11,721. Do you think one society is enough, or would you prefer two?—I think one society is enough if it has refused the insured person on the ground of health. Of course, a society may decline an application on some other ground. That I do not suggest that that should entitle an insured person to be admitted to the second class. But if one society refuses on the ground of health, I do not see that it is necessary to send the insured person round to any others.

11,722. Of course, a society can refuse on any ground or no ground; is not that so?—Yes. But it would be incumbent on a society to say in a case of this kind that it was on the ground of the state of the applicant's health, the same as we have to do in the case of discharged soldiers.

11,723. Societies in fact may refuse anybody on any ground whatever, or on no ground. Suppose they do so, and then suppose later the Department writes and says: "Did you refuse this man on the ground of ill-health?" Do you think there will be a tendency for the society to say they did, quite irrespective of what ground they in fact had at the back of their mind?—Whatever the tendency I think the society would require to be straightforward in dealing with the Ministry in a case of that kind.

11,724. Yes; but that is the easy answer, is it not?—It would be a perfectly easy matter for the Department to ask on what ground the applicant was refused and to ask the society to state definitely the condition of health which induced it to decline the application.

11,725. It might not be the condition of health. I suggest to you that many societies may refuse on no particular ground which can be put into writing at all. It might be because a man lives in an area which they do not serve, and things of that sort, and later if they were asked a leading question which suggested ill-health, they might, as an easy way out, give ill-health?—We state now to the Navy and Army Insurance Fund that it was on the ground of his health that we declined the man's application. If any further enquiry were made as to the precise condition which induced us to refuse him, we could give that information.

11,726. Take another concrete case. It has been suggested to us that certain societies do not accept married women in the first place. Do you accept married women in your Society?—Yes.

11,727. Assume a society does not accept married women. There is a general feeling that they ought

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to accept married women and that if we are taking in the whole population we ought not to discriminate against married women. But suppose a society did discriminate in that way, do you think there might be a danger of their not owning up to that fact, and giving ill-health as a reason rather than marriage?—I should think there would require to be something disclosed in the application for membership which would justify the refusal; that is as a general rule what a society goes by when declining an application. You ask certain questions which if properly answered disclose whether the applicant is now suffering, or has suffered, from any disease which is likely to recur or to impair permanently his health.

11,728. Leaving that point and taking the next part of this suggestion with regard to those deposit contributors who would be on some basis of mutuality, on a kind of insurance amongst themselves, your suggestion is that these deposit contributors should not be on their individual accounts but that there should be available the interest on this sum referred to?—Plus the other sources of revenue.

11,729. But the main thing is the interest?—The main thing to begin with; but there will be a constant revenue to this fund from the contributions of the qualified members and the balances of other deposit contributors who have died or who have ceased insurable employment.

11,730. Have you considered whether there would be any danger of that not being a stable society? You see, you have by your hypothesis eliminated the good lives; you have transferred them to societies?—Yes.

11,731. The other ones who are left behind are in fact the bad lives, and you insure them amongst each other with, in addition, this sum of interest and revenue from other sources?—Yes.

11,732. Is there any danger, do you think, of that sum, whatever it is, becoming exhausted and the fund becoming insolvent?—I do not know that I am in a position to say how soon, if ever, it would become exhausted, because I do not know how many deposit contributors who have been drawing benefit have exhausted their contributions and still remain ill. But my proposal would, at any rate, give these members a higher rate of benefit, and for a longer period than they are now receiving it. I think I might call attention to the fact that our proposal is substantially the original proposal made by Mr. Lloyd George and stated in his Memorandum explanatory of the original Insurance Bill (House of Commons Paper No. 147 of 1911) where he explains that after the expiration of three years—that is the three years at the end of which it was intended to revise the position of the deposit contributor—if the funds admitted, further additions from lapsed and forfeited contributions would be made to the amounts withdrawable by deposit contributors in sickness. That is substantially the proposal which we are now making to you.

11,733. (Mr. Jones): You are in favour of dental benefit, I take it, on health grounds?—Yes; it is a very desirable benefit.

11,734. You are opposed to making it a statutory benefit on financial grounds?—That is so.

11,735. You want only those members to get it who are happily situated and can get it out of surplus?—Yes; that is substantially the position.

11,736. Is not that rather unfair to the insured person who unfortunately is a member of a society that has no surplus?—It is no more unfair than not to provide him with any of the other things which are desirable in the interests of health but which are impracticable on financial grounds.

11,737. But we have had universal evidence here of the desirability of this on health grounds, and as a sure investment, giving a ready return to the Approved Societies—a quick saving in sickness payments?—If all societies are able to pay for their own dental benefit, nobody would object to their doing so; but we object to paying for our own dental

benefit and also for the dental benefit of others who have spent their money in other ways.

11,738. But look at the point of view of the insured member. Is the health of the member in a society with a deficit not just as much a matter of national concern as the health of your members?—From the national point of view that may be so, but there is no call upon us to pay for benefits to members of other societies.

11,739. Your interpretation of the Act as regards medical benefit is that it means what it says: "Medical attendance and treatment"?—Yes.

11,740. Without the limitation that has been placed upon it by the Department?—Yes; but that is one of the normal benefits of the Act, whereas dental treatment is not.

11,741. If I accept your interpretation of the section, would it not include dental benefit as part and parcel of medical treatment?—No; we have just had a decision in Scotland to the effect that dental treatment is not a medical service. In consequence of that decision doctors are now charging for small dental services which formerly they were not accustomed to charge for.

11,742. That may be, on the interpretation which has been placed upon the section; but you have already told us this morning that you do not agree with that interpretation?—It is not an interpretation of the section; it is an interpretation of the terms of service in the Medical Benefit Regulations, an entirely different thing.

11,743. I do not want to discuss the medical service at all or the terms of service. Your view of the section this morning, with which I agree, was that Parliament meant an unlimited medical service?—Which does not include a dental service.

11,744. I beg your pardon?—That has been determined.

11,745. It has been determined on the terms of the Doctors' Agreement; but you yourself said this morning that you interpreted the original Act of 1911 to give an unlimited medical service?—Yes.

11,746. Does that medical service interpreted in that wide way not include dental treatment?—No.

11,747. Do not you think that it is as essential for a man to have proper treatment for his mouth as for any other part of his body?—Dental treatment was excluded from medical benefit in the original Act, because you find it in the list of additional benefits which a society may provide out of a surplus.

11,748. So that you would exclude it from your wide interpretation of medical service?—Yes, because it is excluded by the Act. It seems to me to be clear that the Act did not intend to include in medical benefit such treatment as a dentist is accustomed to give.

11,749. I think perhaps that view is reasonable, but what is the position of the insured person when the individual is a member of a society with a deficit? Take his point of view?—I do not see that he has any claim or any right to expect that he should receive this or any other benefit out of the funds of other societies.

11,750. Do you not think his health is just as important a matter as that of any member of your Society?—No doubt it is to himself.

11,751. And to other people, naturally—as a national asset. Do you not think in a properly interpreted and properly worked national scheme that provision should be made for dental treatment?—No, I do not think so, because this is one of the many services which might be cited, all of which would conduce to the health of the community, but which it would be absurd to propose, simply because there are no funds to provide them.

11,752. You cannot say that is absurd. When everybody who comes here says it is an essential benefit, it is beyond the region of absurdity, is it not?—Certain services are desirable. But I would not say that they are essential. We agree, for example, that medical benefit

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to dependants is desirable if you can provide the funds for it, and similarly with dental treatment.

11,753. Yes, but it is because of the great urgency of this that it is put forward. Do not you see an element of unfairness towards the individual in the present arrangements?—I do not see any element of unfairness. I think the insured person, in whatever society he is, is getting full value for his contributions in one way or the other. In one society his contributions are distributed in one way, and in another society in another way.

11,754. Let me come to my next question. You are convinced, I think, that the present system of administration through the Approved Societies is the best possible?—I would not say that it is not capable of improvement, but it has been a great success.

11,755. It is capable of improvement perhaps in minor details—administrative details—but on broad principles you think it is next door to the acme of perfection?—I think the principle of the Approved Societies is an excellent one.

11,756. We have had in evidence that a society, because of the very special selection of its members, had a surplus, I think, of £7 13s. per member, and they could not by almost any exercise of their imagination find additional benefits that would absorb more than a fraction of the surplus on the first valuation. One wonders what they will do on the next valuation with the huge surplus, relatively, which will result from that. Would you say that these members are getting the full benefit of their contributions, and that they are getting what they

pay for?—I think the societies to which you refer are in a special position. I suppose you refer to such societies as Lloyd's, and the Banking Societies, consisting of employees who quickly exceed the maximum income which renders them liable for insurance, and probably before a valuation has taken place, they are out of insurance.

11,757. They are special, in that sense, at one end of the scale. Are the other lot not special in a somewhat similar sense at the other end of the scale?—One must assume that members have joined the societies that they thought most suitable to them, and having done so, I think they must accept the result.

11,758. But do you think it is impossible to amend the Act of Parliament so that there will be a more equitable distribution of the insurance funds?—Of course, it is not impossible, but it would be quite unfair in view of the assurances which were given when we started off, and in view of the provision which has been made through the Central Fund for making good the deficiencies of societies which through innocent misfortune have not been able to pay their way.

11,759. Do not you think it would be desirable to make some amendment to the Act to remedy these extreme features at both ends? Are you quite content that things should go on as they are for all time?—I think that the present provision through the Central Fund meets all reasonable complaints that members of societies may have.

(The Witnesses withdrew.)

Mr. JAMES FALCONER and Mr. WILLIAM WOOD, called and examined. (See Appendix XXX.)

11,760. (Chairman): You have had the advantage, Mr. Falconer, of hearing all that has taken place this morning. Perhaps the most helpful way now would be for you to make any remarks of general import that occur to you. That would perhaps prevent overlapping?—(Mr. Falconer): Thank you. I only want to refer to two or three outstanding questions. I should say that I have been President of the Scottish Rural Workers Approved Society since its birth and it is with that experience that I speak. I have taken a very close interest in all its work, though of course the burden rests upon Mr. Wood. With regard to the question of certification, I do not think that it is realized that the whole business management of a society is dependent upon sound certification. Mr. Wood could give the details with regard to the extent to which unreliable certification prevails and I will not go into it. But it is impossible to manage a society properly unless you have careful certification, stating the facts accurately and giving the certificates at the proper date, and also giving in the certificates the particulars which are necessary to enable a society to determine whether it is a case where payment should result. That probably has been the thing which has given us the main concern. The rule of our Board upon which we attempt to act is that where any applicant is entitled to benefit we like to give him full measure. That is what we are there for. On the other hand, we realize the danger, which I am sure the Commission must realize, of being slack and giving payment where there is not a real case. I do not mean standing upon technicalities, because that we try not to do. A doctor's certificate in the ordinary case is really like an order upon the society to pay the benefit, and you can see the temptation to applicants and you can also see that some doctors, at any rate, are exposed to the temptation of being rather easy with the granting of certificates—not to put it any higher—and I think also resent inquiries for further particulars. You know the doctor's reputation in Scotland stands very high, and I think the general body of the medical profession in Scotland is as much concerned almost as the Society in seeing that the

certificates are not improperly given. My appeal is not only to the Commission but always has been to the medical profession that they should themselves put down as far as they possibly can the granting of irregular certificates.

11,761. Have you any suggestions to make for improvement of the present arrangements?—I have discussed that frequently, and I am bound to say I have been rather reluctantly driven to the view that the Department must really take upon themselves the discipline in cases where it is clear that a proper certificate has not been granted. Whether the Department will impose anything between themselves and the medical profession or try and enlist the medical profession to help them in some way which would make things more palatable to the doctors and avoid friction as far as possible, and also keep the Department out of the controversy—because they have to live with both the doctors and the societies—I would leave very much to them. But I am satisfied that all our efforts, and we have made a good many, have not succeeded in establishing a good working system. We were the first society I think to have a medical officer—a highly-qualified doctor who has the confidence, I think, of all the people with whom he comes in contact. He regularly advises in regard to certificates where we have doubt, so that we, as a Society, do not approach the doctor, but rather refer the matter to the medical officer, who is able to discuss, as one professional man with another, what further information can be given. We also tried at first continually to press these cases where it was obvious there had been no real attempt to comply with the Rules.

11,762. Is that medical officer on your staff?—No; he is an independent man. Since then he has been consulted by other societies, I think.

11,763. What proportion of his time does he spend on your work?—(Mr. Wood): He comes twice a week and spends about an hour to two hours each day.

11,764. And you find that quite enough?—Yes. (Mr. Falconer): Of course, he is highly experienced in this class of work, and I daresay he can tell very quickly where something more might usefully be got from the doctor.

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11,765. Is he in contact at all with the regional medical officer?—No, not directly. He is doing service for us really for the purpose of trying to avoid friction with the doctors and at the same time to get what we regard as something to enable us to check anything in the nature of malingering.

11,766. Which is very necessary?—Yes. This insurance will all go to pieces unless there is effective discipline in one way or another. That is perfectly obvious to anyone who has charge of administration. I regard our successful results as materially due to the assistance we get from the medical officer and also to the diligence with which we try to prevent anything in the nature of malingering.

11,767. Then you support the evidence given on behalf of the National Federation of Rural Approved Societies in regard to the revival of the arrangements?—Yes, I do. I take that view. (Mr. Wood): I think the services of our medical officer enable us to restrict very largely the number of cases that would otherwise be referred to the medical referee. Last year we referred 202 cases altogether, which I think for a society the size of ours is a very small number.

11,768. Your membership is 68,000, is it not?—Yes. Our medical officer by communication with the doctors is able to reduce the number of cases which have to be referred. I should also say that about three-quarters of the cases that are referred are of a type that it would not be necessary to refer if we received the information from the doctors that should be provided to us. These cases are referred because we can get no reply to our inquiries from the doctors.

11,769. I quite follow that.—(Mr. Falconer): The next point I would like to refer to would be the pooling of societies' surpluses. This morning before coming here I looked up the debates which took place on the Bill which established the Central Fund; that is in the 1918 Act. I did so because I had a very distinct recollection of the situation which then arose. Sir Edwin Cornwall was in charge of the Bill and he had certain proposals which all of us were afraid were taking the first step towards some general pooling of surpluses. We were all against it. The Bill was hung up for a considerable time while protracted negotiations took place, and ultimately the Central Fund was established. I do not hesitate to say that everybody present understood that that was to be final, and it was only allowed to pass upon assurances that it did not involve any pooling of surpluses of societies.

11,770. That is, everyone present in the House?—Yes, I cannot speak for anyone else. I was in consultation with Sir Edwin Cornwall, and also with other people who were interested. Sir Edwin Cornwall, in answer to Mr. Butcher, definitely stated that neither in this nor, as far as the Government could give an undertaking, in any other Bill would the principle of applying the surpluses of one society to meet the deficiencies of another be entertained. Also Sir Laming Worthington-Evans, in winding-up the debate, said that if anything of that kind were involved in the Bill he would not be there defending it. Even allowing for the ordinarily rather extreme way of stating a case in a debate. I think if you will refer to that you will be satisfied that, so far as there can be a Parliamentary agreement, there was a definite and clear Parliamentary agreement about this matter, and that that Bill would never have gone through otherwise. I would like also to say another thing. When the original Act of 1911 was passed, of course you could not pool surpluses. That was definite. It seemed to me that a society like ours, with people who were expected to be specially healthy, would have a surplus for the benefit of its own members. And it was that which led me first to take an interest in a Society for rural workers. My constituency—Forfarshire—is one of the big rural Counties of Scotland, and it seemed to me my duty to make this perfectly clear to them. There was a very large meeting of

farmers held at Arbroath at which I appealed to them in the first place, because it seemed to me that they should be carried along with us as they were making large contributions and were interested in the health of the workers. I said I believed the health of the rural workers to be better than the average and that they would be paying towards a surplus for their workpeople if they would take the lead in forming a society. Undoubtedly that was the foundation upon which the Rural Workers Society of Scotland was built. It was favourably received. Then we raised the question practically in every agricultural village in Scotland and got people to attend meetings and address the meetings, and all the members who attended these meetings—and they were largely attended at that time by both employers and employed—were told that according to the principle of the Act, if they joined together in one Society their better health conditions would be to their great advantage. I also made an appeal to them to give their help in the administration of what is perhaps the most difficult of all societies so far as administration is concerned. You appreciate the way in which our members are scattered. Well, that was the spirit in which it was begun, and that we have carried out. We got a great deal of voluntary assistance on the formation of the Society which remained voluntary, I am glad to say, even after we were allowed to pay for such service. We worked very largely on the appeal to the farmer and farm servant to cooperate and to give all their assistance in carrying it out, in which we have I think been successful.

11,771. What was your surplus on the last valuation? £2 5s. per member, was it not?—Yes. We have also been successful in enlisting to a very large extent the most representative men among the farming population—men like the late Mr. Ferrie of Fife, who was Chairman of the Highland Agricultural Society, Sir Hugh Shaw Stewart, Sir Henry Ballantyne and Sir Matthew Wallace are among our Trustees, and we have Mr. Hanna and Mr. J. Esslemont as Vice-Presidents. On our Board we have representatives from all parts. We also have an excellent representation at our annual meetings. It is really a national rural movement in Scotland.

11,772. How many attend your annual meetings?—For our annual meeting the procedure is to hold meetings in each district and appoint delegates. There are about 60 or 70 of them. You could easily see we could not have an ordinary annual meeting of all the members. These positions are very keenly fought for.

11,773. Do you find every district sufficiently interested to nominate a member?—Every one. I do not think it is so in all the branches in the remote parts. The keenness with which these delegates from the District Meetings to the Annual Meeting canvass all the questions, study the Act of Parliament and follow all the movements which have taken place is really wonderful. We have a day and a half for business and we always require all our time. People take a very keen interest, and when you have any question of what additional benefits you can give, or anything of that kind, it is sent down to the district meeting; it is canvassed there, and the delegates come up and vote accordingly. A memorandum is prepared setting forth the whole case, and is submitted to the District Meetings for discussion. After that the delegates come up to the annual meeting and decide what is to be done.

11,774. Are the district meetings well attended?—Yes.

11,775. You have knowledge of them?—Yes; they are well attended considering their scattered nature. Of course, for the district meetings representatives are elected by the local branches, because if you trusted to people coming casually they would not have any authority or weight. My point in troubling you with all that is this. Of course

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Parliament can do anything, but like all honourable people there are many things they can do which they do not do, because it would not be a fair thing and it would not be keeping faith. I say that it would be a breach of faith between the Parliament which established this system of insurance and the people who have joined—not only with insured persons, but also with the people who have taken part in the management of it—if they were to go back upon the principle with regard to the independent right of each Society to dispose of its own surplus. May I put it in this way: Suppose I had to go back to this Society and say to them: "Look here, I have told you year after year what I believed was the position, and I have asked you to come and help us in connection with the Society, and have given you the most absolute assurance that if by good management (which I have always laid stress upon) or by reason of your good health you earn surpluses, you will be entitled to dispose of them for health purposes under the Act by way of additional benefits; but that is no longer the case"—if I had to go and do that, I should feel positively sick and ashamed. That is a point I want you to see: how we are all placed.

11,776. May I ask you to explain a little? You used the argument that they would retain surpluses which they had created by good management?—I believe I have somewhere lying among my papers the original speech upon which I founded the Society. I think it was mainly on the good health conditions. I also appealed always—I never failed to appeal to them—on the ground of management.

11,777. But the pledge so far as you were concerned was not founded solely on good management?—No, not at all. You see the appeal to the farmers, and to the ploughmen also for that matter, was that their health conditions were better. If necessary, I am sure I could verify it. That is the reason why I attach a very strong personal importance to this. We would have to break faith.

11,778. What is your view on the suggestion which has been made to us—apart from this pledge—for the constitution of territorial societies?—I do not think that would do. You mean one society for an area. I think that would be a roundabout and a rather clumsy way of accomplishing the object against which I have been protesting. There is one great advantage in the kind of society under the Act: you get the best possible effort in management. I do not want to use any political terms, which create a difference of opinion, but it is an instance of individualism and the fact that a man when he is working hard for a society is working for himself. If whatever results you produce are all to go into a pool nobody will be interested.

11,779. Local government is not quite without high public spirit, but you think that is not enough?—I think, if you ask me to put it in that way, that you need more. I believe it was just a question of touch and go in the rural districts of Scotland whether this Act would work at all, and it has been said to me by those who are entitled to speak with authority, that if our Society had not come into the field it was very doubtful whether they could make it work even with all the law at their back; there was such a feeling about it.

11,780. That was on the initiation of the scheme?—Yes. It required very careful handling, and this Society had a great deal to do with smoothing the way.

11,781. But now that the practicability as well as the desirability of this form of National Insurance is accepted, there would not be, would there, the same opposition to an extension of the scheme on the lines of a territorial basis?—If you saw the zeal that we see every year, and the pride there is in our Society, I think you would realise that to merge it into a big territorial society would be to lose a great deal that is well worth having. With regard to section 26, I have not much really to add to what Mr. Wood has said, except this. If there have been abuses I was not aware of anything of the kind.

11,782. Perhaps the word "abuse" was hardly the right word?—Or irregularities.

11,783. Or even irregularities. Perhaps one might say, "outside the spirit." In other words, things that may not be permitted by the Department under the administration of one section are sometimes done by a society under section 26. One society which came here said quite frankly that they had done under that section certain things which they might have done under another section, but which they had found difficulty in doing to the same extent because of the administration of the Department?—Of course, one would require to go a little further and to know whether it was really within the proper limitations of the Health Insurance Act. If it was outside their powers, I could understand then that that must be checked.

11,784. I would not put it like that. Let me put it like this: There was something that it was quite desirable to do. They might have done it under a scheme for additional benefits, and there it would have been not entirely within the control of the administration of the society. They chose not to do it in that way because they felt they would be too much restricted, but they chose to achieve much the same object by making grants to an institution or a corporation which was outside the control of the society. Professor Gray put this question to the witness: "You wished to dodge the Act?" to which the witness said: "Yes, if you like to put it in that way"?—I would not have given that answer.

11,785. He was very careful to add that he did not know that he was quite dodging the Act. That is the kind of thing we had in our mind?—I should have great regard to the question as to whether it was within the scope of the Act. There is not the same temptation in connection with this class of work as there might be in some cases. There are no dividends to be paid, and the whole object of the Act is to devote the funds at your disposal to the purposes for which the Act generally exists. If there was anything outside of that one might take exception to it.

11,786. But you can see that if each society was left to decide for itself what should be the objects of the Act there might be such a variety of view as in the end to destroy any uniformity at all?—Theoretically I can see that. On the other hand, do not forget the rather numbing effect of: "Thou shalt not do this, or thou shalt not do that," and the temptation to a Department to try and say what shall be done, if you like, with the rural workers of Scotland. You have all these people coming fully informed as to what is needed in their particular districts. I think that is really sufficient. I think we got rather an awkward blow, when we were told that whatever our surpluses were we should not be allowed to give additional benefits except to a limited extent, when we had to say to our delegates that we had the money but we could not use it. I am not questioning the high policy which dictated that; they knew a great deal more than I did, and I daresay I know pretty well what their reasons were. But I am sure the wisest of Departments never desires to have powers, or to be compelled to exercise powers, which are not necessary to use. I think that to give the rein to a well-managed society to manage its business in its own way for the benefit of its members as far as possible is desirable. I will put it in that way.

11,787. Of course the question I put to Mr. Wood left it to be inferred that the suggestion was permitting the society to exercise the fullest control, really, as to how it should spend its money, merely reporting to the Ministry of Health with a view to obtaining from them any comments, if they had them to make?—Everything ought to be perfectly open. I think also that the charitable institutions, or whatever they are, under section 26 ought to be very thoroughly audited so as to make sure that no money under the guise of a charitable institution was being used improperly. (Mr. Wood): May I give you an illustration of how a power might be exercised by the

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Central Department to the prejudice, if I may say so, of the society? When the first valuation results were issued, in our own case we had a certain surplus and we were told that if the whole of it were to be utilised for providing additional cash benefits it would be sufficient to provide increases at certain rates. In point of fact, it would have been sufficient to provide increases at double these rates, and while we had no desire to pay higher rates than were in fact authorised by the actuary, we wished to provide further benefits with the funds that were available. Still, we were told that the whole of our surplus must be reserved for these additional cash benefits. Now, if power were given, as you suggest, to the Department to say that not more than a certain sum should be given by the society under section 26, it might very well be that they would reserve for some purposes—for example, additional cash benefits—twice as much as was necessary, and that we would be prevented from spending money which was really intended by Parliament to be distributed amongst our members during a certain period.

11,788. It was not, in fact, a suggestion of mine; it was a suggestion that had been made and I was merely putting it to you?—(Mr. Falconer): Might I give you the reference to the debate on the Act of 1918? It is in Hansard of 23rd November, 1917, and I think it is columns 1550 to 1608. The only other thing that I would like to mention is a question which so far has not been mentioned, that is providing for superannuation of the staffs of societies. That is very much in my mind, because the class of people who are employed really do not get a remuneration which enables them to save, and it is desirable when the time comes at 60 or 65 that there should be a retiring allowance or superannuation fund.

11,789. That is for the staff administering the fund?—Yes. Any ordinary employer employing that class of person ought certainly to help. I think probably half should be contributory and half provided by the society. That would probably be enough, but an actuary would be required to advise. They are people of good health; they lead a sheltered life in a way, but I think when they are no longer fit for work they ought to be provided for. Our administration allowance, I am sorry to say, is not sufficient to enable us to establish it, and it is not desirable to establish a thing like that unless you are sure you can go on with it. Besides, there ought to be some comprehensive scheme, I think. I daresay if we were authorised to apply a contribution which would be sufficient, then so far as we are concerned I daresay we could find it out of our other funds.

11,790. Do you run a voluntary side to your Society?—Not yet, but we have that in view. Conditions, as you know, with regard to return for money have to be considered. We had it all prepared some years ago, but the financial situation of the country generally, and the rate of interest at which you could get money, made it very difficult for us to be sure that we were on the right side. But we had that in view.

11,791. (Sir Arthur Worley): With regard to the superannuation fund, you said you might be able to get the money from your other funds. What funds have you got in your mind?—If we were authorised, out of our surplus.

11,792. Short of that you would not have enough, partly because you are a comparatively small Society?—Of course we have a comparatively expensive organisation, being scattered over Scotland from the Shetlands right away down, and partly into England.

11,793. If there were several societies joined together there would be a saving in one way in central expenses, and you would have less difficulty, if you managed it as well as you do now, in providing some fund for your superannuation out of the administration fund?—I do not know what the other societies require to meet their administration expenses so that I do not know whether as a class they would have a sum available.

11,794. Anyway, with a contribution per member it would be easier to provide a better fund from a large society than from a small society?—What I really think would be the best way, if it is possible, would be to have some general fund.

11,795. That is a species of pooling, is it not?—It may be, but I am not against pooling where it can be honestly done. We are going to pool the benefits as well as the contributions.

11,796. Some of the benefits. I take it you will agree with this: Your Society has 68,000 members, which is about half of 1 per cent. of the total, the total being about 15,000,000. You, I gather, would be agreeable to the Central Fund being increased from the contributions, that Central Fund being responsible for some of the extra cost of the medical treatment which you advocate?—(Mr. Wood): Yes.

11,797. On the other hand, we have had various gentlemen here representing certainly, if not the balance, a very large proportion of the 15,000,000 insured persons, who have, on the other hand, said: "We would be agreeable to some call on the insured persons going into a central fund to provide dental benefit." That has been pressed in several cases, as you will have seen by the evidence. Therefore, we get into rather a difficulty. I do not know whether Solomon would have solved it by taking both schemes and putting them in the Central Fund?—(Mr. Falconer): I am inclined to agree with Mr. Wood in what he said as to that.

11,798. I cannot dispute that he may have good grounds for that, but I am putting the point of view that other people with very large interests are equally strong on the dental benefit. One has to try to carry out the thing to a large extent as insured people want it if you are to be successful in carrying them with you all the way through. After all, this is a national matter, and we cannot look at it from an isolated society's point of view alone?—(Mr. Wood): I am not sure that the other proposals are that the benefit should be made a normal benefit.

11,799. Possibly in some cases not; but I take it this would also become a normal benefit if you extended the scope of the medical service?—Yes, because, as I explained at the outset, we are merely proposing to give what was intended from the outset should be given.

11,800. I am not offering any comment on what was intended beyond that you say: "Here is a medical benefit to-day. It is immaterial whether it should have been given at the start. We are now proposing to extend it as a normal benefit, and we say that if there is any deficit on that, let it come out of the Central Fund." On the other hand, the other people make the same remark. They do not say it was intended to cover dental treatment. That is outside it for the moment, but they do say it is a very important matter and should come out of the Central Fund?—(Mr. Falconer): I do not think it follows, with all respect. I think in the one case you can say that, but not in the case of dental treatment.

11,801. All I say is, people representing a very large proportion of the insured population of this country have come and made that suggestion?—It is very easy for people who are going to get something out of the Central Fund and to put nothing into it, to make such suggestions.

11,802. I think we must be just?—I do not know, of course, who the societies are, but let me put it in this way. Of course there is a large class of people who cannot pay it themselves and they cannot get it unless they get it out of a fund which is contributed by others. That one can understand and that one would naturally discount in a question of this kind. With regard to the other people, all I can say is I do not agree with them.

11,803. That I accept; but I think it is only just to say that in the case of a good proportion of those who did advocate this, a large proportion of the additional cost would fall on their shoulders. They have large surpluses and they have a large member-

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ship, and they would be worse off than others?—Of course I had no right to make any observation of that kind with regard to them.

11,804. Apart from the question of the pooling of surpluses, to which I can quite see your objection, at the same time do you not think that if Parliament, when it brought the Insurance Act forward, had had the experience which is now before it, it probably would have increased the normal benefits?—Do you mean that it would have increased the normal benefits payable by each society.

11,805. Yes. I mean to say if it had been in the position of having the actual experience which is available now, it would probably have said the proper thing would be to increase the normal benefits?—I do not know that I can answer as to what it would have done at the time. There was great doubt as to how National Health Insurance would turn out.

11,806. There is no doubt now, and therefore the situation is somewhat different?—Yes, and it is very difficult to say what Parliament would have done.

11,807. But it would not be unreasonable to assume that if it had known that the thing would turn out so successfully as it has now, Parliament probably would have been inclined to anticipate the future more than it did?—I think it was wise in keeping on the safe side. I think everybody would say that. I also say that it is a very important part of the National Insurance Act that as wide a latitude as possible should be given to the members with regard to the distribution of anything over and above what is properly called a normal benefit. I think it has added greatly to the interest which is taken in the management of a society by those who are concerned in it, and who reap a reward in that way—by giving them something which they can dispose of if they are successful.

11,808. That is not quite my point. I was trying to make the point that now we have got the actual experience it would not be unreasonable to assume that if Parliament had had the experience at that time, it would have discounted the future by giving greater normal benefits than it did. You come along and suggest that a normal benefit should be increased. Somebody else is suggesting something else. Therefore, it is pretty certain that Parliament would have done it, in which case you would not have got the surpluses you have to-day?—My answer to that is that I can judge from my own experience when I was in Parliament, and my experience down to to-day is that while I would be inclined to go as far as Mr. Wood has gone with regard to enlarging the medical benefit, I do not know that I would have gone any farther, because my experience has taught me that it is very important in connection with the management of such societies that you should have a substantial margin over and above the normal benefit which they may devote to such purposes as they think best for their people.

11,809. You are in favour of charging more than is necessary in order that they may build up a surplus?—I certainly would be in favour of always having a surplus.

11,810. Of course you can see what I have in my mind, namely, that it would not necessarily be a breach of faith on the part of Parliament to alter the benefits in the Act in such a way that it would give greater normal benefits than there are at present?—I do not understand that argument.

11,811. I wish to take it on a balance of your own suggestion. Your suggestion is that on medical benefit it should be so. The rest is a matter of proportion—say 5 per cent. or 7 per cent.?—The two things are the same.

11,812. (Chairman): Mr. Wood's point was that the present Act did permit it but it had been interpreted differently by the Department?—(Mr. Wood): That is medical benefit.

11,813. Sir Arthur is pointing out that some people say that dental benefit is properly covered by the Act in their opinion?—(Mr. Falconer): I thought you had the dental benefit separate under the Act?

11,814. (Sir Arthur Worley): I was trying to get you to agree with me that an increase of normal benefit would not be a breach of the undertaking. You will agree with that, I think?—If these societies are going to pay for their own normal benefits there might be something to say for it; but it is the further step that I am thinking of.

11,815. It is a logical conclusion which might lead to a ridiculous finish, I suppose?—I would not be keeping faith with the people whom I induced to build up the Society I am connected with, if I acted on the lines you have suggested.

11,816. I have not suggested how far you should go, but I say that since you have gone so far you should go a little further?—We got that assurance in 1913, and it shows how careful you must be. We got the most definite assurance that the surpluses of societies which had them should not be taken to make up for those who had not.

11,817. I have not suggested that.—I thought you were arguing that.

11,818. How they are to find their money is another matter. I am only advocating a little bit of your own scheme, to increase the Central Fund?—The Central Fund would be made up by those who had surpluses, and that is just an indirect way of dealing with that.

11,819. What do you advocate? You say so far and no farther. I only want to see the principle established between us?—It is the actual result I am concerned about. If you will leave me with my money I am content. (Mr. Wood): When the Central Fund was originally established it was established for a definite purpose and it was made quite clear at the time by the societies that were adversely affected, that it was not to be regarded as a fund which was capable of indefinite extension in the way now suggested, if dental benefit were provided as a normal benefit.

11,820. I am putting it no higher than has been put to us by people who represent—I will give you a rough figure—over 60 per cent. of the insured people in this country. They are concerned, I take it, just as much as you are with the question of surplus, and their suggestion is that the Central Fund should be increased and any deficiency made good out of that Fund in the ordinary way, recognising that dental benefit, or a portion of it, should be a statutory benefit, which would therefore mean decreased surpluses and make any society with a surplus worse off?—(Mr. Falconer): My answer must be that I do not agree with that.

11,821. (Sir Arthur Worley): I quite accept that.

11,822. (Sir Alfred Watson): Mr. Wood has just referred to suggestions made in 1918 that societies were adversely affected by the Central Fund. What societies were adversely affected?—(Mr. Wood): Societies that would be called upon to contribute to the fund but would never have any occasion to draw upon it.

11,823. Am I not correct in thinking that the Central Fund was established not out of societies' money but out of the money retained by the Commissioners for the redemption of reserve values?—I agree; but still these were funds of societies as a whole.

11,824. Is that so? The immediate effect of that, was it not, was to extend the term of the redemption of reserve values?—Yes.

11,825. Parliament provided that when the reserve values had been redeemed those moneys should be used in an extension of the benefits as Parliament might decide. Was that not so?—Yes, that was so.

11,826. Might Parliament not have decided to extend the benefits in some way that did not bring money into the funds of societies at all?—Yes, I suppose that is possible; but Parliament would not decide without reference to the views of those who send representatives to Parliament.

11,827. Naturally; but is it not rather taking a wrong view to suggest that any Societies were, or could have been, adversely affected in their finance

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by the establishment of a Central Fund?—All that I mean by “adversely affected” is that certain societies which would never be in a position to claim anything out of this fund consented nevertheless to contribute to it.

11,828. I am suggesting to you that the contributions paid by them to the fund were not paid out of the societies’ funds but were paid out of moneys retained by the Commissioners for certain purposes?—They were paid out of moneys which would have ultimately come to the societies.

11,829. We do not know what Parliament would have done with those moneys when the reserve values were redeemed. If I may say so, you are assuming that those moneys would then have been used to provide benefits through the societies and administered by the societies; but can you assume that?—I think we are entitled to assume that Parliament will use the funds which will become available when the reserve values are redeemed in accordance with the general wishes of the insured community.

11,830. You cannot even say what the general wishes of the insured community would be in 1932?—Still the contributions are coming out of funds which would ultimately belong to the Approved Societies.

11,831. That is a point which I suggest to you is one that cannot be pressed, simply because it cannot be proved; however, I will not labour that question. With regard to staff superannuation, is it not correct to say that any money paid by way of provision for staff superannuation is additional administration expenditure?—Yes.

11,832. Therefore, your proposal under this head amounts to a proposal to increase the administration expenditure?—Yes, that is so. I think that is made quite clear in our statement.

11,833. There is no special virtue, is there, in increasing the administration fund to provide for staff superannuation?—(Mr. Falconer): Not if it is sufficient otherwise.

11,834. Some societies have said—I am not sure that they have said it in terms to the Commission, but they have repeatedly said it in the past—that the sick visitor should be paid out of the benefit fund, or the regional medical officer should be paid out of the benefit fund. That is just another way of increasing the administration allowance. Is not your proposal simply a device to increase the administration allowance without tying any society down to the exact way in which it should spend the money?—I think they ought to be tied down. I have not in my mind anything except to provide for the superannuation of these people who really ought to have some provision of that kind. But I should be quite willing that it should be tied down so that it could not be applied towards any other purpose such as you suggest. I never had in my mind a mere increase in the administration allowance. (Mr. Wood): I think we would agree that any scheme should be subject to official approval, and that the sum we might be allowed to charge should never be used except for superannuation purposes and with the sanction of the Ministry.

11,835. How do you get over the point that in quite a large number of societies provision is made out of the existing allowance for the payment of staff superannuation?—(Mr. Falconer): It may be that they may be able to administer more economically than we can. We are spread over a very wide area, and it may be that they are more favourably situated as regards administration than we are. We cannot do it under our administration allowance and pay people a decent wage at the present moment.

11,836. It really comes to this; that your Society is so situated that to do all the things that are proper to efficient administration you find you want more administration allowance than other societies?—I dare say a good many of them would like to have it also. This is a thing we certainly think ought to be done. (Mr. Wood): Two or three years ago, when the question of the administration allowance was under consideration by the Departments, the societies and

the Consultative Councils, we were told by the Departments that in their opinion 4s. 5d. was a sufficient allowance for administration. Many societies took a different view. On the Scottish Consultative Council, of which I was a member, I put the question to Sir James Leishman: “Did you, in arriving at this figure of 4s. 5d., make any allowance for staff superannuation?” and he said: “No.” They had made no allowance for that in arriving at the 4s. 5d. When societies find, as most of them do, that the whole 4s. 5d. is required for ordinary expenses without regard to superannuation, I think we are entitled to ask that anything allowed to provide for superannuation should be in addition to the 4s. 5d.

11,837. As soon as you quote Sir James Leishman, I recall the point that the 4s. 5d. was settled after an examination of the question by a Departmental Committee, whose report was, I think, laid before Parliament, and Sir James Leishman dissented from the view that 4s. 5d. was necessary and proposed a substantially lower sum. Had he been asked the question as to whether he personally thought that 4s. 5d. was enough to include superannuation, I should have imagined that he would have said: “Yes”?—I did not ask Sir James Leishman for his personal opinion. It was what was the view of the Scottish Board of Health and the Ministry of Health.

11,838. If you are putting it so, you are aware of his personal view?—I cannot say that I am. I may have known two years ago, but I have no recollection of it at present.

11,839. I now want to put to you a question on the precise meaning of your suggestion that recourse might be had to the Central Fund for the increased cost of the improved medical service for which you ask. Do you mean that each society shall pay its share of the increased medical cost and merely go to the Central Fund if it is in deficiency, or do you mean that the whole of the extra cost should be paid out of the Central Fund?—I mean that each society should be debited with the cost of its medical benefit in the ordinary way, and if it is in deficiency, it should have a claim on the Central Fund.

11,840. And you would limit your proposals to improved medical benefit?—That is so.

11,841. You are not prepared to accept the suggestion made by other societies that dental benefit should also be included?—No; we object to that, because we say that half the societies would be in deficiency and would have to call upon the Central Fund to make it up.

11,842. Even your own proposal means an increased charge on the Central Fund?—As regards medical benefit, yes.

11,843. You are aware that the income of the Central Fund is strictly limited?—Yes. I understand that the deduction from societies for the Central Fund is fixed now.

11,844. It is fixed by statute?—Yes.

11,845. Would you be prepared to face the possible consequences of your proposal by enlarging the demand that can be made upon societies’ Contingencies Funds for the support of the Central Fund?—Yes, we see no objection to that, so long as it is for medical benefit alone.

11,846. You accept that as a possibly necessary conclusion of your proposals?—Yes.

11,847. Finally I want to ask you a point on paragraph 8 of your Statement with regard to the value of additional benefits. I gather that when you received your valuation reports with the statement by the Treasury Valuer as to what additional benefits your surplus would provide, you challenged that statement and proposed larger additional benefits?—I do not know if “challenge” is the correct term. We pointed out to the Scottish Board of Health that, judging by the past experience of the Society, the increased benefits recommended or suggested by the Valuer would not absorb anything like the surplus available, and we asked for authority to provide certain additional benefits other than the increased cash benefits.



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11,848. You were given an entirely satisfactory answer?—I do not know that it was entirely satisfactory. It served our purpose and we said we were quite well pleased.

11,849. Do you object to the value which the Treasury Valuer placed upon the additional benefits. You asked for the surplus to be used in providing greater benefits than the Treasury Valuer said were available?—Yes.

11,850. That means surely that you were objecting to the valuation that he was placing upon certain additional benefits that he named?—We stated it was apparently an excessive estimate of what these benefits would cost.

11,851. You know, of course, that the additional benefits as far as they are cash benefits are merely an increase of the existing benefits?—Yes.

11,852. The Act says so?—Yes.

11,853. And the Act says that a valuation of an Approved Society may be ordered by the Minister at any time?—Yes.

11,854. It also says that every such valuation shall be made on such basis as may be prescribed?—Yes.

11,855. Would it have been possible for the statutory part of the benefits, what I will call the minimum benefits, to be valued on one basis and the additional benefits to be valued on another basis?—Yes, I think it would have been quite possible; in fact I think it would have been reasonable that in valuing the cost of additional benefits the Valuer should have had regard to the experience of societies individually, as shown by the disposable surplus.

11,856. You have just said that you realise that additional cash benefits are in the terms of the Act an increase of sickness benefit and disablement benefit. Supposing your additional sickness benefit was 5s. a week, would it have been possible to value 15s. of the benefit as coming with one set of frequencies and the other 5s. as coming with a different set of frequencies though the 15s. and the 5s. are always paid in one sum of 20s. at the same time?—Whatever the result might be from an actuarial standpoint it seemed to us to be absurd to say that it was going to cost us £32,000 a year to pay a benefit of 5s. per week when during the previous six years we had paid a similar benefit of 10s. a week at a cost which in the worst year did not exceed £24,000.

11,857. The valuation was made upon the assumption that all your benefits, including additional benefits, would cost the standard value in the future. In the past you had had a favourable experience. That was the position, was it not?—Yes.

11,858. And if that favourable experience continued, it merely meant that you would have the pleasing result of a large surplus on the second valuation?—Yes. But the members of our Society during the five years' distribution period were entitled to have the whole disposable surplus spent on them during that period. If we had had no other means of spending our surplus except the scheme under section 37, we would have had more than one-half of it in hand at the end of five years when the whole of it should have been spent on additional benefits for the members.

11,859. You happen to know that now after the event, but supposing you had had the ordinary experience of the standard you would have spent that money in additional benefits, would you not?—I think some regard should have been had to our actual experience during the previous six years.

11,860. That really is your point, that you wanted the valuation of your additional benefits to be made quite differently from the valuation of the standard benefits on the assumption that your previous light experience would continue?—I think that is reasonable when you are dealing only with the spending of an ascertained sum during a comparatively short period on a special section of the insured population.

11,861. And you attach no weight to the requirement of section 74, that the valuation is to be on a prescribed basis, even though the same section provides that a valuation may be taken at any time that the Minister thinks proper?—It does not seem to me

to follow that because the valuation to ascertain whether a society is solvent is to be made on a prescribed basis which has reference to societies in the aggregate, the estimate of cost of any additional cash benefits which a particular society might wish to provide out of an ascertained surplus should be on precisely the same basis. I think there is good reason for taking a different basis when you find that the experience of a society has been very different from the general average.

11,862. Is not your quarrel really with the terms of section 74 of the Act? You want a different section?—No. As I said before, I think you would have been justified in estimating the cost of the additional cash benefits in accordance with the experience of the individual society, and while I do not suggest that you should have considered separately the position of every society of the 3,000 or 4,000 that there are, I think you might have had say three groups, and estimated the cost of additional benefits in those groups according to their experience during the previous six years as shown by their surpluses.

11,863. You personally think that there is power in the Act to do that?—Yes, there is nothing in the Act to prevent it.

11,864. (*Professor Gray*): Can you tell us whether there is any wide feeling in Scotland with regard to your complaint about the method of dealing with appeals?—(*Mr. Falconer*): You mean an appeal at the instance of a member against the Society? No, there is no wide feeling about that. We would prefer, of course, to have an independent tribunal, because it would then leave the Health Insurance Department to have perfectly free communication with people. We should welcome that people who have complaints against us should write at once to the Board, because they would put them right, but if the Board have to safeguard themselves in all sorts of ways because they may ultimately have to decide, then it does throw a burden upon us.

11,865. It is rather a matter of principle than any particular grievance?—Yes, it is.

11,866. And it is not widespread?—No.

11,867. You elaborated the desirability of precision of certificates. Can you tell me which of the main types of complaint you have in mind. There is, first of all, the possibility, is there not, of complaint of a certificate, that the doctor certifies the wrong thing or certifies vaguely when he might have certified precisely; and there is, secondly, the complaint that he gives certificates which are bad in form, with a wrong date, or ante-dated, or using the wrong form?—*Mr. Wood* would be better able to speak on this, but there are many cases of both types, that ought to be looked into.

11,868. On both questions?—On both questions.

11,869. I rather gather that your Society is more scrupulous than many in being quite sure before you pay benefit?—Well, it is quite possible. We desire to have exactness because, as I said, if you let slackness get in all discipline and accuracy ceases.

11,870. I am not criticising, I want to know whether in every case when you refuse benefit or hang it up or anything of that sort you inform the insured person precisely what the position is?—(*Mr. Wood*): As a rule we do. (*Mr. Falconer*): I cannot say in every case.

11,871. Is there any substantial danger of a member not being paid benefit and not knowing why he is not being paid?—(*Mr. Wood*): No, none whatever. (*Mr. Falconer*): No. I thought you meant at once. We do not communicate with the member until we have exhausted communication with the doctor. We have very few appeals at the instance of our members.

11,872. Your people are for the greater part, in fact almost entirely, agricultural workers?—(*Mr. Wood*): I would not say agricultural workers.

11,873. Rural workers?—Rural workers.

11,874. For what period are they usually engaged?—(*Mr. Falconer*): The unmarried man for six months, and the married man for 12 months.

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Mr. JAMES FALCONER and Mr. WILLIAM WOOD.

[Continued.]

11,875. So that you may have and possibly frequently do have a change of address every six months?—You may have, with the younger men especially.

11,876. Can you tell me how you get their new cards to them. Do you send out cards in advance of their surrender?—(Mr. Wood): As a rule not. We do when we are requested. Our system is this: before the end of the half year each branch secretary receives a sufficient number of cards for all the members of his branch and the stamped cards are as a rule either handed in or posted to the branch secretary and he hands back the new card or returns one by post immediately.

11,877. So that a person does not normally get a new insurance card till he has surrendered the old one?—As a rule that is the practice, but he is provided with an addressed envelope in which to return the card at the end of the next half year, and, therefore, if he changes his address he has the envelope and it comes to the secretary, even if he is in a different district.

11,878. Do you find any leakage there? Do you find that people on changing their address and going perhaps to the area of another secretary fail to surrender their cards and fail to get new cards?—Not very much. Of course there is always a certain number that disappear and we are unable to account for them, but it is not a large number; and now that there is a cipher number which enables the card to be identified, if a member hands it to another Society, or if it finds its way to the Board of Health, it comes to us by reason of this number.

11,879. What are your views on the question of non-compliance?—I do not think there is very much non-compliance now. Where there is we soon discover it, and if we do not get the contributions we report to the Board of Health, who recover the contributions through their inspectors.

11,880. Take the case of the man we have been talking about who changes his address and goes on a six-monthly term of service. I suppose normally he will not bother about his stamps till perhaps the end of the half-year or till he is leaving?—As a rule when they leave they get their card stamped up to the 28th May or 28th November, and they take it with them to their new place and hand it to the new farmer, and at the end of the half-year he hands it back to them and they get their other card from us in the usual way. (Mr. Falconer): The farmer will not engage them unless their cards are stamped up to date. (Mr. Wood): Employers are much more careful now than they used to be to see that the cards are stamped.

11,881. In the cases where you ask the Board of Health to recover contributions for you, what kind of period is it?—Sometimes two or three half-years.

11,882. I was wondering how far there had been a leakage and how far you got contributions in later in respect of which benefit might have been paid?—At one time we recovered a very substantial amount in that way, but it is getting smaller and smaller every year, and it is now only occasionally that we have to ask the assistance of the Board of Health to recover contributions. We have had numerous cases where by reason of failure of the employer to stamp the card he has had to pay a claim for maternity benefit, and cases of that kind occurring and becoming known in the district seem to have led farmers to be more particular about the stamping of the cards.

11,883. Take the case you mention. In that case the person does not get maternity benefit because the cards have not been stamped?—Yes.

11,884. The farmer pays the benefit?—We usually point out to the member that he has a claim against his employer and we offer ourselves to recover it in order that there may be no feeling between the employer and employed.

11,885. Do you in that case get the cards with the stamps on?—Yes.

11,886. In that case you get the card without paying the benefit?—Yes.

11,887. (Mr. Cook): The rural workers of Scotland are insured for unemployment purposes, are they not?—(Mr. Falconer): No.

11,888. With regard to your point that a Parliamentary pledge was given that your surpluses were to be immune from raiding or something of that kind, is it not contrary to all experience to argue that simply because Parliament to-day passes an Act of Parliament that is to continue for ever?—Theoretically Parliament can do anything. One Parliament cannot bind a succeeding Parliament, but of course if Parliament gives an assurance such as was given here, people look to them to keep their word unless there is some overwhelming reason.

11,889. That was the point I was coming to. In the light of experience our opinions may have changed. The opinions of the electorate may have changed with regard to the administration of Health Insurance, and while it appeared to be pretty satisfactory and as near perfection as could be got at the time they may now see that it contains certain defects. Are we to be debarred from amending those defects?—Parliament must be reasonably honest. If you say to people "Now if you will join a society and if either through good health or good management you succeed in getting a surplus you will be allowed to use it for the benefit of your own members."

11,890. (Chairman): You keep on repeating "good management"?—(Mr. Wood): And good health. (Mr. Falconer): I put the two together. In the Debate to which I referred it was stated more than once, and I could show you speech after speech in which I at any rate made the promise, and always mainly upon good health.

11,891. (Sir Arthur Worley): Accepting all that, supposing 90 per cent. of Approved Society people came along and said "We want you to alter this," what then?—That does not alter its character.

11,892. You would not suggest that Parliament should say "We made a promise twenty years ago, or however many years ago it is, and now you people want it altered, we cannot do it because we made that promise." You would not go so far?—I would go a long way certainly. Of course I cannot get away from the fact that I think the existing system is the right way to do it. I believe that is the way to success, and I think the other way will take away all stimulus to enterprise and energy. The mere fact that people want to make a change would not alter my judgment as to the propriety or fairness of doing it.

11,893. If Parliament to-day passed a Bill which was in accordance with the mass of opinion and twenty years afterwards the mass of opinion changed and the people affected came forward and said "We want you to alter this," do you think Parliament would be justified in saying "No, we will not alter it because we made that promise, although we admit that during the twenty years since we made the promise we have found it is a mistake and we ought not to have done so"?—I should certainly out-and-out oppose it. The mere fact of numbers on a question like this ought not to influence them.

11,894. Supposing it were 95 per cent. in favour?—That does not alter the character of it.

11,895. Supposing they all of them wanted it altered?—If you have the consent of everybody involved that is a different thing, you can then break a bargain. It is not really a question of numbers; it is a question of general principle. I do not think numbers materially affect the quality of the transaction.

11,896. (Mr. Cook): You would not regret the bargain if Parliament allowed your surpluses to be used by your people up to a certain date and then said after that date there shall be a change. Is not that what is being done every day?—You cannot cancel your obligations to all your members. We have 68,000 people in our society who are interested in the surplus.

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[Continued.]

11,897. Your society as such cannot take credit for the fact that your people are employed at a healthier occupation?—I am not seeking to take credit. That is the dispensation of Providence. It is not a question of what credit I or my society can take.

11,898. You have 68,000 rural workers in Scotland. Supposing you had 68,000 Scottish miners who are paying the same weekly contribution as your people are paying, and the miner is just as useful and necessary an individual as is the rural worker, but because of the nature of his occupation his health is undermined. Because of the fact that your people are healthier you are able to give all the statutory benefits prescribed by the Act and a good many other additional benefits, whereas the miners with difficulty get the statutory benefits, though their society is as well managed as yours every bit. You cannot take credit for the good health of your people, nor can you blame the miner for his bad health, and yet your people are getting so much more out of this State-created business. I want to bring home to you the iniquity, as I see it, of the present arrangement. Is not that an argument in favour of pooling?—I do not want to be disrespectful to the question, and far less to you or to the Commission, but I can only say I do not agree with your view. We get no more from the State than the miners get—not a penny.

11,899. I agree.—Why, because I have chosen a healthy occupation, should I be compelled to insure the miners?

11,900. But it is a State scheme?—It is not a State scheme in the sense in which you are putting it at all. It never was meant to be a State scheme in that sense.

11,901. It is a scheme of State creation?—That is another thing. It never was intended to be a national scheme in the sense that everyone would be entitled to precisely the same benefits, and you want to convert it into that.

11,902. I do.—If the miners are to be insured by all means let the State help them, but let them give the same help to the miner as they give to the rural worker, and let the miner, having got the same help from the State, work out his own salvation, as the rural worker does. Why should the rural worker, who is the lowest paid—

11,903. I challenge that.—I do not say at the present time, because many miners are unemployed, but I do say, having regard to the skill involved in his opera-

tion, the rural worker is probably the lowest paid worker in the country.

11,904. I am afraid that does not help.—You want to get a share of his contributions.

11,905. (Sir Andrew Duncan): We are obliged to you for the time you have given us.—(Mr. Wood): I hand in a statement of our administration expenditure as requested by the Commission. (Document handed in.)

#### THE SCOTTISH RURAL WORKERS APPROVED SOCIETY.

Expenditure on Administration for year ended  
31st December, 1924.

	£	s.	d.
Head Office Salaries ... ..	6211	19	6
Branch Secretaries (Commission and Outlays) ... ..	4691	8	8
Printing and Stationery ... ..	607	11	11
Postages ... ..	856	16	6
Rates, Taxes and Insurance ... ..	108	16	4
Travelling Expenses ... ..	161	0	8
Board of Management Expenses ... ..	209	0	3
District Meetings ... ..	164	18	6
Annual General Meeting ... ..	307	2	9
Medical Officer, Auditor and Medical Referees ... ..	218	8	8
Postal Drafts ... ..	513	12	6
Coal, Gas and Electric Light ... ..	142	14	3
Legal Expenses ... ..	59	19	1
Miscellaneous ... ..	615	4	9
	£14,868	14	4

Cost per member: 1922, 4s. 6½d; 1923, 4s. 7½d;  
1924, 4s. 7d.

Branch Secretaries receive a commission at the rate of 1s. 3d. per member per annum, and 2s. 6d. for each new member enrolled (1s. in cases of transfer from other Societies or former members rejoining).

The whole time staff is equal to nearly one per 2,000 members. There are no part time employees other than branch secretaries.

Members of the Committee of Management receive no payment for their services, only their railway fares and an allowance for personal expenses.

There does not appear to be any way in which the Society's Expenditure on Administration could be appreciably reduced.

(The Witnesses withdrew.)

Sir NORMAN HILL, Bart., called and examined. (See Appendix XXXI.)

11,906. (Chairman): Sir Norman Hill, you are Chairman of the Seamen's National Insurance Society, and have been since its formation?—Yes.

11,907. We have read the very full statement which you have submitted to us. I gather that your main point is to establish that the Insurance Act was framed primarily for the landsman and that the modifications in respect of seamen are not sufficient to meet adequately the special needs of that particular class. Is this so?—I would not quite put my main point in that way. I think the Insurance Act as a whole was framed primarily for the landsman, but the needs for making special provisions for the seamen were recognised when the Bill was before Parliament, and were provided for in section 48 of the 1911 Act. Section 48, I think, enables those needs to be fully provided for, and what is wanted for seamen is an administrative system based on section 48. I think their needs have not been met by the modifications that have been introduced to meet their case in the general administrative system that is built up to carry the Act as a whole into effect.

11,908. And the difficulties which do arise arise mainly in the case of foreign-going seamen?—That is so. The position of the man who is engaged throughout the year in the home trade is satisfactory so long as the card used by that man is the card issued by his

society. If what are called "Y" cards are used—those are the emergency cards—then the man in the home trade is in a position very similar to the man who is serving in the foreign trade.

11,909. With a view to the improvement of the position you make three suggestions, (1) that the system of collection of seamen's contributions should be fundamentally altered; (2) that a higher administration allowance should be given in respect of foreign-going seamen; and (3) that all seamen should be in one Approved Society. Is this a fair summary of your views?—Yes, that is a fair summary.

11,910. Paragraphs 3 to 8 of your statement are devoted to a calculation of the total number of insured seamen, and you finally arrive at a figure of about 154,000 in the year 1922. Are you satisfied that this may be accepted as a reasonably accurate estimate?—I think it is a reasonably accurate estimate, but it can be verified. Full particulars of the engagement and discharge of each seaman who served in 1922 are in the possession of the Registrar General of Seamen. If it is too great a labour to go through those records as a whole, I believe that a general examination will enable the basis of my assumptions to be checked.

11,911. In paragraph 12 you describe the present method of collection of seamen's contributions and

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Sir NORMAN HILL, Bart.

[Continued.]

refer to the use of voyage-cards. Do I understand that the main objection to these cards is that they are not issued by the Approved Societies and bear no indication of the society to which a man belongs?—I think, Sir, the main objection is that their use affords no means and cannot be made to afford any means for keeping the society in touch with its members. Even if they bear the society's name they establish no touch between the society and the member till they are sent to the society. The main objection is, the card with or without information to lead to identification is handed to the seaman on completion of the voyage.

11,912. Would you agree that if contribution cards are to be used at all for foreign-going seamen they cannot be issued by the societies and, therefore, that the voyage-card system is the best that can be devised?—I agree if contribution cards have to be used they cannot be issued by the society to foreign-going seamen. I think the voyage-card system at present in operation is hopelessly bad and is capable of improvement.

11,913. What improvement?—The card is based on the idea that it is in the possession of the insured person throughout the period. That is not the fact. It is based on the idea I suppose that it is stamped week by week and that the employer and the man are keeping in touch with one another. That is not the fact. In the foreign-going service the card is never in the possession of the man till the end of the voyage, and then all the contributions are paid as a lump sum and they are all paid in the presence of the Board of Trade official. You have a system the object of which was to keep a check as between the man and his employer and you have applied it to a service in which every man is engaged and every man is paid off in the presence of the State, and there are records kept of that.

11,914. Assuming that contributions are to be paid by means of stamps on cards, do you not think it would be a great improvement if each man's Approved Society and membership number therein were entered on the card before it is handed to the seaman?—Yes, it would be a great improvement as regards the cards which are surrendered and come to the hands of the society.

11,915. In paragraph 14 you refer for the first time to the question of the loss of contributions under the present system of collection, and I see that you estimate that loss at 25 to 33 per cent. of all the contributions paid. Do you consider that this serious state of things exists in all Approved Societies having foreign-going seamen members or that it is peculiar to your own Society?—I think, Sir, the loss is probably heaviest in our Society because under the Act of Parliament we are bound to accept as a member every seaman who offers. I think the loss will probably be lightest in the Friendly Societies who have Approved Societies. Their members I think take a real interest in insurance, they understand the benefits of it, and many of them will be members of Friendly Societies in their voluntary branch, they and their families.

11,916. In paragraphs 16 to 23 you refer to the special provisions which were introduced into the original Act in view of the obligations of shipowners under the Merchant Shipping Acts with regard to the health of seamen, and you state that these provisions were only accepted on the understanding that all contributions paid by shipowners would be made available for the benefit of insured seamen. Can you refer to any record of this understanding or bargain?—As far as the shipowners are concerned I made the bargain myself with Mr. Lloyd George in his room at the House of Commons. At that time we had a sub-committee of the Shipowners, Parliamentary Committee, the members of which were Sir Shadforth Watts, the late Mr. Russell Rea, Mr. Botterell, Mr. Cuthbert Laws, Mr. Noel Farrer (who was then Secretary) and myself. We made our Report on the 30th October, 1911. In that Report we said "After negotiation with the Chancellor we have settled this reduction at the sum of 2d. per man per week to be divided equally

between the shipowners and the seamen's contributions. We do not regard this sum as fully representing the amount by which the general Insurance Scheme will be relieved under the Merchant Shipping Acts. On the contrary, we believe that the actual relief to the scheme will be nearer 3d. than 2d. per man per week. We have, however, accepted the 2d. reduction as a compromise, and in order to secure the constitution of a separate seamen's fund on lines which we believe will prove of real advantage to the British Mercantile Marine." That was a report we made immediately after the arrangement, or what we regard as a bargain, and I think it has always been treated as such. We were making representations to the Ministry of Health a little time back with regard to bringing in the dependants of seamen who were ill abroad, and Mr. Masterman, who was then the Minister, wrote on the 16th June, 1914: "The section"—that is section 48—"embodies the conclusions arrived at by agreement between all parties concerned." As far as I know section 48 has always been treated as embodying the agreement or bargain that was then made.

11,917. In paragraph 21 you refer to the question of all seamen being in a single society. Do not you think that seamen would ordinarily desire to have the same freedom of choice of society as is given to all other insured persons?—I do not think so, Sir. All the Unions representing the seamen are represented on the Committee of Management of our Society, and we are unanimously in favour of a single society. Unfortunately there is a division of opinion as to which that society should be, but I think that should be quite capable of adjustment. Every single Union that has authority to speak for all the ratings are unanimously in favour of a single society.

11,918. Can you tell us what proportion of the total number of insured seamen are at present members of the Seamen's National Insurance Society?—No, I cannot tell you the proportion. I do not know what our membership is. I do not know the number of insured seamen.

11,919. You cannot even make an estimate?—No, Sir, I cannot. I can tell you that the number which is certified by the Auditor for our effective membership in the last year is 54,000. I believe our membership is in fact somewhere in the neighbourhood of 70,000.

11,920. Assume you own figures, could you give us any comparison?—That is 54,000 as against 154,000.

11,921. One-third?—That is not foreign-going, that is taking them all.

11,922. Do you get many transfers to your Society from other Approved Societies?—Yes. I can give you the figures. Up to the 5th January, 1920, the total number of transfers in was 10,012. Since that date the transfers have been: 1920—1,096; 1921—964; 1922—825; 1923—982; 1924—895; giving a total since 1920 of 4,762, and a total from the beginning of 14,774. I have a statement showing the principal Approved Societies from which the transfers were made.

11,923. Are you handing it in?—I will. With regard to transfers in, if it is of interest to the Commission, we have had 11,502 transfers from the Deposit Contributors' Fund.

11,924. That is of very great interest. Is that out of the 14,774?—No, that is additional. We have had 14,774 from other societies, and 11,502 from the Deposit Contributors Fund, and we have had one transfer to that Fund.

11,925. Then transfers out?—Transfers out: up to January, 1920, they were 2,669: in 1920—636; 1921—397; 1922—424; 1923—422; 1924—278, making a total since 1920 of 2,157, and a grand total of 4,826. The statement will give you the names of the societies to which the transfers have been made. As a rule the reason given for transfer out is that the man has left the sea service or that he desires insurance with his Union. As a rule he has left the sea service.

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Sir NORMAN HILL, Bart.

[Continued.]

## THE SEAMEN'S NATIONAL INSURANCE SOCIETY.

*Transfers In.*

Name of Society.	Up to 1919.	1920.	1921.	1922.	1923.	1924.	Total.
National Sailors' and Firemen's Union ... ..	2,665	101	128	218	241	179	3,532
Prudential Approved Society ... ..	1,555	229	216	167	151	188	2,506
National Amalgamated Society ... ..	900	214	187	128	166	152	1,747
Royal Liver Approved Society ... ..	677	46	51	32	46	57	909
Oddfellows Approved Society ... ..	238	35	46	34	44	35	432
Liverpool Victoria Society ... ..	273	45	24	17	31	29	419
Hearts of Oak Benefit Society ... ..	202	38	11	11	19	13	294
Foresters' Approved Society ... ..	240	20	32	22	35	21	370
National Catholic Benefit and Thrift Society ... ..	104	11	8	—	—	—	123
Other Societies... ..	3,158	357	261	196	249	221	4,442
	10,012	1,096	964	825	982	895	14,774
Deposit Contributors' Fund ... ..	4,360	1,380	1,820	1,481	1,267	1,194	11,502

*Transfers Out.*

National Sailors' and Firemen's Union ... ..	1,649	218	130	220	172	62	2,451
Prudential Approved Society... ..		116	65	42	49	49	
National Amalgamated Approved Society ... ..		32	28	21	35	28	
Royal Liver Approved Society ... ..		17	21	12	12	24	
Oddfellows Approved Society ... ..		15	15	5	6	14	
Liverpool Victoria Society ... ..	1,020	13	3	10	10	11	2,375
Hearts of Oak Benefit Society ... ..		11	16	10	18	14	
Foresters' Approved Society... ..		11	5	6	12	15	
National Catholic Benefit and Thrift Society ... ..		2	3	1	—	—	
Other Societies... ..		201	111	97	108	61	
	2,699	636	397	424	422	278	4,826

11,926. There appears to be only one Union to which he is transferred out?—Only one Union with an Approved Society, which is also represented on our Committee of Management.

11,927. There is only one Union that has an Approved Society? Is that so?—I think so. The Marine Engineers are in our Society. All the Unions except the National Sailors' and Firemen's Union prefer all the insurance work being done through our Society.

11,928. At this rate of transfer in and transfer out it would take some long time for you to absorb all seamen into your own society?—A long time.

11,929. But the tendency appears in that direction?—We were only started the day before the Act came into operation; we did not form ourselves; we were formed by His Majesty's Government, and there was great delay and we were only started the day before the Act came into operation, and the Friendly Societies, the Prudential and others, had been whipping the seas pretty actively before we came into existence.

11,930. In paragraph 23 you state that the bargain made with the seamen and shipowners has not been honoured, and that in consequence the seamen have lost probably £500,000. Can you tell us what has become of this money?—No, Sir, you must ask the Ministry of Health. I suppose it is in the account of Unclaimed Stamps sold.

11,931. In paragraph 26 you deal with the question of the membership of your Society, and refer to the difficulty of getting any reliable figures. I see that the certified membership in 1923 was 52,683, but that by some other method of calculation you arrive at a figure of 98,826. Do you suggest that the true membership of the Society was really anywhere in the neighbourhood of this latter figure?—No, Sir, I do not think we have 98,000 members. I am satisfied we have substantially more than 52,000.

11,932. Did I understand you to say you put it round about 70,000?—I think so.

11,933. Is it possible that these high figures of membership which your Society has claimed at various times are all explained by the Society having retained

on its membership register persons from whom no stamped cards have been received for a considerable period, and who, therefore, should properly be treated as having lapsed from insurance?—The basis upon which our claims are made are all set out in paragraph 26 of my evidence; all the information we had has always been placed before the Government Auditor, and we have always accepted the figure that he is prepared to certify.

11,934. Do you consider that if the regulations as to ceasing insurable employment were strictly observed the loss of members through this cause would be greater in your Society than in Approved Societies generally?—Yes, I think so, Sir, first because of the members serving on long voyages which, as you know, may last up to two years and upwards, and then there is the practice, and a very curiously prevalent practice, on the part of seamen to hoard their cards. I do not know if you would like to see some of them. These are four little bundles that have come in within the last few days.

11,935. Strung together?—No, we string them together. The man has kept that collection of cards. Apparently some of the seamen think it is a system of stamp collecting, and they hoard them up or their wives hoard them up.

11,936. There are about two dozen in this bundle?—We have had cards within the last few months dating from the very beginning of the Act handed in all at once because the member had a claim. We have heard nothing whatever from him, so we have received no cards from him and he brings his collection of cards right from the beginning and expects to find his benefit awaiting him.

11,937. Are these cards for the most part from people who have been on long voyages?—Yes, most of them will be. I have a list showing the number we have had recently; it really is extraordinary. Then apart from this hoarding there is the carelessness of so many of the seamen and the impossibility under the existing system for the Society to keep in touch with them. Therefore I think the answer to your question is that the loss of members through the cause you have indicated is greater in our Society.

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Sir NORMAN HILL, Bart.

[Continued.]

## THE SEAMEN'S NATIONAL INSURANCE SOCIETY.

Examples of Cards hoarded by Members and received by the Society at one time.

Number of Cards.	Dating.		Value.
	From	To	
66	August, 1912 ...	December, 1923	£ 17 0 9
53	December, 1913	September, 1924	13 11 0
18	July, 1914 ...	December, 1922	12 13 1
65	September, 1914	March, 1924 ...	11 14 5
94	October, 1912...	June, 1923 ...	11 8 0
52	May, 1913 ...	July, 1923 ...	11 4 0
12	July, 1917 ...	June, 1923 ...	11 1 7
27	July, 1912 ...	May, 1923 ...	11 1 3
15	July, 1914 ...	June, 1922 ...	9 16 7
66	January, 1914	July, 1924 ...	9 18 5
45	January, 1913	August, 1921 ...	8 18 11
13	July, 1914 ...	July, 1922 ...	8 10 5
106	October, 1916...	May, 1923 ...	8 9 1
10	January, 1919	September, 1923	8 2 2
59	July, 1913 ...	June, 1924 ...	7 17 9
15	August, 1914 ...	April, 1922 ...	7 13 3
51	September, 1913	September, 1922	7 10 5
19	August, 1918 ...	June, 1924 ...	7 7 1
88	August, 1916 ...	June, 1923 ...	7 3 4
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11,940. From that Table it will be seen that of a total membership at 31st December, 1918, of 16,250,000, nearly 4,500,000 persons had lapsed from membership otherwise than by death or transfer during the valuation period. This is equivalent to 27·4 per cent. non-surrender of cards was actually lower in your Society was 25·8 per cent. It will be seen therefore that the proportion of lapsed membership through non-surrender of cards was actually lower in your Society than in Approved Societies generally. Have you any comment to make on that?—If you look at the Table you will see that amongst the men the lapsed membership is 1,632,000 out of a total of 13,369,000, that is 12·2 per cent., as against 25·8 per cent. of our membership for the valuation and as against 96 per cent. at the present date, 96 per cent. of unexplained lapses. I think I am right in asking to be judged on the basis of the Men's Societies. If I take our women up to date, we received applications from 1,338—this is up to the time of valuation. There had gone out by death 76, and by transfers 8. That reduces our applicants to 1,254. There were only 549 included in the valuation, and 705 or 128 per cent. on the live membership had vanished among the women. Out of our membership, which for the valuation was treated as 70,000, there are only 549 women. So that we are a Men's Society and the Table shows a normal vanishing of 12 per cent., and we just double that, a little more than double it.

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11,942. Are the funds all derived from outside insurance?—All. It is a little Benevolent Fund. To the end of 1923 we had expended £1,530. Last year we granted £263. I can tell you the kind of way in which we spend the money if the Commission is interested in it. Until we were able to grant convalescent home treatment as an additional benefit—that was prior to 1922—we used the Fund very considerably for that purpose; and we dealt in the same way up to 1922 with medical and surgical appliances; and we granted temporary financial assistance to members who turned up stranded, and such things. We have always worked the Fund along with the other Funds that are established for seamen; for example, the British and Foreign Sailors' Society, the Royal Alfred Homes, and other Funds of that kind. We have worked in with them, we giving the temporary help and passing them on. With the help of our doctors we are in a good position to judge of the necessities of the case and of the genuineness of the case, and we not only help but we pass on all the information we have to these other Funds, and I think in that way, although it is a small amount we have expended, we have done good work.

11,943. (Sir Alfred Watson): On the general question of cards hoarded by members, do you think your Society is exceptional in that respect?—As among Seamen's Societies or among seamen?

11,944. Among all societies. I know the voyage card is on the average of long duration, but you have given us a list of cards which have been hoarded by members and received by the Society at one time. Do you suggest that your Society is exceptional in that respect?—I do not know enough about other societies, Sir Alfred. An extraordinary amount of hoarding is done among our men. I really cannot tell you comparatively, because I do not know.

11,945. Are these individual cases?—Individual cases.

11,946. We have heard it said by other societies that they keep receiving persons as members who have cards hoarded right back from 1912. What I want to know is whether you think that your Society is exceptional in that respect?—Are those Land Societies?

11,947. Land Societies are occasionally receiving persons as members who, when they are admitted, disclose the fact that they have been contributors since 1912, and the society gets a whole mass of cards?—You appreciate these were our members. They applied to enter the Society, and we admitted them as members. They are not people who turn up with cards and say, "Please take us in as members."

11,948. They are people who have joined your Society and neglected to surrender their cards at the proper time?—From the time they joined, or from the time we got their last card, they vanished. We did not know where they were, and we had no means of getting into communication with them.

11,949. A sailor might be more prone to that, but I should not have thought it was a feature peculiar to your Society?—You know better than I do, Sir Alfred, what happens in other societies. It certainly amazes me to know how many seamen hoard them up.

11,950. In paragraph 23 you tell us that a bargain made with the seamen and shipowners has not been honoured. I suppose the bargain you refer to was that they should all be members of one society?—That is right.

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Sir NORMAN HILL, Bart.

[Continued.]

## THE SEAMEN'S NATIONAL INSURANCE SOCIETY.

*Transfers In.*

Name of Society.	Up to 1919.	1920.	1921.	1922.	1923.	1924.	Total.
National Sailors' and Firemen's Union ... ..	2,665	101	128	218	241	179	3,532
Prudential Approved Society ... ..	1,555	229	216	167	151	188	2,506
National Amalgamated Society ... ..	900	214	187	128	166	152	1,747
Royal Liver Approved Society ... ..	677	46	51	32	46	57	909
Oddfellows Approved Society ... ..	238	35	46	34	44	35	432
Liverpool Victoria Society ... ..	273	45	24	17	31	29	419
Hearts of Oak Benefit Society ... ..	202	38	11	11	19	13	294
Foresters' Approved Society ... ..	240	20	32	22	35	21	370
National Catholic Benefit and Thrift Society ... ..	104	11	8	—	—	—	123
Other Societies... ..	3,158	357	261	196	249	221	4,442
	10,012	1,096	964	825	982	895	14,774
Deposit Contributors' Fund ... ..	4,360	1,380	1,820	1,481	1,267	1,194	11,502

  

<i>Transfers Out.</i>							
National Sailors' and Firemen's Union ... ..	1,649	218	130	220	172	62	2,451
Prudential Approved Society... ..		116	65	42	49	49	
National Amalgamated Approved Society ... ..		32	28	21	35	28	
Royal Liver Approved Society ... ..		17	21	12	12	24	
Oddfellows Approved Society ... ..		15	15	5	6	14	
Liverpool Victoria Society ... ..	1,020	13	3	10	10	11	2,375
Hearts of Oak Benefit Society ... ..		11	16	10	18	14	
Foresters' Approved Society... ..		11	5	6	12	15	
National Catholic Benefit and Thrift Society ... ..		2	3	1	—	—	
Other Societies... ..		201	111	97	108	61	
	2,699	636	397	424	422	278	4,826

11,926. There appears to be only one Union to which he is transferred out?—Only one Union with an Approved Society, which is also represented on our Committee of Management.

11,927. There is only one Union that has an Approved Society? Is that so?—I think so. The Marine Engineers are in our Society. All the Unions except the National Sailors' and Firemen's Union prefer all the insurance work being done through our Society.

11,928. At this rate of transfer in and transfer out it would take some long time for you to absorb all seamen into your own society?—A long time.

11,929. But the tendency appears in that direction?—We were only started the day before the Act came into operation; we did not form ourselves; we were formed by His Majesty's Government, and there was great delay and we were only started the day before the Act came into operation, and the Friendly Societies, the Prudential and others, had been whipping the seas pretty actively before we came into existence.

11,930. In paragraph 23 you state that the bargain made with the seamen and shipowners has not been honoured, and that in consequence the seamen have lost probably £500,000. Can you tell us what has become of this money?—No, Sir, you must ask the Ministry of Health. I suppose it is in the account of Unclaimed Stamps sold.

11,931. In paragraph 26 you deal with the question of the membership of your Society, and refer to the difficulty of getting any reliable figures. I see that the certified membership in 1923 was 52,683, but that by some other method of calculation you arrive at a figure of 98,826. Do you suggest that the true membership of the Society was really anywhere in the neighbourhood of this latter figure?—No, Sir, I do not think we have 98,000 members. I am satisfied we have substantially more than 52,000.

11,932. Did I understand you to say you put it round about 70,000?—I think so.

11,933. Is it possible that these high figures of membership which your Society has claimed at various times are all explained by the Society having retained

on its membership register persons from whom no stamped cards have been received for a considerable period, and who, therefore, should properly be treated as having lapsed from insurance?—The basis upon which our claims are made are all set out in paragraph 26 of my evidence; all the information we had has always been placed before the Government Auditor, and we have always accepted the figure that he is prepared to certify.

11,934. Do you consider that if the regulations as to ceasing insurable employment were strictly observed the loss of members through this cause would be greater in your Society than in Approved Societies generally?—Yes, I think so, Sir, first because of the members serving on long voyages which, as you know, may last up to two years and upwards, and then there is the practice, and a very curiously prevalent practice, on the part of seamen to hoard their cards. I do not know if you would like to see some of them. These are four little bundles that have come in within the last few days.

11,935. Strung together?—No, we string them together. The man has kept that collection of cards. Apparently some of the seamen think it is a system of stamp collecting, and they hoard them up or their wives hoard them up.

11,936. There are about two dozen in this bundle?—We have had cards within the last few months dating from the very beginning of the Act handed in all at once because the member had a claim. We have heard nothing whatever from him, so we have received no cards from him and he brings his collection of cards right from the beginning and expects to find his benefit awaiting him.

11,937. Are these cards for the most part from people who have been on long voyages?—Yes, most of them will be. I have a list showing the number we have had recently; it really is extraordinary. Then apart from this hoarding there is the carelessness of so many of the seamen and the impossibility under the existing system for the Society to keep in touch with them. Therefore I think the answer to your question is that the loss of members through the cause you have indicated is greater in our Society.

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Sir NORMAN HILL, Bart.

[Continued.]

## THE SEAMEN'S NATIONAL INSURANCE SOCIETY.

Examples of Cards hoarded by Members and received by the Society at one time.

Number of Cards.	Dating.		Value.
	From	To	
66	August, 1912 ...	December, 1923	£ 17 0 9
53	December, 1913	September, 1924	13 11 0
18	July, 1914 ...	December, 1922	12 13 1
65	September, 1914	March, 1924 ...	11 14 5
94	October, 1912...	June, 1923 ...	11 8 0
52	May, 1913 ...	July, 1923 ...	11 4 0
12	July, 1917 ...	June, 1923 ...	11 1 7
27	July, 1912 ...	May, 1923 ...	11 1 3
15	July, 1914 ...	June, 1922 ...	9 16 7
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45	January, 1913	August, 1921 ...	8 18 11
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106	October, 1916...	May, 1923 ...	8 9 1
10	January, 1919	September, 1923	8 2 2
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[Continued.]

your statement, was made by people who were not competent to enter into such a bargain; in other words the Government could not bind a seaman that he should go into one particular society?—I do not agree with you. The bargain was made as between the shipowners and the seamen with the Government. I was spokesman for the shipowners, and Mr. Havelock Wilson was spokesman for the seamen, and we made a definite bargain. Very unfortunately, Mr. Havelock Wilson's health broke down, and he went away on a sea voyage just after the bargain. I know the bargain was repudiated—I put it more strongly than that—when the Bill was before Parliament, and the Bill was altered giving the right to the seamen to join any society he pleased. That was in direct breach of the bargain we made.

11,952. That is what I am getting to. You may have made a bargain but the Bill had to be altered in the House of Commons, because the Government could not stand to such a bargain, could it, when it was confronted with the fact that some seamen did not want to go into a single society?—I do not know whether the Government could have stood to it or not.

11,953. It is a fact, is it not, that there were existing societies having seamen members who strongly objected to having those members wrested from them?—You mean there were certain seamen in Friendly Societies? I should think so, undoubtedly.

11,954. Those societies objected, and that was one of the reasons why the Bill was altered?—I never heard of any objection from any society other than the National Sailors' and Firemen's Union, that is Mr. Havelock Wilson's Society, and those objections arose after Mr. Havelock Wilson had left this country. There was not a single word so long as he was here.

11,955. He left the country after the Bill was altered?—Oh no. That is the unfortunate part of it. He was ordered away for his health almost at once.

11,956. And the Bill was altered afterwards?—Yes.

11,957. And you think nobody was interested in the alteration of the Bill except those for whom Mr. Havelock Wilson had been speaking and who then repudiated the arrangement?—I do not know, Sir. The spokesman for it was Mr. Magee, who was, I think, the treasurer for Mr. Havelock Wilson's Society. He was the spokesman and the only man whom I came across in the flesh. I never heard a single whisper from the Friendly Societies.

11,958. With regard to this troublesome question of how much money the seaman may be losing, it is a fact, is it not, that section 68 provides that if a seaman's money comes into the Unclaimed Stamps Account, the amount of it must be estimated and paid over to the Lascar Fund?—Yes, but there is no machinery for identifying what is seamen's money.

11,959. Do you think therefore that the section does not operate to give the benefit to the Lascar Fund that was intended?—No, not completely. I think it has failed. If we had a special seaman's stamp then we could get the whole surplus into our pension fund. I do not think that would be satisfactory, but it would be far better than what is happening now.

11,960. Do you in fact get any money out of that account into your pension fund?—Yes. It is not very substantial. I can give you the figures. I have to tell you something about the pension fund afterwards.

11,961. On this question of the number of members of your Society, I see that in paragraph 26 of your statement you first of all set out that the Society estimated its members at 73,700, and then you go on to say that the Government Actuary, for the purpose of the valuation as at 31st December, 1918, took the membership as at that date at 70,213?—That is 1919.

11,962. Then a little lower down you go on to say: "After full consideration of all the information before them the Committee of the Society cannot take upon themselves the responsibility of advising that the Government Actuary's estimate of membership at the end of 1918 of 70,000 was an over-estimate." It

appears to me from that that there is some quarrel going on and you want to bring in the Government Actuary?—No, I do not think so, Sir. If there is a quarrel it is forced on us and our Society by the difficulty we are in by what we regard as a new regulation. That reduced our membership from 66,785 in 1919 to 48,654 in 1920. We think that the Government Actuary was right.

11,963. Might I suggest to you that the Government Actuary has never estimated the membership of your Society?—Then may I refer you back to the Government Auditor?

11,964. No. I want an answer to my question as to why you attribute an estimate of your membership to the Government Actuary, because it is quite clear that you are trying to pit the Government Actuary against the Government Auditor?—I am sorry if we have done anything improper, but we attribute to the Government Actuary all knowledge.

11,965. It is very nice of you to say so. May I refer to the Valuation Report with which you are, no doubt, familiar. It says in paragraph 1 that the information required for the purpose of the valuation has been prepared in the Insurance Department of the Ministry of Health from returns compiled by the Society and passed by the Government Auditor?—Yes.

11,966. In other words the Treasury Valuer—not the Government Actuary by the way—begins his work on a return of membership supplied by the Department from information submitted to the Department by the Society and passed by the Auditor?—I think I have correctly stated it. In this paragraph you say I have used wrongly the word "Actuary," that I should have said "Government Auditor." If so, I withdraw it at once and put in "Auditor."

11,967. I expect the Auditor will quarrel with you if you say he has done anything more than verified the returns compiled from the Society?—I have stated the facts to the best of my ability perfectly fairly. We gave him our figures, our estimates, and all the information we had upon which we based our estimates, and he went carefully through them all.

11,968. I understand that all this controversy as to your numbers and the loss of contributions has been threshed out by a Departmental Committee?—Yes, it was enquired into.

11,969. I think we must ask the Ministry for permission to put the Report of that Departmental Committee on the record of this Evidence, because there is nothing in your Statement to indicate to us that you are really treating us as a Court of Appeal against a decision already arrived at by a Departmental body. They said in their Report this: "Summarising our conclusions we find (1) that the Seamen's National Insurance Society have failed to prove their case regarding the alleged shortage of their contribution income; (2) The contribution income of the Seamen's National Insurance Society was during the years 1912 to 1918 approximately 10 per cent. less than the amount assumed in the financial basis of the scheme of National Health Insurance." Your figure is very much higher than 10 per cent?—Very much higher. I challenge the conclusions at which the Departmental Committee arrived. I think they came to wrong conclusions.

11,970. You are familiar with this Report?—I was given a copy of it. It was not a Report that was ever published. I do not know what happened to it.

11,971. I suppose it was not published because the question was very largely a domestic one?—And it was a domestic enquiry. It was a Departmental inquiry.

11,972. Not so very domestic. The enquiring body was presided over by the Deputy Controller of the Insurance Department of the Ministry of Health, and was composed of two more representatives of the Controller's Department, a representative of the Accountant General's Department of the Ministry of Health, a representative

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[Continued.]

of the Government Actuary's Department, and a representative of the Mercantile Marine Department of the Board of Trade?—All I can say is, from the time we saw that Report we told the Department that we dissented from the conclusions, and we have been told over and over again that we must wait till this Commission sat, and then we could bring our facts before this Commission.

11,973. So long as we all clearly understand that the subject is not a new one, but has been gone into in considerable detail?—We have kept this point constantly before the Ministry for years, and that was why the Departmental Committee was appointed.

11,974. I know the Departmental Committee, which seems to have been a somewhat authoritative body, have come to a conclusion adverse to the contentions of the Society?—Yes, and I am submitting to this Commission that their conclusions are wrong.

11,975. I think I have no greater quarrel on that point than to suggest that somewhere in this very long Statement we might have been informed that what you are now putting before us is in fact an appeal against a Report of a Departmental Committee?—Surely, Sir Alfred, that is not quite a fair way to put it to me. The Ministry appointed the Departmental Committee. I was asked to attend before that Committee. I did attend. I never submitted my case to the Departmental Committee. I was only too glad to give the Department all the information that I had. We never selected that Departmental Committee as a tribunal to decide on the dispute we had with the Ministry.

11,976. (Sir Andrew Duncan): I take it the Ministry selected the Committee?—Certainly they selected the Committee; and we have been told over and over again that we must keep our grumbles till this Commission was appointed, and then we could bring our case before this Commission for judgment. We have never submitted anything to a Departmental Committee for judgment.

11,977. (Sir Alfred Watson): You object to the conclusion arrived at now by the Government Auditor, I presume after scrutinising your membership register, that your membership is somewhere in the region of 50,000?—Yes.

11,978. Where do you think the other 20,000 people are?—Serving on shipboard.

11,979. Do you suggest their contributions are wholly derelict?—The points are elaborated a little further in the Statement. I believe the Departmental Committee was very considerably influenced by the census figure obtained by the Board of Trade; and I am submitting facts to you which show, I think, that that census figure is quite unreliable. I think, Sir, it would be more convenient to deal with that branch of it a little later on in my Statement.

11,980. (Miss Tuckwell): I gather a known home is convenient for the purposes of insurance, but it is not essential, is it?—No, it is not essential, but it is a very great convenience. We have to send out by post every half year certain notices and we get back over 30 per cent. of the letters we send out through the Dead Letter Office: that is keeping our registers as carefully as we can.

11,981. On paragraph 4, do you think there is really any reliable source other than the registers of Approved Societies, for the number of seamen who are serving?—Yes. The name of every seaman serving on all our ships is on the official log of the ship, and all those are sent up at the conclusion of a voyage, and in the home trade, at the end of each half year to the Registrar General, and any seaman who knows any ship upon which he served, if he loses his discharge book, can go to the Registrar General, give his name, and the name of that ship, and from that one ship he can be traced back to the ships he served on before and the ships he served on since. You can get every ship he served on and the voyages he served on. It is a most elaborate registration.

11,982. These figures are figures for 1909. That is some time ago. Probably the reliable source now would be to get it from the registers of Approved Societies. It would be a long business and would include I imagine 4,000 Societies, because there are seamen in all sorts of places?—There are 10 Societies that have about 95 per cent. of the foreign-going seamen. The other 5 per cent. will be very widely distributed. If you start at that end you only know the seamen who have received cards and who have lodged cards. You do not catch the total number of insured seamen. But you can get the total number of insured seamen from the Registrar General. The figures I use and the figures I quote are figures that are built up by the Board of Trade at the end of each year and published officially, and are based upon this scrutiny of the Articles of all ships.

11,983. It is 15 years ago?—The Board of Trade do it each and every year right up to the present time.

11,984. Yes, but the figures given here are figures for 1909?—Those are the figures which we worked on when the Bill was before Parliament, and which at the time were very carefully examined and checked by an Actuary acting for the shipowners and an Actuary acting for the Government. They are all official figures.

11,985. I know. I am only pointing out that they are out of date?—Then I give you the subsequent figures year by year. I have only set out in detail the figures for 1909 because those were the figures that we used and showed the grouping in the different trades. But I give you later on the figures year by year.

11,986. Is that the number of vessels in the foreign trade?—That is right, and the numbers employed.

11,987. 3,511 vessels. They would not all be in commission, would they?—That is in 1922. I can give you some interesting figures that the Admiralty have recently got out. The Admiralty had a detailed enquiry into the position of every ship belonging to this country and to the Dominions of 3,000 tons gross and upwards on three days.

11,988. What I really want to get at is the average number of ships that would be in commission?—I was just going to give you that figure. That enquiry was limited to ships of 3,000 tons and upwards. There were 2,700 ships. They found and placed each one of those ships except 6 per cent. of them which were laid up. Out of 2,700 there were 173 laid up out of commission: all the others were in commission: that is just over 6 per cent. out of commission. They took three days, 1st January, 1923, 1st April, 1923, and 1st July, 1923.

11,989. (Chairman): Has that been published as a Government Paper?—The Admiralty have issued it for the information of the Shipowners' Associations. I do not know how much has been published.

11,990. (Miss Tuckwell): Those are ships of 3,000 tons and over? What number were there then out of commission?—The official figures show 3,511 British ships in the Foreign Trade. For purposes of comparison, from the 2,700 shown in the Admiralty Return, we have to deduct the ships belonging to the Dominions. There were 282 belonging to the Dominions. That leaves 2,456 British ships of 3,000 tons gross, and the difference between 3,511 and 2,456 are British ships in the foreign trade all under 3,000 tons gross.

11,991. Does our total of 207,609 mean separate men or separate engagements?—Those are individual men.

11,992. Have you any idea as to how many of those men would have been engaged on more than one ship of the 3,511?—No, I could not tell you that. I should not think there would be more than half that number who would be serving continually throughout the year on the same ship. I should think it would be less than half. The others would be shifting from ship to ship.

11,993. Does not that affect these figures?—No, I think not. I would suggest that you first of all have

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to find the total number of seamen who come under the Act. The Board of Trade figure purports to show that. It shows the total number of seamen employed. Then you have to distinguish and deduct the number that are outside the Act, and you get at the total number that come under the Act. I have estimated that at 154,000, including men in the Fishing Trade. If the trouble were taken, if I am right, you could find 154,000 individual names, less the names of the men in the Fishing Trade, in the Offices of the Registrar General, and you could find all their engagements throughout the year.

11,994. On paragraph 9, conditions of employment, I suppose conditions of employment provide for normal conditions and steady capable seamen?—I have dealt with them in different classes.

11,995. It has been put to me that this trade has been much under the normal since 1922 and that any estimate as to the contributions payable during the last two years based on known employment since 1922 would be illusory?—I can give you the figures with regard to that. They are all recorded. The employment of a ship is recorded by the tonnage entries in and out as far as this country is concerned. Roughly two-thirds of our ships are engaged in the trade of the United Kingdom, and the returns show month by month the tonnage entered in and out, and that is a very accurate estimate of the number of ships actually employed. Then we have got this interesting Admiralty return built up in quite a different way which shows that on the dates given all but 6 per cent. of our ships were in commission, actually engaged and actually placed. The Admiralty prepared charts of the world showing each trade route and they actually made a picture of the ship on the trade route.

11,996. (Chairman): Showing the exact place?—Showing the exact place as far as they could. It was worked out for defence purposes.

11,997. (Miss Tuckwell): On paragraph 12, collection of contributions, and your statement about cards, I think some Unions are very much inclined to think that they do not have so much difficulty as you seem to have. They say that now and then people might not write clearly, but as a general rule?—May I show you some of the cards. Would you glance at them?

11,998. I have seen them previously. The suggestion is that other people are not as much troubled by this as your Society is?—I do not know who the other people are. If they are Friendly Societies I can quite understand that. They have got a good steady man who is running backward and forward on a Cunard liner, who has a good home, who is interested in insurance, and is using their voluntary side. There would be no trouble about his cards, however they were filled up. But you must remember that Parliament has put upon us the duty of taking care of all seamen who choose to come to us. We cannot pick and choose.

11,999. On paragraph 14, do not you think this leakage is decreasing as men are learning the penalty of not being careful?—Perhaps it is decreasing, but I am afraid it is very slowly, and the penalty is such a ferocious one.

12,000. I find that the Seamen's & Firemen's Union do not suffer very much from lost cards?—Working it in connection with the Union and the Union contribution they may have advantages of keeping in closer touch with the men which we have not got.

12,001. (Chairman): Their men will fall much under the same category as the Friendly Society men will they not?—Much more. Of course we have a great many members of the Seamen's & Firemen's Union who are in our Society. We have two representatives of that Union on the Management Committee of our Society.

12,002. And, of course, there is a very large proportion of your members who are quite punctilious in returning their cards?—Excellent members.

12,003. But from the circumstances you describe it seems quite likely that you must have a larger proportion than these other societies of persons who do

not take any interest at all?—We have the poor beggars, Sir, who want the most help.

12,004. (Miss Tuckwell): On paragraph 25, Management, I see there are no seamen on the management of your Society?—They are all appointed by the Board of Trade on the recommendation of the different Unions. We have Mr. Cotter of the National Union of Stewards and Cooks, Mr. Lewis of the British Seafarers, Mr. Bramah of the Marine Engineers, Mr. Collins of Grimsby Fishing, Mr. Henson of the National Sailors' & Firemen's Union, Mr. Sprow of the National Sailors' and Firemen's Union, and Captain MacLean of the Officers—seven altogether.

12,005. With regard to local committees appointed at important ports, how many local committees are there?—I think 7 or 8.

12,006. Would the insured persons take any part in the constitution of those committees?—Yes, they are the most active ones.

12,007. You say the insured persons themselves are on the local committees?—It is a little difficult to answer that. The direct representatives of the insured persons are. In the sea service it is most difficult to get a man on active service to serve on any committee. They are all men who have been through the mill, who have been real live seamen or firemen or cooks or stewards, but the representatives chosen by the men are generally not on active service because they cannot be there to attend the meetings.

12,008. On page 6 you say effective applications have been received from 117,400. Do not you think a good many of those members may have changed their minds and joined other societies?—Some of them may, certainly.

12,009. How many of that number have not surrendered one card?—We have thrown out quite a number of applications which we identified as duplicate applications. We have thrown out quite a number that never became effective applications before we got at our 117,000.

12,010. I am a little puzzled by your closed and unclosed accounts. In most societies the account is either closed or unclosed. You either have the member or you have not. One has an impression that there is a sort of floating position. What does that mean?—It means that to the best of our ability we are trying to do the job that Parliament gave us to do, that is, to look after the seamen, and as we understand it that is to get for him the very best that can be got out of the Insurance Act. If he is away for two years on a voyage and he comes back with all his cards, we do not want to say to him "You have ceased to be a member, if you want to join, join up again." We think that is a disastrous position to take up.

12,011. I am sure you have nothing but the best of motives. Do you not think it rather suggests that with your application for membership is synonymous with effective membership?—It really only comes from our desire to do our job. It would have been easy enough when that man came along to say "You are not in benefit, go away, there is nothing for you, there is nothing for your wife." I suppose if we were a commercial Approved Society that is the way we should treat them, but we have taken the greatest trouble we can to keep every man's account in order.

12,012. Do you not think what you are saying accounts for what has puzzled me so much, that your membership is somewhere about 70,000 and your surplus £41,700, whereas the National Sailors' and Firemen's Union have a membership of 22,000 and a surplus of £45,000?—That brings me to the point that Sir Alfred was asking about. We were valued on the basis of 70,000 members. The next year we were told "That is all wrong, you have only got 48,000 members." If we had been valued on the basis of 48,000 we should have had a very much bigger surplus. We went into that question carefully to know whether we would ask to have the valuation reopened, and we went into it as carefully as we could and we could not honestly say that we

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thought we had only 48,000; we thought we had 70,000, and we still think that.

12,013. My point was the generous way in which you treat your membership accounts for the fact that your surplus is small?—I think it does.

12,014. (*Professor Gray*): Could you elaborate a little more what you told us about the desirability of one single society? I think you said there was an agreement that there should be one society only?—There was an agreement when we did the bargaining. There is unanimity amongst all the Unions representing all seafaring classes that one society is desirable. Unfortunately we have quarrelled as to which that society should be, but it is only as between the two.

12,015. When you say "all societies" you refer not merely to the two bigger ones, but I take it at least to the 10 societies which have 95 per cent.?—No. I am speaking of the Unions. There is no agreement as between the seamen on the one hand and the land societies on the other.

12,016. How far does this unanimity of sentiment extend?—Among everybody who is in a position to speak for the seafaring classes.

12,017. The obstacles in the way of forming one society are the difficulties of agreeing which is to be the society?—That is so. Frankly that has been the difficulty from the beginning. If we could put it all into the hands of the National Sailors' and Firemen's Union Approved Society they would say that is just the thing to do. On the other hand, if they would put it all in the hands of our Society we should also say that is just the thing to do. We are agreed that we ought to have one society if seamen are to get the full benefits of the Act. We come together over the pension fund. We have a Joint Committee which we are on and they are on, and we are keeping all this money for the seamen. Every penny that is contributed in respect of these uninsured seamen is used for the benefit of seamen serving on our ships.

12,018. (*Chairman*): Even though they are members of Friendly Societies?—Even though they are members of Friendly Societies. That is another point which make me very cross. The only societies which help us in administering that pension fund are our Society and the National Sailors' and Firemen's Union, and the Amalgamated will publish our advertisements. There is no other of these societies who care twopence about those pensions. They will not help us in any way in getting in claims from their own members.

12,019. (*Professor Gray*): To how many does that extend?—All of them. The Ministry has satisfied itself that 95 per cent. of foreign-going seamen are in 10 societies, that is including the two seamen's societies, and the other 5 per cent. are distributed over about 2,000 societies and branches. We have sent out our literature and our notices and said: "Please bring the fact that these pensions are available to seamen to the attention of your seafaring members," and they will do nothing whatever to help.

12,020. Of course, an agreement amongst the leading bodies would not enable you to rope in members from friendly societies?—No, I suppose it must be by Act of Parliament. If I am right—and I honestly believe that I am right—that there is this deplorable waste of money, then I think Parliament ought to take action and put us all into one society or, if it has to be, into two societies, and have a joint management like we have for the Pension Fund. It all comes back to that, if there is this deplorable waste. If I am all wrong about that then there is nothing to bother about.

12,021. With regard to the collection of contributions, can you tell us a little more as to how in fact they are collected at the end? Do I understand that contribution cards are given to seamen when they are discharged?—Yes, at the pay-off.

12,022. At that stage I take it they are supposed to send the cards to their society?—That is right.

12,023. Is it not the case that there are collection boxes in most places?—Yes, we have our box in every pay-off office, and the Board of Trade Officer, when he remembers it—and he very often does—will say to the men, "Now mind you put your card in before you go off."

12,024. Is it not possible to secure fairly effectively that the seamen will in fact put their cards in there?—No, it is not possible. I do not know if you are familiar with what happens on the pay-off. The man is home, has finished his voyage, gets his pay and is in a hurry to be off home if he has one, and if not he may be in a great hurry to get a drink; and the State has taken elaborate precautions to safeguard these men at that time because they know what a perilous time it is, and many of the men do not care twopence. I am not speaking of the good steady man who understands insurance, but the ordinary man, the boarding-house man, the Sailors' Home man, he does not care twopence what happens to his card.

12,025. When the man is going off, as you say, for a drink and he has a card in his hand, will he not want to get rid of it?—He will drop it in the street, put it in a letterbox, do anything with it.

12,026. Your box is there before he gets to the street?—He does not care about that, and, mind you, if you take a place like Liverpool, there may be four payings-off going on at the same time.

12,027. In one office?—There may be two or three in one office, but there are two offices, and the big Liners will pay off on board. So you may have two offices and four or five ships, and everybody is in a hurry. The stewards are paid off in one department, the firemen in another, the seamen in another. Of course, if you are a very strong Union, and you had plenty of delegates about, you might do something in the way of collecting.

12,028. I should have thought the greater the hurry the more desire there was to get rid of the card?—But the floor is the nearest way of getting rid of it.

12,029. Cannot you pick it up and put it in the box?—Just look at some of the cards we get when we have got them. They are too comic, the things that are written on the cards. Here is one card that came in the other day: only one thing written on it, and that is under the heading "Christian name," and that is Evans; there is no ship, no date, nothing.

12,030. (*Chairman*): Whose duty is it to fill that in?—That ought to have been done by the ship, and the Board of Trade Officer ought to have seen that it was in order before it was handed to the seaman.

12,031. (*Miss Tuokwell*): I have been told that if the men are members of their Trade Union Approved Society they are asked for their card on each visit to the Trade Union Office?—I should think that is very possible.

12,032. They do not complain of lost cards in the same way?—I really do not know. My position perhaps is a peculiar one. I was elected as Chairman of this Society on the motion of the seamen's representatives. The Society is run by the seamen's representatives; the shipowners have an equal number but they hardly ever attend the meetings; they leave it to me as the shipowners' representative. The job we were given was to look after seamen generally and I am very proud that in our Society we have got all the Unions and they all work together.

12,033. (*Professor Gray*): Where are these boxes in the pay-off?—We have boxes with a slit at the top and they have our name and our flag on them.

12,034. That is for your Society?—Yes.

12,035. Is there also a box for people who are not your members?—The National Sailors have one, too. Those are the only two boxes.

12,036. There is not a box for those who belong to another society?—No, there is not.

12,037. Would that be an advantage?—Yes, to the extent to which our boxes are an advantage, but that is a very small extent; it is ludicrous the number that

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are dropped in and sent to us. The Board of Trade man clears the boxes for us and sends up the cards. It is absurd the small number we get.

12,038. On the card there is the number of the discharge book anyhow?—Yes.

12,039. Does that enable the card to be traced to the society?—No, to the man.

12,040. Not to the society?—No, there is no clearing house. Tens of thousands of cards turn up at the Ministry and every now and then we send down clerks and they have a grand field day to see how many of our cards they can find. We know our own discharge book numbers and we recover quite a number from these abandoned cards. There may be 50,000 and we may succeed in finding 3,000 and then we are very lucky.

12,041. The ship ought to enter on the card the man's society?—That is not required now.

12,042. Who should enter that—the man?—Yes, if he will put that in. The Departmental Committee made that suggestion, that the society's name should be put in.

12,043. On his being paid off or before?—Before.

12,044. (Chairman): By whom?—The shipowner.

12,045. (Professor Gray): He would, of course, have to ask the member?—Yes.

12,046. There is no objection to the employer knowing what society the man belongs to?—There was at the start, but that seems to have been all abandoned now. I do not think there is any Union who would raise the point now.

12,047. (Miss Tuckwell): With regard to what you said about one society being of benefit to the individual man, how would that ensure that all contributions paid were credited to the man in respect of whom they were paid?—It would not, but if we had only one society we should get all the money that

was paid for seamen used for the benefit of seamen, just in the same way that we get all the money that is paid in respect of uninsured seamen used for the benefit of seamen through the Pension Fund.

12,048. In this one society which you envisage would the seamen have any share in the control?—Absolutely.

12,049. Would there be any third party; would the employers come in?—That would be a matter for consideration. So far the Society I speak for have thought they were of use. I think the shipowners would claim as of right to be on the Committee which manages the Pension Fund because it is money they find. They find it all. With regard to Health Insurance the bargain was made. The shipowners were given representation because of their allegation, which was accepted as proved, that under the Merchant Shipping Acts they were entitled to greater relief than this penny. The value of the benefits they were giving under the Merchant Shipping Acts which were given for the first time to the landmen were worth more than a penny and they said "If we are being overcharged we ought to have a voice in the management." If the seamen do not want the shipowners I do not think there would be any difficulty about that. I am sure there would not be any difficulty on the part of one representative of the shipowners if the seamen thought they could dispense with him. He has served a good many years and it has been rather heavy work.

12,050. My question was simply directed to the employers, that other employers would feel that they had the same right and you would have difficulty from them?—No, they are not being overcharged. The shipowner is being overcharged having regard to what he does or has to do under the Merchant Shipping Acts.

(The Witness withdrew.)

## TWENTY-SECOND DAY.

Thursday, 19th March, 1925.

### PRESENT:

Sir ANDREW DUNCAN, in the Chair.

THE RT. HON. Sir JOHN ANDERSON, G.C.B.  
Sir HUMPHRY ROLLESTON, Bart., K.C.B., M.D.,  
P.R.C.P.  
Sir ALFRED WATSON, K.C.B.  
Sir ARTHUR WORLEY, C.B.E.

Mr. JAMES COOK, J.P.  
Mr. JOHN EVANS.  
Professor ALEXANDER GRAY.  
Mr. WILLIAM JONES.

Mr. E. HACKFORTH (Secretary).  
Mr. J. W. PECK, C.B. (Assistant Secretary).

Sir NORMAN HILL, Bart., recalled and further examined. (See Appendices XXXI and XXXII).

12,051. (Chairman): Sir Norman, we had got last week as far as paragraph 31 of your Statement of Evidence. In paragraph 31 you set out the additional benefits which were granted by the Society out of the disposable surplus on the first Valuation?—Yes.

12,052. Are you satisfied that these were the most suitable additional benefits for your particular class of member, and what is the order of popularity of these benefits as evidenced by the number of claims received?—I think they are the most suitable benefits for seamen having regard to the limited funds at our disposal. As to the order of popularity, I would put dental treatment first. We only added that in 1923. In 1924 we granted that treatment in 1,257 cases, and we are still making grants at the rate of about 100 a month. Then our next is optical treatment and appliances. That has been very largely used, at the rate of about 50 applications a month since we started

it. Then medical and surgical appliances come next. Then convalescent home treatment. That is not as largely used as we expected. We have advised all our doctors that in cases where they think it would help recovery we are ready to consider applications. We have never turned down an application recommended by a doctor, but we have very few.

12,053. Can you account for that at all?—No, Sir, I cannot. We always have a certain number in. We think it is one of the best ways of helping the men, especially those men who have no homes of their own, boarding-house men and Sailors' Home men. I think, perhaps, the doctors are using it a little more freely now than they did. I think it will be a matter of education. I do not know that I can class maternity benefit in order of popularity. I can hand in particulars showing the amounts we have spent under each head if the Commission would care to see them?

(Statement handed in.)

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[Continued.]

ADDITIONAL BENEFITS.

Record of Applications and Expenditure.

Year.	Benefit.	Applica-tions.	Expenditure.
1922 ...	Convalescent Homes (No. 15)	57	£ s. d. 117 5 3
1923 ...	" "	85	212 4 3
1924 ...	" "	82	214 2 4
		224	543 11 10
1922 ...	Optical Benefit (No. 17)	190	67 4 4
1923 ...	" "	545	240 10 4
1924 ...	" "	665	309 7 1
		1,400	617 1 9
1922 ...	Medical and Surgical Appliances (No. 16)	71	34 4 4
1923 ...	" "	147	96 14 4
1924 ...	" "	204	132 11 0
		422	263 9 8
1922 ...	Dental Benefit (No. 2)	—	—
1923 ...	" "	179	47 8 3
1924 ...	" "	1,257	1,905 7 6
		1,436	2,052 15 9

12,054. In paragraph 32 you refer to the special arrangements made for the medical benefit of your members. Do you think that the members derive any advantage out of these arrangements that they would not secure under the normal arrangements for the administration of medical benefit through Insurance Committees?—I have never served on an Insurance Committee, but right through from the beginning I have been greatly impressed by the care taken of our members by our doctors. I think, speaking generally, that they have given most excellent service, and they have been of the very greatest possible help to our members. The only other point is—and here again, from want of knowledge, it is a little difficult for me to put it comparatively—that our medical benefit can be obtained by any one of our members in any port where he happens to be on production of his membership card. There is no other formality at all required.

12,055. Is the scope of the medical service given by your Society to its members any wider than that of the ordinary medical benefit under the Act?—No, I do not think it is, apart from the very real interest that our doctors show in our members. Again I cannot speak comparatively; it may be so in every Society. I should like to hand in a statement of the cost of our medical benefit.

(Paper handed in.)

Medical Benefit.

Year.	Number of Members entitled to Medical Benefit.	Total Cost of Medical Benefit.	Cost per Member entitled to Medical Benefit.
1914 to 1918 (average)	56,012	£ s. d. 8,311 10 3	£ 2.97
1919 ...	50,824	8,382 6 8	3.3
1920 ...	51,222	11,180 3 3	4.3
1921 ...	51,036	13,879 14 7	5.4
1922 ...	52,016	15,541 1 9	5.9
1923 ...	53,804	15,709 19 4	5.8

12,056. I see that in Southampton and Lowestoft your members apparently have the right of free choice of doctor, but not in other places. Has there been any demand that the members should have free choice of doctor generally?—In fact our members are permitted very free choice of doctor at all ports. The difference between Southampton and Lowestoft and other ports is that in these two ports no special doctors have been nominated by the Society to deal with our members, but in Southampton (we have had to go into the figures rather closely just lately) there are 75 per cent. of all our members seeking medical benefit who go to eight of the doctors, and there are 50 per cent. of them who go to three of the doctors. The other 25 per cent. of our members are spread over about 50 doctors in Southampton. What happens in Southampton really happens in all the big ports. There are certain selected doctors to whom almost all the seamen go.

12,057. In paragraphs 33 to 38 you attempt to estimate the percentage of contributions paid in respect of foreign-going seamen which are not in due course credited to Approved Societies, and you arrive at a figure of 29 per cent. for the year 1921. Would you agree that this figure, being based on a series of assumptions, cannot be accepted unreservedly?—Certainly. That is why I have set out in detail the facts and figures upon which I base my assumptions. I have endeavoured to show them in a form that can be readily verified with the actual records in the custody of the Registrar General of Seamen.

12,058. The only firm figure in this connection is that obtained from the Board of Trade census on the 19th June, 1921, when the number was 61,000. If this had been the average throughout the year, the loss, instead of being 29 per cent. would have been 7½ per cent. only. It would seem, therefore, that the actual loss may have been very considerably less than the 29 per cent. estimated by you?—I do not believe it could have been substantially less than that estimate of 29 per cent. I think, Sir, the points raised on the question you put to me go right to the crux of all our difficulties, and, if I may, I would like to elaborate a little the figures I have given to you. I think it is quite clear that the ships that have been at sea in these recent years since the war, including 1921, could not have been manned with less than 90,000 insurable seamen always on Articles. I think that is perfectly clear. That is not a matter of speculation. The ships that are at sea, as far as the trade of the United Kingdom is concerned, are shown month by month in the official returns of the tonnage entrances and the tonnage clearances. They show the British ships employed. Periodically we get similar figures showing the tonnage entrances and the tonnage clearances in other ports of the world outside the United Kingdom. But we have all the figures as far as the United Kingdom is concerned. It is quite idle to suggest that the ships that were at sea in 1921 could have been manned by the number of seamen recorded in the census of 1921. My own feeling is that it was most unfortunate that that census was ever made public. It fell just towards the end of the coal strike which had created a complete disorganisation in our shipping, and the result is that whilst in 1911 the census recorded the crews carried on 92 per cent. of our shipping, in 1921 they recorded the crews carried on only 63 per cent. of our shipping; or, putting it the other way round, in 1911 there was only 8 per cent. of our shipping off Articles, and in 1921 there was 37 per cent. of our shipping off Articles. I know that the Board of Trade put the very strongest cautions into the census, explaining this and saying that there were these great difficulties, but they certainly published the total figure without those cautions in the beginning. When the full print came, if you took the trouble to analyse it, you could see that in fact the census represented only about two-thirds of the crews who must have been employed to carry on the shipping. Putting it in another way, the Board of Trade returns show that some time during the

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[Continued.]

year 1921 there were 3,648 ships engaged in the foreign trade, whereas the census covered 1,982 ships and no more. It is a fact—a fact that I have had to verify for many purposes over and over again—that we never have more than two-thirds of our ships in the United Kingdom trade; the other third is always trading between foreign ports. If you take the census in round figures as 2,000 ships, two-thirds of that would be 1,330 ships in the United Kingdom trade in 1921. In the very worst time of the war, right at the top of the submarine peril, we never had less than 1,250 ships trading in the United Kingdom trade, and when we had that number we were rationed for bread, we were bringing in no timber at all, we were rationed as to cotton, and things were cut down to the very barest. Notwithstanding the coal strike, all through 1921 there was no difficulty of that kind. In 1918, in the hardest time we ever went through, the tonnage entrances were under 20,000,000 tons. In 1921 they were 25,000,000 tons. If you look at the monthly clearances for 1921 they are: May 1,228,000, June 1,560,000, July 2,000,000, August 2,500,000, and the average for the year was 2,000,000. In the bad months, the strike months, they dropped from an average all through the year of 2,000,000 to 1,228,000, followed by 1,500,000 in the next month. The other day I gave you the figures showing that the Admiralty had worked out in detail the actual placing of the ships on the 1st January, 1923, amongst other dates, and showing the numbers that were then in port and at sea, and again you find the figure which was put forward when the Bill was before Parliament, and which I have had to use over and over again for all kinds of purposes, e.g., for working out the scheme for war risk insurance during the war, for ships and cargoes. Tested right up to the hilt, and proved by actual experience, you always come back to the point that there are about 20 per cent. of the ships off Articles, and 80 per cent. of the ships on Articles. You will always find that there are about 50 per cent. of the ships at sea. 20 per cent. of the ships off Articles are nearly all in home ports. The other 30 per cent. will be on Articles on voyages in ports elsewhere. I have tested the figures again and again, and I cannot find any weakness in them. You could not have kept the ships going during 1921 with the number of seamen substantially below 90,000 to 100,000. Then, at the end of the year when you review the total number of men that have been employed, you find that you have got according to the Board of Trade returns 121,000 men, and if you knock off one-fifth of that you get the numbers that should be on Articles. Sir Alfred Watson put to me last week the report of the Departmental Committee. I believe these are the figures with which to test that report. I do not think the figures were available for that Departmental Committee at the time. But when you get the hard fact that only £102,000 was collected by all the Insurance Approved Societies from all foreign-going men, and you find, as I have pointed out in the statement I have put before you, that that £102,000 at the average rate contributed which has been ascertained by the Ministry—7.59d. per week—equals 77,000 men working constantly 42 weeks, 90,000 men working 36 weeks, or 108,000 men working 30 weeks (and we should have been on just as short rations during 1921 as we were during the worst time of the war if the seamen had only been working 30 weeks in the year; we could not have brought the stuff into the country). I do think that these figures are right to the root of the point I am putting as to the waste of cards. If it is right that the Friendly Approved Societies are not losing contributions in respect of their foreign-going seamen members, if it is right that the Sailors' and Firemen's Union Approved Society is not losing them as heavily as we are losing them, then it piles all the loss on to this Society that was appointed by Parliament to take care of the seamen.

12,059. In paragraph 39 you state that the real remedy for this loss of contribution income is to

place all seamen in one Society. Might there not be some difficulty in the definition of a seaman for this purpose, or would you suggest than any man employed at all at sea during any year should be classed as a seaman throughout the year?—I do not think there should be difficulty, Sir. I would suggest that every man who serves at any time during the year under Articles issued under the Merchant Shipping Acts is a seaman. That is the man we treat as entitled to a pension from the other Fund about which you are going to ask me later.

12,060. In paragraph 40 you put forward the very interesting proposal that contributions in respect of foreign-going seamen should not be paid by means of stamps on contribution cards but by means of a lump sum payment based on a schedule containing particulars of the men serving on each voyage of each ship. Do you think that this system could be worked with the seamen distributed amongst several hundreds of Approved Societies as at present?—I think so, Sir, and with very considerably less difficulty than the voyage card system. If you take the case of an Approved Society or a branch of an Approved Society having only a small number of seamen members, I think it should be quite a simple matter. Take a branch with 10 members or a Society with even up to 100 members, the members will be known to the management and their names, with their discharge booknumbers, could all be sent to the Clearing House, and all contributions received in respect of those identified members could be, I think, easily ascertained and credited to the right Society. But, Sir, you will bear in mind that the Ministry of Health have satisfied themselves that somewhere about 95 per cent. of all the seamen are in about 10 Societies, and these great numbers of Societies and branches that seem so formidable relate only to about 5 per cent., less than 5 per cent., of the men.

12,061. You mention in your Statement that the particulars which are required to be inserted on the present contribution card are in many cases very unsatisfactorily entered or altogether omitted. I suppose that, notwithstanding this, the stamped card generally reaches the Society because it is the duty, and in the interest, of the member himself to send it?—I am afraid it does not. I think it is quite hopeless to expect a very great many of the seamen at the time of pay-off to think of their own interests.

12,062. If the essential particulars with regard to any man were not correctly stated on the schedule, how would the contributions be credited to the proper Approved Society? Is it not possible that the loss of contribution income might be even greater under a schedule system than under the present system?—In the first place, if the schedule were incorrectly or incompletely entered up we could call to account at once the person responsible. The ship would be known and the voyage would be known. The schedule would come from a particular pay-off. With the cards, the more defective the manner in which they are filled up the more hopeless it is to find the person responsible.

12,063. I follow that perfectly?—Take any boat that is paid off here or in Liverpool. We get the cards, and we suppose they come from some of these big Companies; if we can identify them with the ship we can get the Purser called to account by the Company at once, and he will do better next time; but if you get a card with "Brown" scrawled over it, and no other information, how can you call anyone to account?

12,064. I take it that you think there would be a better chance of challenging inefficient filling up of cards on the part of the Clearing House than there can be at the present time?—Absolutely. We should know the man.

12,065. In paragraph 43 you deal with the cost of administration in respect of foreign-going seamen. I see that in some branches of the work greater labour is involved than in the case of landmen, but as against this is there not some saving of labour by

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the absence of any claims for benefit during the greater part of the year that the man is at sea?—Yes. I think there must be some saving, but I think we are a pretty busy Society. I took out the figures for 1923. In that year we paid sickness benefit in

5,292 cases, disablement benefit in 1,157 cases, maternity benefit in 3,363 cases, and medical benefit in 15,348 cases, and with our effective membership only allowed at just over 50,000 I think we are working pretty well.

*Suggested Form of Schedule.*

RETURN by Shipowner to the Ministries of Health and Labour, of the National Health Insurance and Unemployment Contributions payable in respect of compulsorily insured seamen engaged on Foreign-going ships, including ships engaged in regular Trade on Foreign Stations, and Fishing Vessels proceeding to or beyond Rochall, the Faroe Islands, the White Sea, and the coast of Portugal or Morocco.

Name of Vessel..... Official Number..... Voyage between.....and.....  
 Voyage began..... Voyage ended.....  
 Name of Shipowner..... Address.....

Name of Seaman.		Address.	Rating.	Dir. A. Number.	Identity Number.	Name of Approved Society.	Membership Number in Approved Society.	Health.				Unemployment.	
Surname.	Christian Name.							Particulars of Contributions.					
								Date of Engagement.	Date of Discharge.	Number of Insurable Weeks.	r. s. d.	Letter and Number.	t. s. d.

12,066. You have handed in a draft form of schedule that you think might be made?—That is what we put forward, and we put it forward as a form which has been approved by all parties interested. I believe the actual idea of the schedule was first raised by Mr. Chambers of the National Sailors' and Firemen's Union Approved Society at a meeting in the House of Commons. It is heartily supported by our Society, and we represent all the Unions other than the Union represented by Mr. Chambers. It is welcomed by the Shipowners.

12,067. This would cover unemployment as well as health?—Yes. We have gone very fully into the details to get as much as we can, and the Shipowners have promised us that they will do their best to get these completed if they can have the convenience of one return for health and for unemployment. You have crews now of 300, 400, 500, and even 600 men, and some of them are on very short voyages. The fast boats, with very big crews, engaged on the North Atlantic vessels will be making 12 voyages in a year, and the labour involved in making out all these separate cards is very great. If they could get the advantage of making out this schedule, the one set of names serving the two purposes, they would see that they were correctly filled up; and the Unions representing the men responsible for the work, the Officers' Union, the Stewards' Union and the Purser's Union are all clear that this schedule would give them far less labour than the individual cards give.

12,068. It would give a check as to whether a man was a member of an Approved Society or not?—It would, and this would fit in with the official log, the Articles which are returned to the Registrar-General of Seamen.

12,069. This would of course throw a considerable amount of work on the Clearing House. That is recognised?—If this was properly filled up the dissection would not be very troublesome. It would be Clearing House work. It would be nothing compared with the work of identifying all these miserable cards that we get now. We quite understand that

we should have to pay the cost of it. The amount we should save in the collection of cards and by preventing the present loss of cards would far exceed any Clearing House cost.

12,070. How many of these schedules do you reckon there would be in a year?—Five round voyages is the average, five in and five out, and that means five sets of Articles on the average during the year.

12,071. That is for the long voyage ships?—No, that is taking the average all through. You get the North Atlantic making 12 round voyages in their fast ships, in the Australian trade 2 round voyages, China 2 round voyages, India 3 to 3½; but taking it all through, each ship in the foreign trade makes 5 round voyages in the year. If you have 4,000 ships that would be 20,000 sets of Articles.

12,072. We have not received any representations from other Societies having seamen members that the administration allowance in respect of seamen should be increased. Does your Society find it impossible to carry on its administration within the limits of the present allowance? Perhaps you will give us some figures as to your expenditure on administration during recent years?—We can carry on, but if we are to do our duty we ought to be more fully represented in the different ports, and that local representation is a costly matter.

12,073. You mean having officials in the local ports?—Yes, to father the men more or less. We have taken them from well known men in the different Unions who have come ashore, old men who know the seamen with whom they have to deal, and know their difficulties, and know how they can be helped, and so on. You want a responsible and capable man for that kind of work. We have had to cut down that representation lately when our certified membership was cut down under the new Regulation. I can hand in a statement showing our yearly expenditure since 1920, and I can give you details of any item that you want.

(Statement handed in.)





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Most of the extra cost is for office furniture, and such things, and I believe that was included under that head in that year.

12,091. You have an item lower down for office furniture. That also is a very big figure in 1920 compared with other years?—That is for alterations and decorations. A good deal of this £695 for incidental office expenses should, I think, come under office furniture, alterations and decorations.

12,092. That really was capital expenditure?—Yes.

12,093. And was not repeated?—Not repeated. We took at the beginning rather an old tumble-down house. It had been in the occupation of the Chief Rabbi. We did not know how we were going on when we started. Then we had to get proper accommodation for the staff, and we have now got a very fine building which was built for the children of converted Jews, but as there are not any we have the building.

12,094. Where is it? — In Leman Street, White-chapel. We moved there, and it put us to a good deal of expense. The place has been empty for a long time. We have furnished it very well, mostly out of Army stores and such things that we got.

12,095. You have told us here to-day that you favour the establishment of one Society for all seamen?—Yes.

12,096. I suppose you suggest that all seamen should be compulsory members of that Society? — I think so, yes.

12,097. Do you favour occupational societies generally?—No, I do not think I do. I do not profess to be an authority on the point. I think the seamen class are so different. It is so awkward to fit the sea employment in with the general organisation of health insurance for landmen. I think that makes the difference. If there was any other occupation which had anything like the Merchant Shipping Acts applicable to it, I should think probably you would have to make that occupation into a separate society. I think you would be wise to do so. For four-fifths of the year the foreign-going seaman is taken care of under the Merchant Shipping Acts, and it is such an essential difference, the problem of health insurance for the seaman from that for the landman.

12,098. (Mr. Jones): Sir Norman, can you tell me what circumstances have led to a general arrangement with the doctors in Southampton and Lowestoft in place of the particular arrangement you have in other ports?—The doctors asked for it. The Medical Association at each of those ports asked for it. I think those are the only ports that asked for it.

12,099. Let me instance some other port that I know: How many doctors have you, for instance, in Glasgow?—We have five appointed doctors for Glasgow. The numbers of doctors in Glasgow who attended our members last year, the General Secretary tells me, is probably 60.

12,100. How many have you in Greenock?—One or two, I think.

12,101. May I supply the information myself—one?—Yes.

12,102. Taking the examples of Southampton and Lowestoft and these 60 doctors in Glasgow, does not that indicate that your members desire the same facilities as all other members of Approved Societies?—Practically they get them. Last year we paid the accounts of 2,206 doctors, and our appointed doctors were 242.

12,103. Would it not be a much simpler matter for the Society if its medical benefit arrangements were put on the same footing as those of other Societies?—No, I am sure it would not be better for the seamen. It would save the Society a lot of trouble.

12,104. I am asking about the Society at the moment?—No, I cannot take that view. This Society is composed of seamen and I think it would be very much to their disadvantage.

12,105. Would it not be an advantage to the Society to have its funds calculated by the Ministry and distributed among Insurance Committees in proportion to membership in the same manner as other

Societies, rather than that you should have these many thousands of bills to check each year?—No, it would be to the serious disadvantage of our members.

12,106. In what respect?—We pay now for any and every attendance that the doctor thinks necessary to make on our members.

12,107. Do you suggest that the seaman members of other Societies are less efficiently treated than the members of your Society?—I cannot imagine that they are as efficiently treated.

12,108. Is not that a reflection on the whole general medical service under the National Insurance Act?—So far as it affects foreign-going seamen, yes, it is.

12,109. You have been good enough to admit that you are not familiar with details. Will you take it from me that as Clerk to a large Insurance Committee in a large port for eight years I never heard a complaint about medical benefit from any foreign-going seaman or any seamen in fact that I can recall except the members of the Seamen's National?—I am surprised to hear you say it.

12,110. Does not the fact that your members have chosen in Glasgow 60 doctors as against your officially appointed doctors indicate that your members desire the same freedom of choice that other foreign-going seamen and other insured persons have?—I can only repeat they have the greatest freedom of choice, but you will find in Glasgow that the great majority of seamen who go to the doctor go to these five doctors.

12,111. In Southampton you said practically all your members go to eight doctors?—75 per cent. of them.

12,112. And the balance are distributed throughout the town?—Yes.

12,113. Is not that natural?—Yes.

12,114. Will not a seaman if he has free choice of doctor naturally choose the doctor along the dockside?—There are doctors and doctors along the dockside. We did take very great care to give our members the chance of getting the very best class of doctor we could, and put their names before them.

12,115. You do not mean to suggest that in Glasgow, where you have chosen half a dozen doctors, the remaining doctors on the panel are not equally efficient?—No, certainly not.

12,116. Your member can make a fairly efficient choice for himself?—And he does.

12,117. Does not that all point to the fact that this is somewhat of an anomaly?—I cannot understand your statement, if I may say so, that a man who is paid off this voyage in Liverpool, next voyage in Cardiff, next voyage on the Tyne, next voyage in Greenock, can get immediately the medical help he wants.

12,118. How do other foreign-going seamen, members of other approved societies, get it?—I think the bulk of friendly society members are the men trading on the big regular liners backward and forward, a ferry service. If they are ill on board they have the ship's doctor, if they are ill on shore they have their own home. You can work that. But for the Sailors' Home men, and the boarding-house men, I cannot understand how it can be worked.

12,119. There are other people moving about from day to day as well as seamen, and they may require medical attention just as irregularly, that is to say, irregularly in point of place, as the seaman?—Yes.

12,120. Are you aware of the arrangements that are made with regard to them?—I know there are certain arrangements made. I do not understand how they work.

12,121. It is a simple matter. He has a medical card which is a voucher and entitles him to medical service in any town of the United Kingdom. If that applies to all seamen members of other societies it could equally apply to yours?—What does the doctor get out of it, if I may ask a question, when he gets the voucher?

12,122. I would rather answer negatively and tell you what many doctors do not get out of your Society?—They get their fees.



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12,147. With regard to this schedule which you suggest as a remedy, I do not quite gather what you mean to do in the way of dissection. This would come in with the names of all the seamen on any ship?—Yes.

12,148. It would then have to be dissected up amongst various societies?—Yes.

12,149. It is quite true of course that the great bulk of seamen are in ten societies at the outside?—Yes.

12,150. But there is a sprinkling over the whole field?—Yes.

12,151. So that the dissection would have to cover, it may be, hundreds of societies. Is not that so?—Yes. If you left the odd 5 per cent. it would. You would have to make out I suppose each month or each quarter or each half year a schedule for each society.

12,152. The point I did not quite grasp was, who is to do that? I think you said the Seamen's Society would do it?—We should be only too glad to send the members of our staff to do it if the National Sailors' and Firemen's Union did the same. We could send our own men up to identify our members. I suppose unless you are going to have one society the other societies would like it in official hands, and so the staff would have to be paid for out of the seamen's contributions. But we would send anybody up, any number of men, to facilitate and do the work if wanted.

12,153. You could hardly hope to get this done jointly by Societies with seamen in them because they cover too big a field?—I do not think they would make any trouble about it. I think they would need to get their schedules, and if they did not get the contribution they would put the man off benefit, or turn him out.

12,154. What is the position of the insured person under this schedule scheme? Has he any responsibility for his card?—No he would never have a card.

12,155. If he would never have a card he could not be responsible for not surrendering it?—No.

12,156. If for any reason his contributions went astray, how would he get his benefit?—There would be no card to go astray. The foreign sea trade is the only employment where the man is engaged under the supervision of a State official and paid off under the supervision of a State official. When he comes to us claiming benefit, if we say: "We have no stamps," he says, and he can prove, and we can verify his proof, that he has served the whole of last year on the Cunard ship so-and-so; and unless the Cunard have grossly neglected their duty those contributions were paid, and the man has grossly neglected his duty by not sending them on to us. It is that kind of waste and hardship that we want to avoid.

12,157. Under your scheme the insured person has no responsibility whatever?—No. We ask for it. I know it is suggested that other industries might ask for the same facilities. We do stand in quite a different position. Our men are engaged and paid off before a State official.

12,158. It does put your seamen in a somewhat preferential position?—Yes.

12,159. Other people have a certain job to perform before they get benefit; they have to look after their cards and surrender them?—Quite right.

12,160. This would put the seaman in such a position that he would have nothing to do and no responsibility?—Quite right. He is in a privileged position with regard to the payment of wages and the adjustment of accounts between himself and his employer. We have done all that, and it all has to be paid for.

12,161. I am not criticising?—The shipowners pay half the fees for doing all this, and the other half comes out of the taxpayer. We nurse the seaman for the Post Office saving fund, we give him every facility for making remittances to his family from the office. This is a very small matter but one of great importance to the man, because the machinery is there and it could be done.

12,162. (Chairman): If it were necessary for him to have a card for any purpose the date of the voyage could be stamped on the card, could it not?—His discharge book shows his service.

12,163. Assuming that for some other purpose in the Ministry it was necessary that he should have a card, instead of having to fill up the card and stamping it they could merely stamp on it the date of his voyage?—His discharge book shows that. I should get into great trouble with my shipowner friends if I landed them with the responsibility for getting all these schedules made up, and then told them that there was going to be a card in addition. I should have to retire from all participation in the management of this Society if I tried to charge them with both.

12,164. A card that is properly stamped is one thing, but a card upon which they merely put with an india-rubber stamp the date of the voyage?—His discharge does that.

12,165. It might?—If we could avoid duplicating documents it would be very important.

12,166. (Sir Humphry Rolleston): With regard to the financial arrangement for specialist services when they are required, how is that arranged? Do you manage it by getting the patients taken into hospital and making a grant to the charitable institution apart from making special arrangements with individual consultants and specialists with whom you have got some kind of arrangement?—The doctor in charge of the case reports if he wants another opinion, and generally the name of the consultant he wishes to see, and we sanction it on that.

12,167. And the financial arrangements?—Yes, we sanction that on our doctor's report.

12,168. Is not that really a serious drain on your income and financial resources?—No, it is not very heavy. Of course, there are other cases in which our doctor sends the man into hospital, and then every year we go through the list—we keep records of all our cases in hospital—and according to our means we make grants to these hospitals. Here in London we have Greenwich Hospital with which we are closely in touch, which is supported almost entirely by sea money, and we get the very greatest help and consideration there for all seamen; and in the big ports the seaman always, I think, gets a good turn in hospital.

12,169. With regard to the reduction of fees for your doctors, you told Mr. Jones that you were in communication with the British Medical Association?—Yes.

12,170. Did I gather that the prospects of getting a satisfactory decision were good, or that you had come to a decision?—I think they are satisfied. Anyhow, in Southampton, where the question was raised, they are satisfied, and are going on under the advice of the British Medical Association.

12,171. It is not settled, is it?—I am not quite sure how it is settled. I went before a Committee Meeting and put it all in, and they were very sympathetic that we did not get our full income, our full stamps, and they hoped that we would get more income and then we should be able to give them better fees. I think they want to know how well off we are before they say that they are quite satisfied. It is running quite smoothly after this interview with the Committee. They treated me very nicely. They heard all I had to say and were very sympathetic with me, and it is running all right. We have no difficulty in any port now.

12,172. (Sir Arthur Worley): In your statement of administration expenses for 1924 you put in a supplementary item under salaries of £1,156. Is there any special reason for that?—That was £1,000 to start a superannuation fund for the staff. It had been promised them for a good many years, and we were able to set the sum aside in this year.

12,173. So that out of your expenses you took £1,000 to start a superannuation fund?—That is so. The expenditure apart from that is £9,852, and then there

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is the £1,000 and 5 per cent. on salaries, the first half year, £156.

12,174. It is an unusual expenditure, is it not, for an approved society?—We have to consider that in conjunction with our salary list. You see from the little note at the end that we have reduced our head office staff from 52 to 37. We have brought down our salaries and wages very substantially. It was all part of that.

12,175. Thank you. I really wanted the explanation on record.—Just at the end of my Statement I raise the point about deposit contributors. It is a small point but it is a troublesome one. Just at present if a man comes in to join us we have to communicate with the Ministry to know if he is a deposit contributor. They say:—"We cannot find his name." We accept him to membership, and so long as he does not bring with him more than six months' cards, I think it is, it is all right; but if, having admitted him, he turns up on another day and says:—"I forgot to bring these cards" and brings cards for back years, we have to report that to the Ministry and he is made a deposit contributor, and then we have to apply for his transfer from the Deposit Contributors' Fund. Seeing that we are bound to take every seaman, we think that if he turns up we ought to be able to take him regardless of the period which has elapsed since he became insured. These transfers in-and-out of the Deposit Contributors' Fund really make a great deal of work.

12,176. How many transfers in from the Deposit Contributors' Fund do you have in a year?—We have had 12,000 altogether from the beginning, about 1,000 a year. It is this in-and-out business of the men with old cards that is the trouble to us.

12,177. (Chairman): That, Sir Norman, closes your evidence for the Seamen's National Insurance Society. I presume that if we think it necessary or desirable to see you again to follow up any of the points that have been raised you will not be unwilling to come?—So long as I do not bore you, I am only too glad to give you any information.

12,178. With regard to the Lascar Fund, I understand that you are Chairman of the Governing Body of the Special Fund for Seamen, commonly called the Lascar Fund?—Yes, Chairman because the Governing Body elect me. They have done me the honour to elect me twice. It is the same with regard to the other Society, I am not *ex officio* Chairman, I am just elected.

12,179. I gather that the Fund is set up by Statute, but can you tell us whether the constitution of the governing body is laid down in any Act of Parliament, and if not by what instrument it is governed?—It is Section 27 (1) (c) of the Act of 1918 consolidated by Section 64 (2) of the Act of 1924, which provides that the fund shall be vested in trustees nominated under, and that it shall be managed by a governing body constituted in accordance with, a scheme prepared by the National Health Insurance Joint Committee after consultation with the Board of Trade, and the personnel of the governing body is laid down in the same section.

12,180. Is it the case that while the funds derived from Health Insurance contributions are definitely assigned to the Special Fund for Seamen by the Act, those derived from unemployment insurance contributions are not so assigned, but are only placed at the disposal of the Special Fund by the goodwill of the Minister of Labour and could at any time, without amending legislation, be diverted to some other purpose?—The answer is Yes, it is by virtue of a Special Order made by the Minister of Labour, and that Order is I think subject to the usual procedure for revocation. I do not quite agree that it is entirely at the goodwill of the Minister. I fancy if the Minister wanted to divert the fund to some other purpose certainly the shipowners would have something to say to it in Parliament as being the people who find the money.

12,181. From paragraph 9 of your Statement I see that a yearly grant of £500 is made from the Fund to seamen's hospitals. Can you tell us what advantages are obtained in return for this payment for the seamen for whose benefit the Fund exists?—In regard to the payment to the Seamen's Hospital Society we have arranged for the immediate admission to King George's Sanatorium for Sailors at Bramshott, subject to the limits of accommodation, of all tuberculous seamen requiring institutional treatment who are members of an Approved Society and in respect of whom the responsible local authority is prepared to pay the necessary charges. Secondly, in urgent cases we have arranged for the immediate admission of any tuberculous seaman who is a member of an Approved Society pending the acceptance of responsibility by the local authority. In these cases we find it of the utmost importance, when the case is certified, to get the man into an institution at once. In his interests and in the interests of the crew, the other men in the fore-castle, we want him taken care of at once, and the arrangement with Bramshott is that we have always an institute open for every case that is certified. With regard to the other two hospitals, that is, Cardiff and Cornwall Hospital at Falmouth, the payments are general donations; the hospitals are maintained solely for seamen and these are general donations to them; we have no special arrangement.

12,182. With regard to the pensions granted out of the Fund, I see that the Class A pensions on the Health Insurance side are at present restricted to seamen members of Approved Societies. Is this restriction laid down in the Act?—Yes, that is under the provisions of Section 64 (4) of the Act of 1924.

12,183. Can you suggest any reason for the restriction, which I note that you desire to have removed?—It reproduces the provision in the original Act and that was really all we asked for at the time when we made the arrangement. I do not think we realised the importance of a pension of 10s. a week to men of the officer class at that time. It has been brought home in these hard times very strongly to us that people who are outside the protection of the Health Insurance Act are in very great need, and they are very deserving cases that come before us.

12,184. It is in their interest that you desire the restriction removed?—Quite.

12,185. What does the instrument governing the application of the Unemployment Insurance money say as to the persons who are qualified to be beneficiaries?—With regard to Class B pensions these are limited to masters, seamen, and apprentices in the sea service or sea fishing service who are domiciled in Great Britain, including Northern Ireland, and are serving or who have served in the British Mercantile Marine or British fishing fleets. The age and income limits applicable in the case of Class A pensions also apply.

12,186. I see that 600 pensions are now offered each year out of the fund. Can you tell us how many applications are received for the pensions?—Last half year, that was in January last, we had 517 applications lodged: of those only 409 complied with the conditions: we provisionally granted 302 pensions subject to verification of a certain number of them: 283 were taken up. July, 1924: number of applications, 324; qualified, 292; granted provisionally, 202; taken up, 178. January, 1924: number of applications, 491; qualified, 419; granted provisionally, 310; taken up, 251.

12,187. What steps are taken to bring to the notice of possible beneficiaries the advantages offered by the Fund?—We advertise in the papers right round the coast of Great Britain and Northern Ireland, and there are posters displayed in Mercantile Marine offices, in the Seamen's Institutes, and in local offices of the Ministry of Health, and we send them to the Approved Societies and Trade Union offices. We also send them to everybody we get on to our books as persons or organisations interested in the welfare of seamen.

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12,188. Are you satisfied that the various Approved Societies do take steps to bring to the notice of their qualified members the benefits offered by the Fund?—No, we are not. The Seamen's National and the National Sailors' and Firemen's Union take a great deal of trouble indeed, and I think all their members get to know about it. The National Amalgamated Approved Society publishes a very full statement in its monthly magazine. But I do not think any other Approved Society has ever moved a finger in the matter, has ever helped us in collecting information, or has ever brought it to the knowledge of their members.

12,189. What steps are taken to verify the accuracy of the statements made by applicants for pensions as to their qualifications to receive them?—As far as possible the applicant must submit documentary evidence, date of birth, and sea service, but of course, you cannot get anything like complete records. We do the best we can and our Secretary, Mr. Evans, takes an endless amount of trouble in nursing the claims through, seeing if the man can prove his sea service. You can do a great deal if you get on the track of a man, and from one ship you can follow him back to another from the official records and such things.

12,190. I see that your first recommendation is that Class A pensions should be made available for all seamen, whether they have been members of Approved Societies or not. Do you mean to include seamen who have not been insured at any time under the Health Insurance Scheme?—Yes, Sir. That is the unanimous wish of the governing body, and the governing body represents seamen of all ratings, from masters down to the cook; and the shipowners.

12,191. Your second recommendation is that the cost of the administration of the Fund should be borne by the Fund itself. Can you give us any figures as to the cost of the administration of the Fund in recent years?—In the year ended December, 1921, £277; the year ended December, 1922, £605; the year ended December, 1923, £734. These figures include the administration expenses of the Seamen's Tuberculosis Advisory Committee, the cost of which in return for representation thereon provided by Section 7 of the Act of 1921, is borne by the Fund.

12,192. (Sir Arthur Worley): With regard to the recommendations about Class A pensions, I take it the extension really means bringing officers within the scope, who are now excluded?—Yes.

12,193. That is really the whole of that suggestion?—Yes, to treat the seamen as a body.

12,194. Without differentiating?—The crofters come in, too. They are men who put in a great deal of service in foreign-going ships, and they work part of the year on their own crofts and they go back to work on that as old men. We have quite a number of pensioners from there.

12,195. (Sir Alfred Watson): What is the general trend of the income of the Fund; is it going up or down?—It has gone up enormously since we got the Unemployment Insurance added to it.

12,196. That I quite realise. I have heard the suggestion made that the Lascar as an element in British shipping is a diminishing quantity?—No, it is rather the contrary if anything, Sir Alfred. That has been, as you know, one of our anxieties from the beginning, if our fund should disappear.

12,197. When I have heard the suggestion made I have been rather anxious myself?—I can give you the figures. In 1922 £23,000 odd; in 1923 the same, £23,000 odd, and this year it is up I think £3,000.

12,198. That is the contribution?—Yes.

12,199. That shows broadly that the number of Lascars on British ships is not decreasing?—No. I think I gave you the figures in my other statement. In 1912 there were 47,000 Lascars serving; in 1922 there were 55,000 Lascars serving, but of course those include Lascars serving out in the Far East who never come here, and in respect of whom there are no contributions paid. There are about 30,000

Lascars serving in ships which trade to this country, and there will be about 25,000 Lascars who are serving out on the Indian coast and between India and Burma and such places.

12,200. That is a very important distinction. Is that 30,000, broadly speaking, stationary, or is it an increasing number?—I should think that, if anything, it is increasing. It has not fluctuated to any considerable extent of recent years.

12,201. I am not quite clear as to the basis on which you determine the number of pensions that you are able to grant in a year?—Since we have had the unemployment fund money coming in, which has made the income so very much bigger, we have been working on the lines of getting the Fund into a position, in which we can offer a pension to every man of 65 years of age, from 65 to 70, who can prove 25 years foreign-going service, or its equivalent in the home trade, or in the two of them. That is the hope we have in our minds. For example, when we made our grants last January we made the grants on marks, and the minimum marks to qualify for pension were 140, and those represented 25 years foreign-going service or 35 years home trade service, or 28 years mixed service. We are getting just about where we want to get. We hope we shall come to the time when we can dispense with the marks and say there is a pension available for every man of 65 who can show 25 years foreign-going service or its equivalent.

12,202. Is it the aim to pay the pensions out of interest only or out of interest plus the contributions?—As you know, we have been in a difficulty all along. When we were given the Fund to manage there was a very active agitation going on to exclude Lascars from ships trading to this country. The shipowners tried to do a deal with the seamen's representatives. "You abandon that and then we can go right ahead with pensions." The seamen were not having that, so they kept up the agitation. Then we, as the governing body, were in a difficulty to know what pensions we could promise with the prospect of our income vanishing, because if the Lascars were excluded our income would vanish, and that is why we have been building up what seems to be a big sum in investment. It has accumulated far more quickly than we thought because of the addition of Unemployment Insurance, but we shall be quite prepared to spend both the interest from the investments and the income from contributions when we know the kind of burden that the offer of a pension to every man who can prove 25 years foreign-going service will impose on the Fund. We are only finding that out very gradually as we go on by seeing the number of applications we get.

12,203. The policy at the moment is to watch the number of applications, and in the meantime as far as possible to build up the fund so as to get an increasing interest income?—Yes, but we do—and we have succeeded in these last three grants—clear the list of every man who has shown 25 years' foreign-going service, or its equivalent. We have done what we hoped to do. This time the applications are coming in more freely, and it may be that we shall not be able to do the whole.

12,204. I take it that if the income from contributions remains pretty steady and can be relied upon, the time will come when you will be able to spend the whole of the income from contributions and interest in pensions, and you will be in practically a stable position from year to year?—Yes, I think so. I think we should be warranted in doing that because the capital that we have accumulated would discharge all our liabilities to all the pensioners on our list even if the income vanished. But of course that would not be a happy result. We want to go cautiously so as to make it a permanent pension fund for the sea service.

12,205. You must forgive my asking but, as you know, I was very interested in the project when it started, though in the last few years I have rather lost touch with it?—You gave us great help and very wise warnings, and I think we are acting on them. As

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far as we can we must collect the information that you require, and that is the number of applicants that will turn up and the qualifications of those applicants. When we have got those facts pretty well established, then we can fix our pensions on a definite basis.

12,206. If the Commission were disposed to recommend the deletion of the limitation of the right to a pension to members of approved societies, can you give us any sort of indication as to the enlargement of your liability that would result?—On the applications that we have received it would not be very substantial. It would add to it but it would not overwhelm us. It would not stop us going on with our policy of a pension to every man who could prove 25 years' service.

12,207. Do you think there are many people who might otherwise apply but do not because they know they are not members of approved societies?—I should not think there were very many. It has been a very hard time indeed in the Sea Service for the last few years, and I think they have been sending in their applications on the off-chance of getting a pension. I do not think there are many people who are hanging back now. Mr. Evans thinks we may get some applications.

12,208. I do not think we can question you further on that. You see how important a factor it is?—Yes, but we have been very conservative indeed. This year we are going to use £6,000 of our income other than income derived from investments, and that is the only sum we have used so far out of all this money we have got in, so we have been very cautious. We must not be too strict in dealing with present claims for the sake of building up funds for the future.

12,209. I agree you have indeed been very cautious, having built up £600,000?—Well, you frightened us from our original intention.

12,210. Why do some persons to whom pensions are granted neglect or fail to take them up?—We make a provisional grant and then they fail to prove either age or qualifying service. We have a certain number of sea tales told us on the application forms.

12,211. I notice in paragraph 11 of the scheme of administration of benefits on the health side that you have an arrangement by which you can make use of the Approved Societies as agents for the governing body. Do you use that at all?—No, we have never used that.

12,212. I suppose it will always be easier to pay the pensions direct than to use an agent?—I think so. We have an official postal order which is sent out and it seems to work perfectly smoothly, and the cost of administration I think is very reasonable.

12,213. I notice that the cost of administration is quite small. I should like to know precisely what are the reasons that prompt you to wish to put it on the Fund instead of leaving it, as at present, to be distributed among the Approved Societies concerned?—There again we are frightened by these 2,000 Approved Societies that have seamen members.

12,214. But you are in the happy position there of being creditors?—To hunt them all out would be an awful job. If by doing it I could prove how many foreign-going seamen were in Approved Societies—

12,215. What do the Regulations prescribe on that matter—the cost of administration is to be borne in the prescribed manner?—They have never been prescribed, and the auditors always reserve this point.

12,216. Are you now paying it out of the Fund?—Yes, we have paid it out of the Fund. It is always noted on our balance sheet as a blot against us, and we were always told to wait till we came before this Commission and explained the position and then it would all be put right.

12,217. (Mr. Jones): Did I correctly understand you to say that you made a grant of £500 to King George's Sanatorium for Tuberculous Seamen?—It is £300 this year.

12,218. What is the necessity for making that grant?—We want to get immediate institutional accommodation available for every seaman who is certified without him having to wait his turn.

12,219. You then went on to say I think "pending the local authority accepting liability"?—Sometimes the local authority say: "We accept this, but we have not got a vacancy," and the man would have to wait his turn, and then the local authority can send the man to Bramshott, and it will pay Bramshott exactly what that man would have cost that authority in its own institution.

12,220. Will it pay from date of admission?—From the date when it accepts liability. Then we have the other case where, as you know, there is sometimes a good deal of controversy as to which local authority is responsible for looking after a particular seaman. That seaman can be sent at once to Bramshott while they are discussing it.

12,221. What happens in Liverpool?—The local authority generally take care of their own men.

12,222. Is this a criticism on London? Is not the Port of London Authority equally responsible?—Yes, London have 20 beds at Bramshott. They use it as an annexe to their own institution. We are working in the closest possible touch with the London authorities. It is not to try to do their work or to get round their Regulations. The beginning of a tuberculous seaman who is wanting institutional treatment in London is generally with the Dreadnought. The Dreadnought people will telephone at once to the London people, and if the London people are able to take him and there is a place they will take him; if not, they have this arrangement with Bramshott for 20 beds, and he is sent down there as a London man.

12,223. Does not London accept responsibility for him from the beginning?—I think they do in that kind of case if Dreadnought notifies London at once.

12,224. Does that not suggest to you that you are making a double payment or that a double payment is being made in respect of that man?—Well, we thought it was money well spent. We have these difficulties, discussions, and disputes as to what public authority is responsible, and of course there is quite a number of seamen for whom nobody will take responsibility. You cannot place them.

12,225. I do not think there should be any doubt about it?—Well there is.

12,226. There should not be, because responsibility under the Public Health Act rests exactly where it falls. Supposing it was a smallpox case there would be no discussion as to who was responsible?—Well, we have had cases of men being bundled into trains and sent from one place to another instead of being sent to an institution, and we thought it was money well spent to get the man immediately treated. Bramshott is a very fine sanatorium, it was built out of money put up to help seamen, and we thought it was money wisely spent.

12,227. I suggest to you it is a matter for complaint to the Ministry of Health against the local authority rather than a matter for double payment which is depriving you of funds which might be used for health purposes?—Bramshott take cases of seamen who never would be taken anywhere else.

12,228. Somebody must take them. The Mersey takes them and the Clyde takes them without question?—Yes, but while it is being discussed who is to take them, the man drifts off on to another voyage if he can get one or if he has friends who can get him into the foc'sle, and he is a danger to himself and to other people.

12,229. Does that happen in Liverpool?—It has happened. I think Liverpool has been very good.

12,230. Does it happen on the Clyde?—Mr. Evans has just given me this kind of case that we have: a man lands at Bristol and of his own free will travels up to London: he goes to a house at Muswell Hill: he goes from there to the Dreadnought: the Dreadnought say:—"You must go at once into an institu-

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tion": he is a native of Scotland: it will take a month to find out who is responsible for that man. meantime we will get him taken care of at Bramshott.

12,231. I suggest to you that if instead of going to the Dreadnought he had gone to the Medical Officer of Health of the district—?—Where?

12,232. His home address?—He has no home. He goes to an aunt at Muswell Hill.

12,233. That is his home for the purposes of the Public Health Act?—I do not think London would have taken him.

12,234. That is a cause of complaint to the Ministry?—But we want the man taken care of while the complaint is being investigated.

12,235. You are depriving your pension fund of money which should be provided from Public Health funds by reason of making a double payment?—We need not give the money. The people who give the money belong to the class who will get the pensions or the people who have paid this poll tax for employing Lascars. It is their money. They need not give it unless they want.

12,236. Seeing that full provision is made in Liverpool and on the Clyde, would not you consider making grants to the local authorities there for their efficient service?

(Chairman): We are obliged to you, Sir Norman, for the help you have given.

(The Witness withdrew.)

Mr. H. W. WALE and Mr. J. C. LEE GORDON called and examined. (See Appendix XXXIII).

12,237. (Chairman): You are Mr. Wale, Chairman of the Coventry Insurance Committee?—(Mr. Wale): I have that honour, Sir.

12,238. And you are Mr. Lee Gordon, Clerk to the Committee?—(Mr. Gordon): Yes.

12,239. You are both giving evidence on behalf of the Coventry Insurance Committee?—(Mr. Wale): Yes.

12,240. From your statement I gather that your general position is that the Insurance Committees have fulfilled a useful and valuable function in the scheme of National Health Insurance, and that they ought to be continued with a certain enlargement of the scope of their activities. Is this so?—We should reply "yes" to the first part of the question, but I think we should part company on the second part. Our evidence is for a continuance on rather different lines. Experience has proved to us that the present line is not, in our opinion, the accurate line, and we refer rather to the evolution of local machinery that will in the nature of things extend public clinical administration. We do not particularly want to perpetuate a body on lines such as Insurance Committees are at the moment.

12,241. We shall be hearing evidence from the National Association of Insurance Committees on a variety of general matters, so that we propose in your case rather to concentrate on the particular points which you raise and to try to get as close a view as we can of the actual working of an individual Committee. May we take it that you support the general views which are being put forward by the Federation?—We hardly anticipated that the National Association would support the view that we ourselves are putting forward. Necessarily the views of the Association, with which we have no quarrel whatever, are views which denominate, I suppose, a measure of agreement throughout the country. That is not our position. Our position is rather different. The greater part of the statement of evidence of the Federation appears to be in the direction of a historical survey of the present position that may lead you nowhere.

12,242. I think it would be more convenient if, before we go into the details of the actual working of the Committee, you gave us some indication of your general view point?—The most important recommendations of the Federation appear to be, firstly, the completion of the present domiciliary service, and, secondly, the extension of that service to dependants. These are no doubt questions of first rate importance, but they do not cover the ground by any means. We take the line that the magnitude of this proposed clinical provision necessarily demands a reformed local administration. Insurance Committees have shown, I think, that they can make a decent job of a given piece of work provided they are given the job to do. I do not think the present position can in the nature of things be perpetuated because it has proved, if anything at all, that territorial administration is the best administration from the point of view of National Health Insurance, and it

ought to be conducted, in our opinion, on Local Government lines. Wherever we refer to additional work being done by and through Insurance Committees we have in view the general utilisation of the local representative principle rather than the claim to perpetuation of a Committee which we know to be purely sectional. So that where departures of principle are contemplated we part company with the National Association. They want to perpetuate sectional administration. We do not.

12,243. In what way do you contemplate the Insurance Committee being linked up with the Local Authority?—There are several ways in which the Insurance Committee can be linked up with the Local Authority. There is nothing, as far as we know, to prevent Insurance Committees becoming more or less *ad hoc* bodies of the lines of Education Committees, not necessarily that, but something approximating to that.

12,244. Along that line?—Along that line.

12,245. Co-ordination of all Health services?—Yes. There are so many bodies performing Health services. The wider the area the greater number of bodies, and in my humble judgment the less efficiency.

12,246. That, of course, would be doing away with Insurance Committees as they exist now?—Not necessarily doing away with them, but giving them more important functions to perform.

12,247. If they are to become *ad hoc* bodies deriving their authority from the Local Authority?—We might quarrel with that aspect.

12,248. I want to know what your aspect is?—Our aspect is, if you can get a body that will function on the lines of an *ad hoc* body so much the better.

12,249. How is it to be elected?—On the lines of the Education Committee.

12,250. What is your view, Mr. Gordon?—(Mr. Gordon): My view is that an *ad hoc* body is the best.

12,251. What do you mean by an *ad hoc* body?—A body elected on democratic lines, much on the lines of the present Board of Guardians. That is a case in point.

12,252. Elected by whom, insured persons only?—No. If so you would narrow the thing down to representation of a section of the population. On the contrary, we want to extend it. These are all public health questions.

12,253. Do you contemplate having one public health authority?—Yes.

12,254. Elected on a broad franchise?—Quite.

12,255. That elected body would have the organisation and supervision of all health services in the locality?—Yes.

12,256. Is that the idea?—Yes, I think that will do as well as any.

12,257. What would be the relation of that body to the existing local authorities?—It could, of course, be a Committee of that body.

12,258. Could it, if it was separately elected?—(Mr. Wale): I see the difficulty there. I think of the two positions I would prefer to get the closest possible



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approximation between the Town Council as the Local Authority and the proposed body I would set up. In other words, I would not quarrel at all with the method of election, how it should be elected, provided I got adequate representation of all the interests which are confined to public health on that particular body. (*Mr. Gordon*): I think the Insurance Committee evidence rather anticipated the remarks you find in the Dawson of Penn Report. They say in one of their paragraphs: "There will be the need for a new type of Health Authority to bring about a unity of local control for all health services, curative and preventive." That illustrates exactly what the Committee have in mind. They have not really gone into details, to my knowledge, of methods of election, because there are so many methods open. You have the analogy of the Guardians, and you have the scheme which might be made by the local Council.

12,259. We will come back to that aspect in a minute or two. I should like to know at the moment one or two things about the working of your own Committee. Do you consider that the members of your Committee have taken a lively interest in their work, and that it gives them really substantial duties?—(*Mr. Wale*): I do not think there are any substantial duties, if I may say so.

12,260. How often does your Committee meet in a year?—Quarterly. We used to meet monthly, but the Ministry in their wisdom decided that we were meeting too frequently and they suggested we should meet at less frequent intervals, so evidently they did not think there was a substantial duty to perform. (*Mr. Gordon*): That was during the war. (*Mr. Wale*): It has not been revised.

12,261. Could you give us some indication of the regularity of attendance of your members even at the quarterly meetings?—Yes. When the Committee was reduced from 40 to 26 we got an average attendance of 15 members.

12,262. Have you any Sub-Committees?—Yes, quite a number.

12,263. How often do they meet?—The Finance Committee meets once a month, the Medical Benefit Committee meets on an average bi-monthly, the Service Committees, of course, meet as and when required.

12,264. Is there much discussion at the full Committee on the matters which are put before it by the Sub-Committees?—Generally speaking those matters are served up in Minute form; they are very full, very comprehensive. I cannot say that there is too much discussion.

12,265. They go through automatically?—I am afraid so.

12,266. Does the bulk of the work of an Insurance Committee office lie in the rather mechanical operations connected with the index register and the payments to the doctors?—No, I cannot agree with that. In Coventry we find the experience is that it is very important to have this local administration; they are able to smooth out lots of matters. They have all the details connected with every insured person in their possession and the Approved Society to which he belongs; the Clerk and other officers are able to give information with regard to doctors; everyone knows the Clerk, his name appears in every post office, everyone knows where his office is, that appears also; and usually everyone knows where the Chairman is when there is any complaint to be made. Generally speaking, we find quite a sufficient volume of enquiry passing through the office.

12,267. You draw a distinction between the office and the Committee?—Yes, I do most distinctly.

12,268. We have had it stated in evidence, which no doubt you have seen, that "The continued existence of Insurance Committees with their present limitations is, except for one single function, a pure farce; that exception is the Medical Service Sub-Committee which performs useful work." Do you agree with that statement? I gather you do?—One reply to that

remark would be to say that a motor car will continue to run for quite a long time without anybody being at the wheel, but if you remove responsible and trained control I am afraid that position would soon land you in difficulty. After all is said and done what has one to look for in a public body: from some initiative is required, from others control, and from others responsibility; but there is always responsibility; and it occurs to me that, generally speaking, there is quite a large amount of work that can be usefully done on a local basis with an office.

12,269. It is not so much what could be done as what has been done?—It has been done.

12,270. I rather gathered from your earlier remarks that you did not think the Committees had really served any substantial purpose?—Committees as Committees, yes, I am inclined to agree to some extent to that; but that is due to the fact that they have never had substantial duties to perform. Their duties are defined by regulation, quite unwisely I think, too.

12,271. The Committees with the functions allotted to them at present, so it was said to us, cannot be more than a farce?—I could not quite agree with that. If you are going to cut the thing in two and say Committees, taking away the officers, to some extent it would be true. That could be said equally with regard to a lot of other public authorities of which I have knowledge. After all is said and done if you take a Town Council, the Town Clerk and the experts could probably carry on the show and probably do it very well.

12,272. Are you indicating that the Town Council has no more useful function to perform than the Insurance Committee?—No, I would not admit that for a moment. A Town Council has a lot more to do. I am taking the point relatively.

12,273. Is it your point that if the officers are to be there there must be a Committee there?—(*Mr. Gordon*): We are coming to this, at the present time the Insurance Committees might be said to have used themselves up. In the earlier days they had initiative to display, but that has got gradually less and less, and we are now up against a blank period when something more will be expected or will have to come along. That is the position.

12,274. Looking at the scheme with its present limitations, do you consider that your relations with the Approved Societies have been satisfactory and that that side of the machine has worked smoothly?—(*Mr. Wale*): I can only speak of my own area.

12,275. That is all I am asking you to do?—The relations have been good, the Societies' representatives have taken a very keen interest in the work, some more than others, naturally. Of course there is always a tendency on the part of a certain type of society to interest themselves very keenly in the question of visits to doctors' surgeries and matters of that kind, and they want to know a good deal about doctors' certificates; other societies are not quite so particular; but, generally speaking, I think Approved Societies' representatives have taken a very fair share of the work so far as the work will let them.

12,276. Have your relations with the medical profession also been satisfactory?—Quite. (*Mr. Gordon*): The doctors are the most regular attenders at Committee Meetings.

12,277. Would you give us your views about the deposit contributor system, to which you refer in paragraph 19? Do you think that this system should be continued or have you any proposals for a change?—(*Mr. Wale*): I do not think we have any particular observations to offer in this connection. Our experience is that last year 21 per cent. of the claimants ran out of sickness or disablement benefit prior to declaration off the funds. It seems that our experience locally of two days' sickness in the year on the claims submitted indicates that, as a class, the deposit contributors are not quite the wrecks they are made out to be, and we administer the claims without any difficulty. That is to some extent explained by the fact that the contributors are drawing

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upon their own balances. I do not think it is the proper function of a health administrative body to deal with cash claims. It seems to me these should be amalgamated with the cash claims of the rest of the local community. After all is said and done, there is quite a number of payments made to the local community from one source or another, and I think they might be amalgamated. We find that deposit contributors have no cause for complaint at the expedition with which their claims are handled, nor do they find any difficulty in knowing where to look for benefit. Our experience is, however, that a section of the deposit contributor class have substantial grievances against the Act of Parliament which enforces their contribution and gives them a return not to be compared with the terms that the majority of insured persons receive. I mean that section which cannot obtain membership of an Approved Society.

12,278. We should like to hear your views as to the administration of the additional treatment benefits to which you refer in paragraph 11 and again in paragraph 28?—(Mr. Gordon): The suggestion is that the present situation is absolutely chaotic with regard to treatment benefits. The Insurance Committee have felt strongly—it has been strongly expressed from various sections—that effect should have been given to the Act of Parliament which said that additional benefits of the nature of medical treatment should be administered by and through Insurance Committees. Committees receive from the public a great many enquiries as to these additional benefits, and we can give them no information; we cannot answer their enquiries. We find it very difficult to convince them even that we are speaking the truth, that we are not dealing with dental treatment, that we cannot advise them as to spectacles, nursing or hospital treatment. This Committee in particular has expressed a conviction that they are perfectly organised for dealing in the locality with additional benefits of the nature of medical benefit.

12,279. Would you wish to deal with these benefits even though they were not constituted as normal benefits under the Act, but still continued as additional benefits?—We are suggesting that we could perfectly well deal with them, more efficiently deal with them than the Approved Societies could, because if the Insurance Committee or a similarly constituted body or a reformed one, had to deal with them, we could make economical arrangements in the area. We should be dealing with persons on the spot. We should have schemes. There would be no suggestion of disbursing money to persons to buy their own treatment. We should see that the money was spent well.

12,280. Would that be workable if those things which have been additional benefits were still to be additional benefits and not normal benefits?—(Mr. Wale): Personally I think so. I happen to be an insured person and there are some 15 millions of us in all.

12,281. Would there not be a good deal of difficulty and perhaps unnecessary machinery caused by the fact that you would always have to ascertain from the Approved Societies whether the applicant was entitled to such benefit and what the scale applicable to him was?—(Mr. Gordon): We feel that it would be much simpler for insured persons to go to the Insurance Committee for their additional benefit than to go to the Approved Society. They do not know the address of their Society very often; they do not know when the agent is coming; they do not know anything about him. They come to the Insurance Committee and we have to say: "No, you must write to the head office of your Society if you want information about this benefit."

12,282. Is it your suggestion that insured persons do not know where the office of their own Society is?—I am afraid that is very often the case. (Mr. Wale): Yes, that is quite true.

12,283. Do they not know whether there are additional benefits or not?—Very often they do not. (Mr. Gordon): Only yesterday a man came to the

office and wanted to know whether his Society gave a certain additional benefit. He had asked at the local office, and they said they did not know. I said: "Write to Manchester. (Mr. Wale): I am an insured person and I do not know what additional benefits my own Society gives.

12,284. Is that conceivable?—It is perfectly conceivable.

12,285. Have you never bothered to enquire?—No, because I take it I am typical of a class, and until I want the benefit I am not concerned.

12,286. Is it conceivable that you are spoonfeeding the people of Coventry to such an extent that they are not bothering?—I do not think so. My general experience is got from 28,000 or 30,000 members that belong to my Approved Society, and I have been on the Executive.

12,287. You have been on the Executive, and I suppose you have taken a close interest in its affairs?—Yes.

12,288. And yet you do not know whether and what additional benefits are given?—I do not know. I have been off for some considerable time, but I do not know at the present moment whether the additional benefits in force then are in force now, or to what extent they have been altered.

12,289. Do you know where the head office of the Society is?—Certainly.

12,290. You would not require to go to Mr. Gordon to ascertain that?—I should not, but probably some of our members would.

12,291. In the event of there being a local authority constituted to take over this public health service, including medical service under the Act, would you contemplate a contribution being made from Insurance funds, or would you contemplate reducing the contribution and taking medical service out of Insurance altogether?—(Mr. Gordon): The suggestion is that the reformed health authority would expend and administer Insurance with other funds. The reformed health organisation would also take the place of the present Poor Law authority as regards medical relief, and it would thereby be expending rate money. I do not know if that answers your question, Sir?

12,292. Yes, it does. I assume that while you would have certain salaried medical officers, the general practitioner service would still be given on a capitation basis. What do you recommend in this connection?—Still in regard to the reformed authority, the suggestion is simply this. Your present Local Health Authority has its salaried Medical Officer of Health, its Assistant Medical Officer of Health, its Tuberculosis Officer, its Officer of the Infectious Diseases Hospital, and all those officers would doubtless have to remain. Then we should bring within the ambit of the new authority the present general practitioner, and any officers or specialists it was necessary to have.

12,293. Would you continue to remunerate the general practitioner on a capitation basis?—I think it was the strong conviction of the Insurance Committee when the matter was considered that specialists would necessarily be on a tariff basis, but that the general practitioner service should be still administered on current lines, on a capitation fee.

12,294. In paragraph 16 you refer to the question of enquiries under Section 107 of the Act, and I assume that your Committee has not been able to do anything in this regard?—We have not. Section 107 of the Act as drafted places the responsibility on the society or committee responsible for the benefits. The Insurance Committee is only responsible for the benefits of deposit contributors. If the Insurance Committee could collate the whole experience of all societies having members in Coventry they might do something effective, but with the piecemeal experience of odd societies we felt that nothing could be done, and that portion of the Act is a dead letter.

12,295. In paragraph 18 I see that you have done a certain amount of health propaganda work. Do you think that this has justified the expenditure. Have you any indication of good resulting from it?—

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We spent in one year, round about 1918 and 1919, over £80 in issuing handbills and posters. That was solely addressed to tuberculosis. We delivered handbills to every house in the City and put up big posters calling attention to them. Some of the seed may have fallen on good soil, but probably a lot did not. In 1923 we got on the right side of the Press, and were fortunate enough to get a series of articles which lasted over eight months, which cost us nothing. We think that did good. The difficulty is this, the members of the Committee are handicapped, they cannot make much progress in the matter of health propaganda because they are not in contact with the clinical services, such as nurses and midwives, and preventive organisations administered by the Health Department.

12,296. Arising from paragraph 22, do you feel that the work of the Central Index Committee in England has helped substantially your operations in connection with the Index Register?—There is no question that the Central Index Committee has served a useful purpose in canalising the communications between Societies and Insurance Committees. Our current figure of inflation we estimate at about 7 per cent. as against 17 per cent. 7 or 8 years ago.

12,297. May we infer from paragraphs 24 and 25 that you consider that the general practitioner service is adequate and satisfactory, and that complaints against doctors are comparatively rare?—(Mr. Wale): Our experience is that in the majority of cases at all events the doctors take very great pains to give a willing and conscientious service. We have had no trouble in Coventry. There are always grievances, of course, small grievances which are apt to become magnified out of their proper proportion.

12,298. But taking a reasonable view?—I think—and I say it with a very sincere conviction—they have been rendering a willing and conscientious service.

12,299. Do you make any definite recommendation as to the extension of medical benefit to dependants?—That is a vexed question in insurance. We are not authorised to press it. There are divisions of opinion. I have a personal opinion which I would rather not put. I think the time is ripe, speaking personally, and I think it is comparatively easy to devise a system.

12,300. You are putting it?—In a back way.

12,301. What would be your view of the order of priority of the various extensions of medical benefit which you are recommending?—That is a rather important question. I think the first thing we would like to handle is to put the question of treatment benefits on a proper footing. Then there is the question of the desirability of a universal dentistry service for the insured. It appears equally necessary to provide for the children, if not more so; hence organisation would have to be applied. A reformed health committee I think might see that there is at least one dental clinic available for the non-insured in their area. Then, the matter of additional benefits of the nature of medical benefit being settled, it would appear necessary to see that the medical service of the non-insured is up to the standard which the insured get. After all, it is the general practitioner service for the insured which is one of the main factors in the very striking all-round improvement in vital statistics which have taken place in recent years, and of course during that time the insured have had to get their specialist service as best they could, not a very satisfactory way.

12,302. Would you indicate to us whether you have co-operated in any way with the Public Health Authority for your area, and with what results?—Unfortunately we have not found many occasions or facilities for this. When we issued a food ration card to all the consumptives in the Coventry area it was not done in co-operation with the local Health Authority but direct with the Food Control Committee. We negotiated that and brought something which was of great value to those people suffering from tuberculosis in the Coventry area.

12,303. I am still puzzled at your not knowing what additional benefits your Society provides?—I do not take a very close interest in my Approved Society, and I believe very few people do. If I could meet one insured person to whom I could go and say "Do you know what benefits your Society gives," I should be pleased to meet him. I happen in another direction to have a direct connection with State Insurance through the Manchester Unity of Oddfellows—and I mention their name with reverence and respect—and I am satisfied from my personal knowledge that there are very few insured persons out of the 15,000,000 who are insured who are able to tell any person exactly what benefits their Society gives in a given period. My position is theirs. I make no claim to greater intelligence.

12,304. I am glad to hear what you say now, because it rather surprises me that one who took such a close interest in public health matters and the general health of the community should not know?—I am afraid I take so much interest in other matters that I do not take sufficient in my own. Probably that accounts for it.

12,305. (Sir Arthur Worley): Would it be putting it fairly, taking the average Insurance Committee as it now exists and assuming it has a good executive, to say that the responsibilities of the Insurance Committee are very few, first by opportunity, and secondly by necessity?—I think you are right there.

12,306. I was following up a remark of the Chairman about the matter of machinery. The word machinery would include an efficient office staff where all these questions as to benefits, and so on, could be asked by various people, which are not questions for the Insurance Committee?—Quite.

12,307. The Committee's duty is to see that it has an efficient staff?—Exactly.

12,308. Apart from that I want to get your candid view as to what the Committee would be. Leaving on one side the Medical Service Sub-Committee, the Committee as a whole has very little responsibility or opportunity for responsibility?—It has no opportunity now.

12,309. I am taking it as it now exists?—I am afraid there is no opportunity.

12,310. If there is no opportunity there can be no responsibility, and really the work is carried on by the officers more or less efficiently—I am assuming for the moment quite efficiently—and by the Medical Service Sub-Committee?—The Chairman of the Committee takes a fair amount of responsibility.

12,311. He is in consultation with the Secretary?—Yes, and the Chairmen of certain of the sub-committees take a fair amount of responsibility. After all is said and done, they are ultimately responsible for the accuracy of the service.

12,312. To come down to responsibility, have the sub-committees, apart from the Medical Service Sub-Committee, really much to do?—The Finance Committee and the Medical Benefit Sub-Committee have.

12,313. You want first of all a very efficient office organisation, and then you get the Medical Service Sub-Committee and the Finance Committee. I suppose the work of the Finance Committee is dependent on the amount of money they have got?—Quite. (Mr. Gordon): Might I say, still with regard to the opportunities of Insurance Committees, that Section 85 of the Act of 1924 says that if in any year the Insurance Committee find the amount of their funds insufficient to provide medical benefit they can send forward an estimate to the local Council, and if the Council agree and get the Minister's consent the Council and the Ministry can share equally the cost of supplementing the local medical service. That is a section which might mean real statesmanlike work for Insurance Committees. It has never been operative in one area in the country because the Ministry of Health would have to give a very strong lead to local Authorities to co-operate with Insurance Committees in supplementing the local medical service and spend-

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ing State and Rate money on it. That is typical of how the Insurance Act has not functioned through Insurance Committees.

12,314. That provision is made, but it has not been necessary to call it into operation?—One might submit very respectfully that it was necessary, for this reason. The Act never made it clear that only general practitioner services were to be available for the insured. The Insurance Committee and the Town Council might have thought their interpretation of medical benefit included specialist services, and they might have made funds available accordingly. These are arbitrary interpretations put on the Act.

12,315. (Chairman): Would it be likely that the Town Council would regard with favour a competing authority?—No. (Mr. Wale): No, I do not think so, but of course the general conception that the majority of the people had when the Act came into operation was that they were going to get benefits much superior to any benefit that was then in operation through voluntary channels, and I do not think anyone can truthfully say that those hopes have been fully realised. They may have aimed their hopes rather high, but nevertheless that was the general conception. At that time I went through the country, and the feeling throughout the country was undoubtedly that they were going to get something, probably never contemplated by Parliament, but the general public had that impression, and I do not think these hopes have ever been realised.

12,316. (Sir Arthur Worley): I have got the general aspect of your view of the working of an Insurance Committee as it exists to-day under the present Act. I gather that what you have in mind is a change in the constitution and methods and opportunities by merging it or linking it up generally with the health scheme of the locality in which all these services could be co-ordinated and made better from the point of view of the community?—Certainly.

12,317. (Mr. Evans): You have made one or two suggestions which are very far-reaching. In the first place your suggestions involve the abolition of Approved Societies, do they not?—I do not think so, Sir. I do not think it can be carried as far as that.

12,318. You told us you favour territorial administrative bodies?—Certainly.

12,319. That would mean, I take it, two things, first, that the present Approver Societies would disappear?—No.

12,320. And, secondly, it would revolutionise the present medical service?—If I may say with respect, I think the way to do it would be to extend the service on the lines that everyone contemplated was going to become an accomplished fact in 1911.

12,321. If we set up some sort of territorial administrative body that would necessarily remove Approved Societies, would it not?—I do not think so, Sir. It seems to me the Approved Societies could exist side by side with the organisation that we suggest.

12,322. What functions would you give to this territorial administrative body, merely to look after medical benefit?—At the present time it deals more or less with remedial medicine. Could it not be extended to deal with clinical and preventive services?

12,323. Would you confine the activities of this territorial administrative body merely to matters of medicine?—Merely to matters of public health and the implications which follow.

12,324. You would differentiate cash benefit from medical benefit?—Yes.

12,325. You think the cash benefit might still be administered by the present Approved Societies?—(Mr. Gordon): We were careful not to refer to the administration of cash benefit except so far as we dealt with the Deposit Contributor. We have not committed ourselves to any view as to the administration of cash benefit. We have left that outside. The authority that we propose is solely *ad hoc* for health, preventive and clinical.

12,326. You separate matters of medicine altogether from the present administration?—(Mr. Wale): Yes, I think the Commission should appreciate the fact that the whole of the evidence we have given this morning has been hammered out along a painful process, and it has at last reached unanimity in the whole Committee representing, as it does, varied interests. Therefore, we were very careful to say nothing that would deal with the question of Approved Societies as we understand them.

12,327. You really believe in a National medical service?—I would not go as far as that. I think it is too early to talk of a National medical service.

12,328. How do you work this out unless you do?—I think it can be worked out. I would not commit myself to details, but I honestly believe it could be worked out. It may lead ultimately to a National medical service.

12,329. Do you think it ought ultimately to lead to a National medical service?—Yes.

12,330. You do?—I think it would ultimately lead to that.

12,331. Do you think it should?—Yes, when public opinion had advanced to the requisite stage when it could appreciate the advantages which probably a National medical service could give, but not until then.

12,332. You want to co-ordinate all these various services?—Yes.

12,333. I suppose the school medical service would come in as well?—Exactly. I take it the *ad hoc* public health committee which we contemplate would deal with all questions which are now dealt with by a diversity and multiplicity of local authorities.

12,334. What about your medical staff, supposing you had a territorial unit?—We should probably have to bring in certain of the small local authorities that are immediately contiguous to Coventry.

12,335. What is the population of Coventry?—The population of the borough is 138,000; the population of real Coventry is nearer 200,000.

12,336. That would make a unit for this purpose?—(Mr. Gordon): You have a very obsolete boundary in the case of Coventry. You have large areas surrounding. In establishing your health authority you would take cognisance of the existing boundaries or wait till they were enlarged or varied. To take a case in Warwickshire, you have 10 miles from Coventry, Nuneaton and Atherstone, an urban district authority, and several rural authorities, all sanitary authorities, which would make a very convenient administrative area for health, clinical and preventive measures.

12,337. You stress very much the preventive side?—(Mr. Wale): I think the preventive side is, if I may say so, one of the most important sides, probably the most important, because if you prevent a thing it is not necessary to set up machinery to cure what is not there.

12,338. (Mr. Jones): Mr. Wale, we have no criticisms of the Insurance Committees, or their staffs, or as to the manner in which they have done their work. Your point really is that in so far as they have been entrusted with responsibilities they have discharged those fairly and well?—Yes.

12,339. They are a cog in the large insurance wheel?—Yes. A definite one.

12,340. If I were to summarise your views I might say that they are not a cog in the health authority wheel?—Oh no, nothing of the kind.

12,341. They have never functioned at all, so far as you know, as a health authority?—No, they cannot.

12,342. I take it you are in favour of a continuance of the territorial system of the administration of health benefits?—Yes.

12,343. May I ask what you have in view as a suitable territorial unit?—I think I should take the existing local authorities and group them. Let me take a town with which I am familiar—my own town. Mr. Gordon has already referred to the fact that it has rather extraordinary boundaries. I have no doubt that when the Royal Commission which

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is now sitting on Boundaries Extensions reports, possibly that will give the necessary lever to all authorities who feel they are not adequately catering for their real population existing and living immediately outside their borders. That would be a suitable organisation for the promotion of the authority which I have in mind.

12,344. Would you put a name to that authority, or a minimum number of population?—I think I would prefer on the whole to put a minimum population.

12,345. As against your existing unit, say, of the county borough?—Yes.

12,346. What minimum unit would you think?—I think a satisfactory minimum unit would be, say, from 200,000 to 250,000.

12,347. As large as that, do you think?—It is a large figure. It might be necessary to proceed by stages, to have machinery that is capable of dealing with a minimum number and expanding to a given number.

12,348. Let us assume as a convenient unit the existing County Boroughs with their areas enlarged suitably, as the Commission may recommend. If that is the line they are likely to take, I do not know. How would you administer the areas beyond the burghal areas?—I think you would have to group them. One of the most peculiar features of English administration is the enormous number of small areas existing with certain similar powers—Rural District Councils, and Urban District Councils—all attempting to do the work that should be done by one territorial organisation, and more or less doing it unsuccessfully simply because they are not in a position to do it. Take a county. I am not a technical witness, so that my observations must be taken with some latitude. There is in a county an enormous number of small local authorities all attempting to deal with public health. It is a great mistake; the trouble is that you never get the same standard.

12,349. Would a reformed County Council in your view meet the whole of the non-burghal areas? My point is this; suppose you washed out these small Urban District Councils and Rural District Councils and made the County Council the authority for the non-burghal area?—I should think that would probably function much more effectively than the present organisation.

12,350. It would at least give you a uniformity of administration over the business outside county boroughs?—Exactly. (Mr. Gordon): I think that reply will have to be taken with the reservation that no powers are or could expediently be taken away from the larger local governments units. I think our evidence does rely on using local government units or amalgamating them.

12,351. What do you mean by the "larger local government units"?—When you refer to the possibility of transferring all power to the County Council outside a large borough, I assume you do not wish us to be taken as agreeing with the transfer of the powers from a local sanitary authority, which is a well established Local Government authority. We would not wish to be understood as agreeing that powers should be taken from the Rural or Urban District Council and given to the County Council, so much as we mean that those areas should be grouped or amalgamated in accordance with schemes based on the experience of the locality. (Mr. Wale): My experience of local government is fairly extensive, extending over 15 years. The reservation would probably have to be made as Mr. Gordon has put it, but my personal observation would be in the direction I indicated.

12,352. You still leave a very considerable margin for variation in the standard of service?—Well, yes.

12,353. I put to you a suggestion adopted by the Consultative Council in Scotland that outside the large burghs a County Council should be made the primary health authority, with power to devolve its functions to suitable local authorities. That would

mean that it would rest with the County Council primarily to dictate the standard of services and see that those people maintained it?—I see no reason why I should not accept that. I take it what they would do would be much on the same lines as two or three or four authorities combining together to deal with tuberculosis. Two or three authorities have amalgamated together in Warwickshire for that purpose.

12,354. You would have a large area from which to draw your funds to enable a uniform and satisfactory standard to be made?—Yes. It would certainly have this effect in my opinion. That authority, if so constituted, would be able to deal with preventive medicine on a line never attempted yet in this country.

12,355. As regards the method of administering such areas where you take the County Borough or something different and these enlarged urban or rural areas outside the borough, I gathered from what you said in answer to the Chairman this morning that you would favour a special Committee of the local authority?—I am not wedded to any particular form of committee. I would like to see an *ad hoc* authority, because obviously it goes in the direction of representative government. Personally I think I would like to get an *ad hoc* authority which would have the power to deal with all questions relating to public health, particularly on the preventive side.

12,356. At the moment the health authorities are in possession of these preventive powers. Might it not be a difficult thing to take these powers away from them?—The health authorities in some instances have, but not in all, preventive powers. The point is that you can have any powers you like, but what is the use if they are not properly recognised? The need is to create such an authority as would capture the imagination and the civil spirit of the people and attempt to bring into operation these things which some of us feel ought to have been brought about long ago.

12,357. Do you favour the present form of administering education in England?—I do not.

12,358. What are your objections to it?—My objections are these. Of course, I am now speaking purely on Coventry experience, and my remarks apply only to the knowledge I have gained as a member of the Education Committee in Coventry.

12,359. (Chairman): And as an individual?—Exactly. Generally speaking Educational Committees are Committees of the Town Council. That is not quite the position in Coventry. Therefore I would favour an educational authority being set up that was made up of members of the Town Council in fact, rather than in theory. I am not too happy about the principle of co-opting members. The reasons why are that I think politics may enter to a certain degree in the methods of co-option, and that may prove undesirable in the public interest. On the other hand, it might equally be argued that it does act in the public interest.

12,360. (Mr. Jones): Is it not usual in England for the educational authority to be composed to the extent of two-thirds of members of the Council, and one-third of co-opted members?—There must be a clear majority of the Town Council on the educational authority.

12,361. Does not that obtain in Coventry?—Quite so, but there are certain local circumstances in Coventry which make some of us not very happy.

12,362. It is a local matter?—It is a local matter.

12,363. Very well then, I will not go into that. Taking it as a whole, do you think it is a suitable form of body?—Yes, I see no reason why with small amendments it would not be a suitable body for the purpose we have in mind.

12,364. Is the Medical Officer of Health also the School Medical Officer?—Yes.

12,365. As he has charge of public health as the Medical Officer, he would have charge of the preventive work?—Yes, all of it.

12,366. And he would deal not only with the preventive side, but also with medical inspection work?—Quite so.

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12,367. It would complete the triangle if he had under his purview these services which we might call curative?—Yes.

12,368. He would be a suitable medical officer and capable of co-ordinating all these services?—Yes. (Mr. Gordon): I think we should supplement that. We attach equal importance to the addition of a clinical officer to look after the development of equal fines of the clinical services under the one authority.

12,369. These things naturally follow. It may be that because of the size of your organisation, you have only one officer, but if the organisation was large enough you might have to have more. I do not intend to suggest that the medical officer should also be a clinical officer, but he would at least be a co-ordinating officer. (Mr. Wale): That is an urgent necessity. Whatever authority deals with public health, he must be the pivot upon which the whole of the work turns, and that pivot must be responsible to an organisation with very wide powers.

12,370. Would such a Committee be able to discharge satisfactorily all the detailed work that I think everyone is willing to admit is quite satisfactorily performed by the present Insurance Committees?—I see no reason why it should not. I see no reason at all to doubt that the committee could deal with the small addition that would be made. Whatever might be the intention of Parliament with regard to National Health, the facts have been rather different from the intention. At least, that is the popular conception of it.

12,371. It has not materialised, at any rate, whatever was the intention?—No, certainly not.

12,372. (Chairman): What was the intention?—That is a very wide question, if I may say so. The intention of Parliament was, in the words of the author of the scheme, as he stated on numberless platforms, to secure for England a public health service with monetary benefits that would not only supersede in process of time the voluntary agencies now doing that work, but would provide a service which was infinitely cheaper and more economical from the point of view of the Nation.

12,373. Can you give us a reference to that?—Several speeches were made. I listened to one myself.

12,374. Where?—At the Opera House, Kingsway, in 1911.

12,375. (Sir Arthur Worley): We have had excerpts of speeches which do not justify that?—I think I am correct in what I say. I hope, for the reputation of the gentleman in question that I am not saying anything that can in any way suggest he has not carried out his promise.

12,376. (Mr. Jones): In regard to the financing of this scheme, is it your view that all the moneys necessary would be taken out of the public rates supplemented, perhaps, by Government grants?—No. I think the contributory scheme of Health Insurance has come to stay.

12,377. Yes, but if you transfer it to the local authority, that is, a body already dealing with the citizens, would you not be asking the insured person to pay a double contribution?—He is paying a double contribution to-day, in this way. Take my own case. I am an insured person, and therefore I am paying a contribution every week of so much. On the top of that I am paying in rates to the local authority, and on the top of that, I am paying income tax for the purposes of the Imperial Government. The Imperial Government makes grants-in-aid to me in my capacity as an insured person.

12,378. Yes, there is that amount of duplication; but in regard to your own definite proportion of the stamps, you are getting a specific return in respect of personal medical benefit?—Quite so.

12,379. Would it be fair to ask you to pay for that twice if the service were handed over to the local authority?—It seems to me I am already paying twice for those people who are utterly indigent and who have to go to the Board of Guardians. I have to pay whether I want to or not.

12,380. That is part of the public service?—That is part of the public service.

12,381. But you are only paying once, and they are not paying at all?—Oh yes, I think they are paying in indirect taxation. I do not think that many people in this country get off without paying their share of tax.

12,382. I do not want to follow that any further. Is not that what happened in connection with sanatorium benefit—that the insured person was paying twice?—Exactly.

12,383. Does not your proposal raise that question now in connection with medical benefit?—I am bound to say it does appear so to a limited extent, that you do pay twice, and you would pay twice under those circumstances.

12,384. Would it not be a much simpler scheme if the medical service were lifted out of the Insurance Act, both as regards administration and finance. That is to say, if you took away the administration and put it into the hands of the local authority, would it not be logical to let the financial responsibility rest there as well?—I think the answer to that would be logically, yes, but in practice I am afraid there are very great difficulties.

12,385. Suppose you reduced the insurance contribution by an equivalent amount, would not that level it out?—I should think that would be a proposal accepted with great glee by every insured person.

12,386. And then perhaps you would get the Government to come up with regard to general health, as it does with regard to specific items, such as child welfare?—That might be the effect.

12,387. And in that way make health partly a national interest and partly a local interest?—Yes, as it should be.

12,388. (Mr. Evans): A statement has just been made to the effect that education committees consist as to two-thirds of representatives of the public body and one-third co-opted members. That is not the case with the county education committees. I do not think that statement should be allowed to pass without correction?—I think it may truthfully be said that every public education authority has to make a scheme under the Act, and that scheme has to provide for a clear majority of elected representatives. While the proportions that I have named may possibly be wrong—they are certainly the proportions in Coventry—yet I think it is clear that they have to provide for a majority of elected representatives.

(Mr. Evans): The point is this: I am a member of the education authority. We have nine-tenths of the members representatives of the county and one-tenth co-opted members. That proportion is very far removed from two-thirds and one-third.

12,389. (Professor Gray): Could you tell me a little more with regard to your views in respect of additional benefits. I understand your opinion is this: That inasmuch as these benefits are of the nature of medical benefit, then, under the Act, they ought to be administered by Insurance Committees?—I think that was the clear intention of the Act in the first place. I am speaking subject to correction, but I think that was so. At all events, it was contemplated.

12,390. It is common ground that there is in the Act a provision which says that additional benefits which are of the nature of medical benefits are to be administered by Insurance Committees. The point I want to put is this. I think it has been put already in a way, but you did not seem to answer it. So long as societies have their own schemes with different definitions of what is meant, and a different scope of the various benefits, do you think you can possibly administer by an Insurance Committee? May I take the case of dental benefit. As far as we understand, dental benefit is defined by different societies in entirely different ways. Some take teeth out, and some provide dentures. There is no properly regulated definition of dental benefit. Could Insurance Committees take on all these various things and administer them, unless there was in fact a uniform definition of

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the content of the benefit, and unless the benefit were applicable to the whole population?—I think the answer would be to take the definition of what is medical benefit now. That is: competent services rendered by a medical practitioner of reasonable competence and skill. If you narrow medical benefit down in that way, it seems to me comparatively easy to narrow dental benefit down in exactly the same way.

12,391. But medical benefit is applicable to the whole insured population. On the other hand, dental benefit, nursing benefit, and all the other things are not?—The additional benefit arises from the surplus made by Approved Societies, whereas medical benefit does not. The result is that it hinges largely upon what constitutes efficient administration. It follows from that that some societies have a very distinct advantage over other societies, from the insured person's point of view. I do not think that was the intention of Parliament at that time. I think the intention of Parliament was to put insured people on one level and to give one level of service. With regard to additional benefits, I do not think they get one level of service. We know that certain societies have never been able to give any additional benefits at all.

12,392. The only point I wish to put to you is the difficulty of an Insurance Committee administering these benefits, unless they were subject to a common definition. I think you agree to that?—(Mr. Gordon): I think I might say this with more specific reference to Professor Gray's question. At a given time there is a good number of insured persons in the area wanting additional benefits. Take dental benefit, for instance; there would be a substantial number of people possibly, though not such a tremendous number even in the largest area, who would want dental benefit. Although the societies' schemes appear very different on paper, they cannot surely be so very different in substance. If arrangements were made in compliance with the Act, we presume the Ministry could require the schemes to be made to resemble each other very substantially. Possibly they would differ in the amount of money available, but we think we could still make those arrangements, and possibly it would effect greater economy.

12,393. You would want a fairly uniform definition?—We should want a more uniform definition. (Mr. Wale): It is a question of administration. Take my own case. One can speak about one's own case better than anything else because one knows it so well. It was necessary for me to do certain things with regard to my own teeth last year, and by some chance I heard that my society was giving dental treatment, though I did not know that at the time.

12,394. (Chairman): By what chance did you hear of it?—I happened to be talking about it to one of our officials whom I met in the passage. He told me that I should apply, and the result was that I wrote a letter, and the local secretary wrote a letter, and the central secretary wrote me a letter, and then they sent me a form, and it was decided that if I filled up a certain form, I could obtain certain things. I respectfully said it was too much trouble, and I preferred to pay for the treatment myself, although I was clearly entitled to the benefit. They were giving me a certain amount of money to do certain things not covering the benefit.

12,395. (Professor Gray): Now tell us a little more about what the Insurance Committee does, and the amount of work involved. The first thing they do is medical benefit?—Quite so.

12,396. What do you do there?—We make the necessary arrangements with the doctor.

12,397. Every doctor has a right to go on the panel, has he not?—Yes.

12,398. If a doctor applies, he is put on the panel automatically?—Yes.

12,399. There is no discretion there?—No.

12,400. The actual arrangements with regard to the sums paid are made by the Ministry?—Quite so, and contrary to Act of Parliament. (Mr. Gordon):

The calculations involved are put in by the Insurance Committee. The local Practitioners' Fund receives one sum per annum, or perhaps two sums per annum, which are distributed in accordance with the local scheme, which varies slightly in each locality. I thought you were suggesting that the Ministry made the calculations between the doctors.

12,401. No. The actual agreement with the profession as a whole is made by the Ministry?—Yes.

12,402. You referred to a section of the 1924 Act, in which the Insurance Committees and Local Authorities may combine to do certain things. Did not that refer to a time when in fact it was contemplated that the societies would make different agreements with the Insurance Committees, and the Insurance Committees would make agreements with doctors, so that there might be a deficiency in regard to the sums raised and sums expended?—That is one interpretation of what Parliament might have anticipated. We are surely entitled to say that the possibility still holds good in theory of a Council and an Insurance Committee conferring together and enlarging the benefit.

12,403. I suppose it is theoretically possible, but the actual machinery which was laid down in the Act never worked, did it?—The regulations made things impossible. The Insurance Committee was made to make arrangements by another portion of the Act to the satisfaction of the Commissioners, and the result was the Commissioners would not have approved negotiations with the Council.

12,404. With regard to deposit contributors: how much work does that involve? You have 1,218 deposit contributors, and an average of 302 weeks sickness. That works out, does it not, about seven claims running at any given time?—Yes, seven claims a day of various sorts.

12,405. Is it seven claims a day or a week?—Last year we dealt with 339 claims of deposit contributors, and 38 maternity claims. That is 377 altogether.

12,406. Does it not work out about one certificate a day?—One new claim a day, yes. There might be three or four claims running concurrently.

12,407. And possibly one certificate on each day of the week?—Yes.

12,408. There would be nothing there for the Insurance Committee to consider?—Nothing at all, but there is something for the staff. There is a certain definite amount of work daily for the staff. There is nothing for the Insurance Committee, but they meet periodically and ratify the clerk's action.

12,409. Then about the Navy and Army Fund: how much work does that involve? How many Navy and Army people have you?—In Coventry we have about 150, two-thirds of which will be active claims, because they were mostly members of the sick list.

12,410. So that you would have 100 people on the books all the time?—Very possibly.

12,411. What is the procedure there? Are you authorised from Whitehall to pay?—The Insurance Committee in theory receive claims and certify them to London for payment. In practice, the clerk deals with them. These are not matters which throw any burden on the Insurance Committee as a committee.

12,412. Take another branch of your work. What about the applications with regard to "own arrangements"; how much work does that involve?—Chiefly correspondence on the part of the clerk to the Committee.

12,413. How many "own arrangements" have you?—Including the exempt persons required to make their own arrangements, we might have 60 in Coventry.

12,414. Those will be continued as in the past?—Yes.

12,415. I suppose you renew them each year?—No, they run until they are cancelled. There is no review.

12,416. The new claims each year would be quite few?—Very few. The claims for a contribution towards the cost of medical treatment of persons

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required to make their own arrangements involve work out of proportion to the number, of course.

12,417. Do you think there is much cause now for continuing "own arrangements"? Most of the doctors are on the panel in your area, are they not?—Personally, I think you ought to wipe out the provisions whereunder exempt persons with an income in excess of £160 a year are required to make their own arrangements and to apply to the Insurance Committee for a contribution towards the cost of it. It is a very cumbersome arrangement, and it is impossible to make the doctors understand it.

12,418. Do you in fact compel these people to make their own arrangements?—Yes.

12,419. How do you proceed?—The fact of the matter is that the onus is on the exempt person with an income in excess of £160, to declare to the Committee that his income is in excess.

12,420. As a matter of fact, it is really less than £160, because that will include his private income?—Yes.

12,421. So that with regard to the great bulk of them, they ought to fall under that Section?—Yes, very likely.

12,422. Take another part of your work which is emphasised not infrequently—the Medical Service Sub-Committee. How much does that come to? I see you say you have had 15 complaints in the last 13 years?—That makes an average of about one case a year. One is bound to say that complaints which do not come in a statutory form are more numerous, and the clerk and staff naturally do their utmost to interview the person, and to put matters right, if only to save sometimes the use of a sledge hammer to crack a nut.

12,423. You get a complaint in and say "this is not a complaint within the meaning of the Section," and you would start writing letters?—We should start on interviews in order to save the complaint coming within the Section.

12,424. It is only when a person makes a definite complaint that it can go forward to the Medical Service Sub-Committee?—We had the other day a case where a patient died, and there was a complaint against the doctor, negligence being alleged. It was a very serious matter for the Committee who, of course, considered the matter very carefully.

12,425. Of the cases which go to the full end you have about one a year?—In an area like Coventry, that is so, but in some areas the Committees meet regularly and seem to get material to deal with regularly.

12,426. If I imagine if you cared to do so, you could send a lot of letters to the Medical Service Sub-Committee?—As Clerk to the Committee, I could encourage letters no doubt as an outcome of interviews.

12,427. Or you could send letters to the Medical Service Sub-Committee with regard to complaints which at the present moment could be dealt with by correspondence in the first place?—That is possible. We interpret our duties very literally. I should never take the risk of refraining from sending a case if I thought it should go to the Sub-Committee. So few cases come in writing, and the regulations say the complaint must be in writing.

12,428. There is not a big margin which is dealt with in that way?—There are a great many irregularities, not to say complaints that come in to the office. They are not in the form in which they should stand referred to the Medical Service Sub-Committee. There is quite a considerable number of them.

12,429. There is another paragraph here which deals with your duties, which strikes me as being outside your competence, and that is, these daily enquiries. I am not suggesting you should not deal with these, but does not the whole of the paragraph really lie outside your sphere?—(Mr. Wale): As a matter of fact, the Clerk to the Coventry Insurance Committee is supposed to be a walking encyclopædia on every phase of Health Insurance; he is supposed

to be able to advise any employer upon any question, or any employee upon any question, and generally to put all the Approved Societies right.

12,430. (Chairman): How does that supposition arise?—I will illustrate it in this way. The Coventry Corporation have now put into operation a Superannuation Act dealing with the whole of their workpeople, and very complicated questions have arisen in regard to the transferring of people who have been, but will no longer be, insured persons. The Corporation gave an undertaking to the people at the commencement that they would try and devise a medical service—and they had to give an undertaking to that effect to the Government—that would give similar and analogous benefits to the benefits contained in the Health Insurance Acts. That undoubtedly has brought Mr. Gordon into the picture very considerably, because he has been the unofficial adviser to the Corporation as to what to do.

12,431. (Professor Gray): These questions that you mention here about enquiries by societies' members and enquiries as to the duty of employers—are they questions which ought and must ultimately be dealt with by the outdoor staff of the Ministry?—I should be very sorry for the insured persons if that were so. There would be a lot more prosecutions if that were the method. (Mr. Gordon): May I say this: People are sent to the office from every quarter, and you cannot turn them away. You must try to advise them, or in some way assist them in their enquiry. The files of the Ministry of Health must show the great mass of correspondence sent on directly to the outdoor staff to deal with, but over and above that there is a constant flow of enquiry and complaint and comment coming into the office.

12,432. You help as far as you can unofficially, though strictly speaking it is somebody else's job?—I have heard a colleague say "I would show them the door," but I do not feel like that. I feel that one should help.

12,433. I suppose you occasionally send a man to the Ministry's out-door staff?—As often as possible, but there are a great many matters which we have to deal with.

12,434. (Mr. Cook): Professor Gray has already dealt with the point I want to raise with you, but perhaps I may get a little more. I understand that you practically admitted that if additional benefits were to be administered by the enlarged Insurance Committee you propose it would necessarily mean that those benefits would have to be standardised more or less?—(Mr. Wale): Yes. They would have to be standardised on the higher plane rather than on the lower one.

12,435. As a matter of fact they would have to be made statutory benefits in the same way that medical benefit is a statutory benefit under the Act?—Yes, I think you are right there. (Mr. Gordon): I think the view we put forward is that the Committee felt they could undertake as well as the societies the additional treatment benefits of the members without excepting or even taking into consideration the variations between the schemes. I think our evidence is that we could administer additional benefits, even non-standardised additional benefits. (Mr. Wale): Speaking quite generally, I should say that it would probably be necessary to standardise the benefits rather more than is done at the present time, and the variations would be less I think under the organisation we propose than they are at the present time.

12,436. My difficulty is this. Unless you were to make these additional benefits statutory, my difficulty is to see how you could administer them with anything like satisfaction. One Approved Society gives one additional benefit; and another gives an entirely different benefit. One Approved Society gives a certain measure of additional benefit, and another gives a much larger measure of the same additional benefit?—Quite so. I think that the health authority that we suggest would in the nature of things have to have some standardisation. After all is said and



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done this is a question of preventive medicine rather than remedial medicine. There can only be one standard for preventive medicine, and that must be the best.

12,437. Have you considered the nature and extent of the opposition that you would probably have to face from the Friendly Societies, and from the Industrial Societies, too, but particularly from the Friendly Societies?—Yes. I have been a member of a Friendly Society for 30 years and I am under no delusions as to what they consider their own prerogatives; but their own prerogatives are not necessarily in the best interests of the Nation. As in other cases, Parliament would have to take the best interests of the Nation and override the so-called sectional privileges of the Friendly Societies. (Mr. Gordon): I hope none of this evidence can be interpreted as trespassing on the existing prerogatives of any Friendly Society. I think our evidence has only said that we suggest an enlarged and reformed local health administrative committee. That is taking no functions that I know of from the Friendly Societies. We have suggested it would be a good thing to give additional treatment benefits to a reformed committee, or even the existing Insurance Committee, and that they could even economically administer non-standardised additional benefits; but I do not think any Friendly Society can take exception to those requests. (Mr. Wale): I do not think it is a case of being up against the societies, because we have representatives on the Insurance Committee, and I am quite satisfied that they would not be prepared to see their own interests hurt without striking a blow in defence.

12,438. If you propose to take out of the hands of Friendly and Industrial Societies the right to administer the additional benefits that they are in a position to give, there is no doubt at all that they would look upon that as being an infringement of their prerogatives?—Our statement also indicates the fact that Parliament clearly contemplated that additional benefits being in the nature of medical benefits were to be administered by the Insurance Committee; so that there would be no departure in principle in carrying out what is enunciated in the Act of Parliament.

12,439. You say that in your opinion Parliament ought to look at the larger question of the national good rather than try to preserve the vested interests of the Friendly Societies. There is the question, of course, of the societies that are not in a position to give their members any additional benefits. If you make them statutory benefits financial provision will require to be made for all societies?—There is a huge surplus somewhere in the Treasury, running into millions. One does not quite know how it got there, but that money might be used with very great effect.

12,440. (Sir Alfred Watson): May we know what that is?—I am only putting forward the view that was expressed in a Friendly Society Journal. There was a reference to the fact that there was a huge surplus standing to the credit of the funds of Approved Societies, and I think there were papers presented to Parliament which embodied that.

12,441. (Mr. Cook): Do I understand you to express the view that medical benefit and even preventive benefits should not be confined exclusively to insured members but should be provided also for the dependants of insured persons?—That is my personal view.

12,442. I think you did express that view?—Yes. It seems to me if you did not do that you are setting up several different standards of health in the com-

munity. The larger interest which outweighs the lesser one is in this case the health of the Nation.

12,443. (Sir Arthur Worley): I just want to clear up the point about the Insurance Committee. The Insurance Committee is composed as to a majority, of representatives of Approved Societies?—Yes.

12,444. I think they are generally officials of Approved Societies?—Not in every case, but generally speaking yes.

12,445. In your case are the members not all officials of Approved Societies?—I believe that is true.

12,446. Do I understand those members of your Committee agree entirely that the administration of treatment benefits should be taken away from the Approved Societies and administered by some *ad hoc* or other committee that you propose. It is quite contrary to what we have gathered from most of the other Approved Societies?—(Mr. Gordon): I think you will be interested to see how the distinction creeps in. As members of the Insurance Committee our members consented to these suggestions. It was obvious there was a struggle in their minds; they were half representatives of an Approved Society and half members of the Insurance Committee, and the Insurance Committee side triumphed.

12,447. The other point is this. I think you give us to understand that you heard a speech by the author of the Insurance Act, as you put it, in which he indicated that in the future it would probably depart from its present character and develop in another way?—(Mr. Wale): Yes, I think that is so.

12,448. In the evidence given by one of the witnesses coming before us there was a statement put in from the official report of Parliamentary debates in the House of Commons in May 1911 showing what Mr. Lloyd George and others said about Friendly Societies. I will not trouble to read it, beyond this. He winds up by saying what good work they have done and could do, and what a benefit their organisation has been. "So far from the collecting societies being injured it would be a magnificent thing for them. It would be a still better thing for the State to secure their approval for the purpose of working out this great scheme. I should like to get the active co-operation of these societies and their great machinery. There is nothing to prevent them forming subsidiary departments, though they would have to keep their money quite separately." That is not quite in accordance with the view you mentioned?—That was in Parliament?

12,449. Yes.—In that case I accept it. The statement I referred as being made by him was made in the Opera House, Kingsway, in 1911, at a big meeting when he got the officials of the Trade Unions and members of the Approved Societies to come together to get them, I suppose, to agree: because if you remember there was a very great and distinct struggle in the minds of the Friendly Societies and Trade Unions against having anything at all to do with this Act of Parliament.

12,450. One would hardly imagine he would put forward the view that he was going in due course to scrap all that machinery?—That was the impression I got and the impression that all the delegates that represented my Society got, and we voted against it.

12,451. It is only in fairness that I put this thing to you?—I do not think, had we known as much as we know now, that we should have altered the view that we expressed in May, 1911, when we voted against the proposals which we regard as totally incomplete.

(Chairman): Thank you for the evidence you have given.

(The Witnesses withdrew.)

Mr. GEORGE WRIGHT and Mr. FRANK T. WEST called and examined. (See Appendix XXXIV.)

12,452. (Chairman): Mr. Wright, you are Chairman of the Cheshire Insurance Committee?—Yes.

12,453. And you, Mr. West, are Clerk to the Committee?—I am.

12,454. We have read with much interest your very full and detailed statement of the work of the Cheshire Insurance Committee contained in Section A of your Statement. I only propose to ask you a few questions on that Section as it is

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mainly historical and descriptive, and shall direct my main examination to Section B, in which you put forward various proposals for extending the work of the Insurance Committees. There is, however, one important general question arising on Section A. May I take it that you are strongly of opinion that the Insurance Committees have fulfilled a useful and valuable function in the scheme of National Health Insurance and that they ought to be continued as the local administrative unit for the medical side of the work?—(Mr. Wright): We are of the opinion that it is necessary that there should be a body representing the local interests of insured persons, a body so constituted as to be in a position to appreciate the varying points of view of insured persons, employers, medical practitioners and pharmacists; that Insurance Committees do represent these interests; that they are essential to the smooth and satisfactory administration of medical benefit; that the presence of such a body in an area secures (in the administration of a scheme which in principle to a very large extent is directed from Whitehall) the expression of local opinion and the proper presentation of problems as they affect a particular area. It unites in a common policy the various efforts and activities of Approved Societies, Medical and Pharmaceutical Associations; it secures any section of insured persons in any area, as represented by the members of the varying Approved Societies, against the variation in quality and conditions of medical facilities which would undoubtedly arise were Approved Societies themselves to be responsible for the administration of this benefit. It is difficult to conceive how medical benefit could be administered by Approved Societies when regard is had to the fact that in the County of Cheshire alone with an insured population at the 1st January, 1925, of 244,000, there are 546 separate Approved Societies, many of whom in addition have separate Lodges and Branches having distinct autonomy as administrative units under the Act. It may be advisable, in view of our contention in the evidence, that additional treatment benefits should be administered by Insurance Committees, to state here that that is our opinion. It is held that there are latent potentialities lying within Insurance Committees through their intimate knowledge of the general problem of the health of insured persons and of the machinery whereby it may be secured; potentialities which, owing primarily to the War and the subsequent abnormal conditions arising therefrom, in the main economic, have not been developed to the extent to which they otherwise would have been. We have attempted to consider the question solely from the standpoint of securing the highest degree of efficiency for the service, eliminating as far as possible any purely selfish motives, and we have unhesitatingly come to the conclusion that Insurance Committees fill an important part; and we fail to see in what manner they could be superseded with advantage to the Health Insurance Scheme. Every section of the Committee has a strong vested interest in the efficient and economical administration of medical benefit.

12.455. Has it been your experience that the members of Insurance Committees have taken a lively interest in the work of these bodies and have found that it involves really substantial duties?—From the returns of actual attendances made by members of the Insurance Committee at Meetings of the Committee and its Sub-Committees, which disclosed in 1924 a percentage of 73 of possible attendances, our experience does point that, as far as Cheshire is concerned, members have taken a very lively interest in the work. To a very considerable extent their duties have been facilitated by the very wise and always willing advice and direction from the Ministry of Health, advice and instruction which has been found of infinite value to bodies which are relatively young and have not become either stereotyped in their ideas or hide-bound in their administration. We

hold that they have rendered valuable help in turn to the Ministry and have been a powerful factor in the elimination of much that was hindering the satisfactory working of the scheme and are so helping to-day.

12.456. In paragraph 7 of Section A you refer to the Press. Is it really the case that the local Press have dealt fully with the work of the Committee and have thus reflected a real interest on the part of the public?—(Mr. West): The local Press in Cheshire have dealt fully with the work of the Insurance Committee. From a reference to six issues of local papers of comparatively recent date it is found that nearly two thousand lines have been given to reports of the Committee.

12.457. When matters are put before the full Committees by the Sub-Committees or the officials, is there much discussion on them or do many of the reports go through automatically?—The reports of Sub-Committees are invariably submitted to the Insurance Committee by the Chairman or Vice-Chairman of the Sub-Committee, and as our General Meetings usually occupy from two to three hours an opportunity is given, and generally taken, for full discussion of the various matters submitted. A certain amount of the work is of a routine nature, and may be passed without discussion, but this applies to the work of all public bodies.

12.458. We have had it stated in evidence, which no doubt you have seen, that "the continued existence of Insurance Committees with their present limitations is, except for one single function, a pure farce; that exception is the Medical Service Sub-Committee which performs useful work." Again in other evidence we have had the submission that "the present Insurance Committees have failed to make full use of their opportunities to help materially the health progress of the nation. Their constitution is faulty; they do not command sufficient local respect and their health functions are very indefinite." From the length and tenor of Section A of your Statement I imagine you would not agree with these views?—(Mr. Wright): We entirely dissociate ourselves from the views expressed in the evidence you refer to. The expression of such views could only have been made on a complete misapprehension of the work of Insurance Committees in general, or as a result of an unfortunate experience of an Insurance Committee in particular.

12.459. Do you consider that the relations of the Committee with the Approved Societies on the one hand and the medical practitioners on the other have been entirely satisfactory?—On the whole we consider they have been remarkably satisfactory. There is a growing tendency in our Committee on the part of representatives of Approved Societies on the one hand and of medical practitioners on the other to lose their identity, and to concentrate more unitedly and fully towards the achievement of the highest efficiency of the service.

12.460. You are convinced, I imagine, that medical benefit must continue to be administered on a local basis. I should like to hear your views on the administration of the additional treatment benefits and whether you think, apart from the question of principle, that there are real practical defects in the present method of administration by the large number of Approved Societies operating in the area?—It may be held that we have demonstrated that it would be impossible to administer medical benefit with any degree of efficiency or uniformity on a basis other than territorial. That is at all events the view we hold. Successful administration demands a local basis with a national standard and this you have in the present administration of medical benefit by the Insurance Committee. Domiciliary general practitioner treatment is intimately associated with the extensions of medical benefit which we have suggested in section "B" of our statement. It is to-day not without difficulty that one distinguishes general practitioner treatment from what may be

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termed higher or specialist treatment. The content of medical benefit does not to-day lie within any prescribed limits. That content must vary from year to year as the knowledge and skill of general practitioners develop. Consultants and specialists, hospital staffs, bacteriologists, pathologists, and radiologists, pharmacists, nurses, midwives, dentists, ophthalmologists, opticians, represent the personnel of a service which in all its branches is inter-dependent upon the others. To take a recent illustrative case. A dental surgeon rendering a service to an insured person entitled to dental benefit as an additional benefit discovered in the examination of the patient's mouth that owing to the presence of a large cyst he would require the services of the insured person's panel practitioner and of a surgeon for the purpose of performing an operation prior to his completion of his services as a dentist. In such a case difficulties immediately arise because one body is responsible for the medical and surgical side of the service and another body responsible for the dental side. If both were under the Insurance Committee that difficulty would not arise. Approved Societies are already represented on Insurance Committees and if that representation is of value then it should be sufficient for Approved Societies to entrust to their representatives on the Insurance Committee the administration of all medical and allied benefits. The large number of Approved Societies having members in the County of Cheshire is an almost insuperable difficulty in the way of a reasonably uniform and fairly operating service extended along the lines indicated. Such conditions demand that the administration of other treatment benefits shall be in the hands of a single body responsible to the whole of the beneficiaries in the area. The present system of administering additional treatment benefits does not permit of the application of a national standard of treatment and causes dissatisfaction to insured persons by its lack of uniformity. The greatest defect of a system of administration of treatment benefits by Approved Societies is the absence of appropriate machinery for collective bargaining on a national basis with the persons who must supply the benefits. It involves a reversion to the method of dealing with medical benefit by individual societies before the Insurance Acts. It is almost unanimously admitted that the present quality of medical benefit is a very great advance on that which preceded it, and this is largely attributable to the system of its administration.

12,461. Do you consider that the case for the transfer of the administration of the additional treatment benefits to the Insurance Committee is equally strong whether these benefits are partial in their application and varying in scope, or whether they are normal benefits applicable to the whole insured population on a uniform basis?—(Mr. West): We consider that additional treatment benefits should be administered by Insurance Committees, notwithstanding that insured persons may in specific instances be called upon to contribute partially to the cost of such benefits. We are further of the opinion that considerably less difficulty would be encountered in such administration than at present arises in the administration of such benefits by Approved Societies. We have formed the opinion that these benefits, partial at present, will ultimately become general, and this step on the way to a general benefit should be administered by Insurance Committees, which we have held is the proper way of administering them.

12,462. Even while they remain partial you see no administrative difficulty about that?—I do not think so.

12,463. Would you increase the staff?—We hold the opinion that the machinery which Insurance Committees at present have is sufficient to carry a very much increased burden of work at a relatively low additional cost.

12,464. Does that mean that they are not fully occupied now?—No. It means that the machinery may not be fully occupied, but that by a small increase of

staff and probably with some slight additions in the administrative machinery, we could carry a burden much larger than we do at the present time.

12,465. Have you any views on the statement which we sometimes hear that the panel service is inferior in quality to that given under private conditions by the same practitioner, or other practitioners of similar qualifications and experience?—Taking the County of Chester, we are convinced after twelve years' experience that the service rendered by Insurance Practitioners to insured persons is not inferior to the service which they would have rendered to those same persons to-day had the Insurance Act never been placed on the Statute Book. In fact, we go further and state that the service rendered by reason of the provisions of the Insurance Acts is considerably better than it otherwise would have been. For instance, for the year 1924 Insurance Practitioners prescribed to over 200 insured persons £300 worth of insulin, and for the seven months ending 31st December, 1924, over £70 worth of vaccines to 400 insured persons. Insulin treatment, it is generally recognised, is one which requires very carefully watching, and much time on the part of the practitioner, and this may also be said with regard to vaccine treatment.

12,466. Do you feel that the work of the Central Index Committee in England has aided substantially in the operations of the Index Register? In particular, do you consider that it has reduced the inflation?—We do feel that it has served a very useful purpose, but by reason of the increasing familiarity with their work of all those connected with National Health Insurance administration the probability will arise that their usefulness will become of such a nature that it would not justify their continuance.

12,467. Could you amplify that a little?—The Central Index, it may be held, became necessary primarily because of duplication in issue of slips and incorrect allocation on the part of Approved Societies, or the want of allocation on the part of Insurance Committees. But, as previously stated, most of those connected with insurance are more familiar now with the routine, and more familiar with the regulations, and those errors and difficulties will not recur. It may be assumed that societies working in co-operation with Insurance Committees with this greater knowledge and accuracy will make the Central Index Committee ultimately unnecessary. But as to how long it may be necessary for it to be continued we are not in a position to express an opinion, because we do not know the whole of the work that they do. We are only cognisant of that portion of it which affects our own Committee.

12,468. In Chapter III of Section A, you give us a very interesting account of sanatorium benefit. You deplore the change which was made in 1921?—(Mr. Wright): Yes.

12,469. Do you consider that the quality of sanatorium treatment has suffered since the transfer to the County Councils?—We do, on the grounds that the herding together of large numbers of tubercular patients in great institutions is not the best means of treating such cases. Smaller institutions approximate more closely to good home conditions and the personal touch is more in evidence. Again, all cases may not be suitable for treatment in inland sanatoria; some recover much more quickly in seaside institutions, and others do not.

12,470. On this question of the personal touch, do you think that a less human or personal touch in administration resulted from the transfer which took place here?—Yes.

12,471. Are the officials of the local authority less human than those of an Insurance Committee, and do members of the local authority take less interest in public work than members of an Insurance Committee?—As Chairman of the Cheshire Sanatorium Benefit Sub-Committee during the whole of its existence I rather agree with the Committee in its opinion that there has been a distinct loss of the

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human or personal touch in the administration of sanatorium treatment since its transfer to local authorities.

12,472. Is that on the part of the officials or on the part of the authority?—It is not suggested that the officials or even that the members of the County Council or any other local authority are less humane than the members of Insurance Committees.

12,473. What is the reason then?—The work has to a much larger extent become one of dealing with case papers rather than with individual cases.

12,474. You mean that the work has grown?—The County Council is not in a position to consider individual cases as the Insurance Committee did.

12,475. Why not?—Its work is so great. We shall amplify that further on. The consequence is that the treatment has been determined to a larger extent upon a written statement than was the case with the Insurance Committee.

12,476. We have heard so much about the human touch, and I take it it is the same thing as the personal touch?—Yes.

12,477. We have heard so much about the human touch and the personal touch that I have been searching for someone who could really explain to us what it was, and why it disappeared. Up till now it has not disappeared until we get to Whitehall, but you have discovered that it disappears even in the local authority in Cheshire, so that I take it you have a more intimate knowledge of it than some of the others?—The point is that we used to consider in our Sub-Committee every individual case.

12,478. Do the members of the Committee come from various parts of the county?—Yes, and so they knew in many cases the persons whose cases we were considering.

12,479. Is that not the position with the County Council?—They have never considered an individual case since they took the thing over.

12,480. Is that also your experience, Mr. West?—(Mr. West): I should like to support Mr. Wright in this. A member of my Committee approached me at a recent meeting and said "Will you look into this case; it is a poor man suffering from tuberculosis, and we cannot do anything with it." As a matter of fact that man had been in the County Council Joint Sanatorium and had left it shortly before Christmas without the permission of the superintendent of that Institution and had gone home quite naturally to spend Christmas with his people. From that time he was lost. We hold that if that treatment had been under the Insurance Committee, that case would again have come up before the Committee, and it would have been the privilege of that member in that area to follow that case through and get in touch with that man, pointing out to him the desirability of his returning for the completion of his treatment.

12,481. This question of the human touch is troubling some of us very much, and we want to get to the bottom of it?—(Mr. Wright): I think the explanation I have already given is the real explanation, that these individual cases never come before the Public Health Committee of the County Council.

12,482. Is that the officials?—(Mr. West): Undoubtedly these cases seldom get beyond the officials. (Mr. Wright): There has never been a single case before the Council or the Council's committees, we are given to understand. That is the whole explanation of why the personal touch is lost. Quoting from the address of the Chairman to the Cheshire County Council quite recently, he said that the number of meetings of the Council and its committees, etc., held since the election in March, 1922, was 3662. In the County Council elections held this month, out of a total of 56 constituencies, 44 were uncontested, leaving only 12 that were contested. The reason given for that was that people cannot find the time, and therefore they do not come forward as candidates for the County Council, because they are crowded out with work.

12,483. It might, on the other hand, be that the public are so well satisfied with the way they do their work?

12,484. (Sir Arthur Worley): When you say there were 44 constituencies uncontested, there were still candidates there?—They were uncontested.

12,485. But there would be a candidate in those constituencies, even if they were not contested?—Yes, there would be a single candidate.

12,486. There would be someone representing them?—Yes.

12,487. (Chairman): Do you not see a great advantage in the treatment of the whole population of an area under a uniform scheme instead of the partial treatment under the Insurance Acts. This point has a very important bearing on suggestions we have had that medical benefit should follow the course which sanatorium benefit took?—We are of the opinion that there was no necessity to transfer the administration of sanatorium benefit to Local Authorities. It was a concession to administrative convenience, and was decided primarily in the belief then prevalent that tuberculosis was a disease the nature and treatment of which was not within the scope of the knowledge and skill of the general practitioner, which perhaps to-day is not the case. The general practitioner treatment and the knowledge and skill have undoubtedly considerably increased since that time. On the general question we agree that there would be a great advantage in treatment of the whole population in an area under a uniform scheme instead of the partial treatment under the Insurance Acts, but we consider that the Local Authority is not the most suitable body for this purpose. One of the greatest difficulties of putting into operation such a scheme would be the determination of the administrative area. The present Public Health and Sanitary Authorities would contend for the continuance of the present areas, and in Cheshire you would thus have urban areas varying in population from over 20,000 to others with under 1,000. Further the very marked variation in the exercise of their powers by Public Health and Sanitary Authorities is a factor which it would be fatal to introduce into the uniform scheme for the administration of the medical and allied benefits of insured persons contributing equally to such benefits. In a Local Authority the rate to a large extent determines the standard of service, and were this factor to be associated in one scheme for the provision of personal benefits, confusion and dissatisfaction would most assuredly arise. So long as contributions are uniform, so long will the contributors have a right to demand a uniform service, but once that contribution forms only a part of the whole cost of the scheme and the other part is made up from local sources, then local differences in the standard of the benefit must occur. This variation between the standards of Local Health Authorities is very marked not only between Authorities in the same county but as between different counties. This variation applies not only in Public Health but in all aspects of Local Government. When it is remembered that in 42 English Administrative Counties in the year 1923-4 the total rates varied from 6s. 8d. to 3s. 4d. it will be appreciated how very great a variation must exist. Such variations would be entirely inadmissible in the administration of a scheme where contributions were compulsorily uniform.

12,488. You wish to add something, Mr. West?—(Mr. West): There is another point of special application with regard to sanatorium benefit, and that is this. Having made a line of demarcation between insured persons and non-insured persons, this line should have been kept and not departed from for the purposes of the provision of a minor part of the whole medical benefit of insured persons.

12,489. In paragraph 137 of Section A you make certain recommendations as to the deposit contributor class. You think that these persons should be required to apply for membership to an Approved Society and failing application should be allotted.

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You realise, however, that societies might not agree to relinquish their right of expulsion. Perhaps you would explain to us a little more clearly your suggestion for getting over this by making societies which refuse to accept their quota, bear their share of the financial burden?—It is suggested in our Statement that if after an experimental period, say a quinquennium, it was found from returns made by all Approved Societies to whom such persons had been allocated, the deposit contributor was a less sound insurance proposition than other insured persons, and that the societies accepting had thereby incurred a responsibility which those refusing to accept had avoided, that the additional responsibility should be distributed amongst all societies in proportion to the sum of their general obligations to their other members. I quite see that such a system would involve the keeping of separate registers for the present deposit contributors, but this is an administrative difficulty which could be surmounted.

12,490. (*Sir Alfred Watson*): I want to know what that answer means. It sounds impressive, but I want to know if there is anything more than a phrase in it. What do you mean by the "sum of their obligations"? What is the financial plan that you propose?—(*Mr. West*): Suppose on a valuation it were found by the keeping of these separate registers that the sickness experience or the contribution results of this particular class disclosed a deficiency, it would be unfair that the society which accepted that class should bear, and that those who had refused by reason of their rules or constitution were allowed to escape this burden; that is, assuming that this class were not as good as the general body of insured persons. It would be in our opinion desirable to safeguard those societies who were willing to accept deposit contributors, and that an experimental period should be arranged whereby it could be found whether these people were as good as the general body of insured persons.

12,491. Yes, that is all right. That indicates a sort of measure of deficiency of each little group of deposit contributors as compared with the other members of the society to which they have gone. But then each of the societies to which they have gone has got its own peculiar experience, which, as we have learned, differs widely in one society from another. Therefore, surely under your plan you would be measuring the experience of different groups of deposit contributors against different standards. What do you say to that?—I do not think any society would be in the position to make any complaint if it were found that irrespective of its own valuation surpluses or deficiencies the special burden of deposit contributors had been distributed fairly as between societies. I think that is what I mean.

12,492. Does not that mean that if a certain group of deposit contributors were allocated to a society consisting, we will say, largely of coalminers, the deposit contributors experience, though bad in comparison with the general average, might be a good deal better than the average of that society?—(*Mr. Wright*): That might be so, but I do not see that there would be any insuperable difficulty in putting together the experience of deposit contributors of all the societies to which they had been allocated and finding from that total how their experience stood against the general experience of insured persons; and then perhaps dealing with the point in the way Mr. West has suggested. Then if there is a worse experience with the deposit contributor class, charging up those societies with some portion of what they had avoided by refusing to have deposit contributors allocated to them.

12,493. We are getting by steps to something rather different from the suggestion here made, but it is a very useful suggestion for consideration. It means that the deposit contributors would really be treated as a single insured body, and that the Approved Society would be acting as agents for the payment

of benefit to them?—Yes. In effect, I think that would be so for a temporary period.

12,494. Subject to this, that if there was a deficiency at the end of the period on the deposit contributor group it would be shared out amongst the societies?—Yes, that is so. And after that temporary period you would deal with the societies who had taken them over by making some sort of allowance.

12,495. I do not quite follow the "temporary period" because if the results were unsatisfactory during the temporary period it would seem essential that the special arrangement should be continued permanently?—Yes. We quite agree if it is so found.

12,496. How would you secure that each society administering its group of deposit contributors would administer properly, knowing as they would that any excess of liability would be dealt with out of some general pool. What incentive would the societies have?—Each society would have to bear a portion of any loss that had been incurred by careless administration in respect of its members.

12,497. How could you prove careless administration? That is more easily talked about than proved, is it not?—I am not saying it would be easy to prove, but I was saying they would share along with the others any loss that ensued.

12,498. They would share along with the others; but considering the very small number of deposit contributors and almost the certainty that a large number of societies and branches would be without any of them, do you think the realisation by a particular society that it would have to share the deficiency that it was itself creating, would be any real incentive in its mind to good administration?—If the number was very small perhaps it would not. (*Mr. West*.) And then it would not matter, because the deposit contributor would have had the benefit of insurance. There would be an incentive to societies to keep proper accounts of deposit contributors to secure themselves against a deficit by reason of their acceptance of them.

12,499. I am not on proper accounts. I am on what is sometimes called the human touch. Here is a body of, we will say, 150,000 deposit contributors. You have allocated them among all the societies. One particular society has a group we will say of 200. That society knows from the outset that if the working of that group shows a deficiency, that deficiency will be recouped out of a central fund. What I cannot satisfy myself on is what inducement that society would have to administer the benefits wisely to that little group of deposit contributors to make sure it was not paying anything beyond what was properly payable to them?—(*Mr. Wright*): There would not be perhaps so great an incentive as in the case of its ordinary members, but I think it is not likely that any society would separate a few of its members who originally came from the deposit contributor class for special treatment in the way of giving them benefits that would not be given to the other members. I do not think that is likely to take place.

12,500. You have them separated in the books because at the end of the period you say the society has to be recouped any deficiency?—(*Mr. West*): But do they not know at the end of this period that although probably some portion of this deficiency will fall upon other societies, they also will have to bear a portion of this deficiency themselves, and they will be against increasing their proportion of the burden, which they themselves will have to bear. I think in that there is an incentive to good management.

12,501. Supposing it is a society with a membership of 150,000. That is probably 1 per cent. of the whole number of insured persons. All that the society would have to bear itself would be 1 per cent. of the deficiency presumably. What sort of check is that?—With no more than 1 per cent. the probability is the society would not take any trouble to administer one way or the other. They would not accept the bother

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12,502. I do not say that the deposit contributors are 1 per cent. of their members. I am taking the case of a society with 100,000 members, and given a group of deposit contributors, large or small, to administer. Perhaps it might be a large group. It knows that if the administration of that group produces a deficiency, it itself, as it represents only 1 per cent. of the total insured population, will only bear 1 per cent., and that the other societies will bear 99 per cent. Is there in that consideration anything that would prompt a society to a strict administration of this group given to it?—(Mr. Wright): Personally I do not think it would be considered worth while by any society to select such a small minority of its members for special treatment. The administration would be the ordinary administration of the society to its own members. I do not think it would be worth its while to select just one or two deposit contributors allocated to it for special treatment in the way suggested.

12,503. If it works for efficiency, I want to know how you would distribute them among the societies—on what basis?—Mr. West's first suggestion was that those societies who refused to accept any deposit contributors should bear the responsibility, or at all events their share of the responsibility, for any deficiency that had arisen.

12,504. I know that. What I am asking you is, how would you apportion the responsibility when it has been ascertained in terms of £. s. d.?—(Mr. West): In proportion to the relative membership of approved societies.

12,505. (Mr. Evans): With regard to administrative costs you have told us, I think, that members of your Committee attend meetings. I think you said there was an attendance of 73 per cent. of possible attendances in 1924. Is there any special virtue in that, inasmuch as the members are paid for attending the meetings?—(Mr. Wright): The members are not paid for attending meetings. They simply have their expenses paid and subsistence allowance.

12,506. And there is payment for time allowance?—I think we have one member who receives that on our Committee. So that it cannot be said that the members are paid. (Mr. West): The average cost per meeting for the years 1922, 1923 and 1924, for compensation for loss of remunerative time has been 4s. 10d. for 1922, and 6s. 10d. for 1923 and 1924. We would ask that it be recorded definitely that members of Insurance Committees are not paid for their attendance at meetings of Insurance Committees.

(Chairman): Your table makes that quite clear.

12,507. (Mr. Evans): I see that in 1921 when the Committee numbered 60 the average cost per meeting was £4 5s. 8d., whereas in 1924 when the Committee numbered 35 the cost per meeting was £4 6s. 2d. How do you account for that additional cost?—The two years that are brought into comparison are 1921 and 1922.

12,508. Yes. In 1921 you had a Committee numbering 60, and in 1922 it was reduced to 35. And yet the cost per meeting was slightly higher in 1922 than in 1921?—There are one or two factors which operate in determining these figures. In 1921 we had only an average attendance of possible attendances of 67, whereas in 1924 that percentage had risen to 73. Further, in 1924 it will be seen that the average cost per meeting for travelling expenses was £2 7s. 0d., whereas in 1921 it was £2 5s. 3d., which may in part be attributed to the increase in railway charges.

12,509. Was there an increase in 1922 as compared with 1921?—I rather think so. If not, then the explanation lies in the fact, probably, that the present members of the Committee are further removed from the place of meeting than the bulk of the members on the Committee in 1921. That is a matter which, of course, we could explain if we were allowed to go closely into the details of the matter. But those are reasonable explanations.

(Chairman): It is only 10s. per meeting.

12,510. (Mr. Evans): In 1921 you had 60 members on your Committee. In 1922 you had the number reduced to 35, and yet the cost per meeting went up?—The probability is that in 1922 the subsistence allowance might be greater. The cost of living increased, I understand. And furthermore, I say that in 1921 we may have had in the Borough of Crewe, where our meetings are held, a larger percentage of members than we have at the present time.

12,511. (Chairman): If two men came from a long distance it would account for the whole difference?—It would account for £1 a meeting.

12,512. (Mr. Evans): But you have 25 less men on the Committee?—If 75 per cent. of them lived in the Borough of Crewe, and we found that 60 per cent. of that 75 were those who were not reappointed when the Committee was made smaller, then I think that is a reasonable explanation. This is all supposition, but the explanation could be given if I had the details of each man's expenses.

(Chairman): I think that is the explanation.

12,513. (Sir Arthur Worley): You are of the opinion that the Insurance Committees have functioned properly and justified their existence?—I would prefer to speak for my own Committee. As far as my own Committee is concerned I am satisfied that they have functioned well. Not only have they very fully considered every matter, but—

12,514. I was going to come to what they did. On your Committee I think you have 35 members. I take it you divide them into sub-committees?—Yes.

12,515. You have the Medical Service Committee, and the Finance Committee?—There is a Medical Benefit Sub-Committee and the Finance Sub-Committee, and then there are the Services Sub-Committees, which are joint committees of the Insurance Committee and the Local Medical Committee and the Panel Committee, and the Pharmaceutical Committee too have representatives. They are the Services Sub-Committees. They are not completely sub-committees of the Insurance Committee, but

12,516. Is not most of the work of the Insurance Committee dealt with under what you might call administration?—No more so than is the case with local authorities.

12,517. (Chairman): You suggest you are much more efficient than local authorities?—Have we said so?

12,518. I rather gathered you suggested you were more efficient from the point of view of taking a personal interest?—(Mr. Wright.) In this particular work.

12,519. (Sir Arthur Worley): I am not concerned at the moment with local authorities. Is it a fact or not that the great bulk of the work is done as an administration matter and a matter of machinery? Is not that really the bulk of the work of an Insurance Committee? I do not want to place you in any invidious position in criticising your own Committee, but really it is either a fact or not. It has been put in evidence to us, and even admitted this morning, that the bulk of the work is really on the administrative side, and is done as a matter of machinery and ordinary business organisation?—(Mr. West): That I am not prepared to admit. My grounds for refusing to admit it are these. Based on the experience of my own Committee—to that solely do I apply my experience—I say that there is not a scheme, or instruction, or order, or draft regulation that goes to the Insurance Committee for the County Palatine of Chester, which is not considered in detail by the Committee. The Ministry of Health know well that we have never accepted a model scheme issued from the Department. It has invariably received the fullest consideration of, in the first case, probably an Inter-Sub-Committee, then the Sub-Committee, then the Insurance Committee.

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12,520. (Chairman): What is the Inter-Sub-Committee?—An Inter-Sub-Committee is a further Sub-Committee appointed by a Sub-Committee.

12,521. That is what you call it in the County Palatine of Chester?—Yes. The Ministry of Health have just sent down to us a scheme for the testing of drugs. That scheme was presented fully to the Medical Benefit Sub-Committee at its meeting held yesterday. The medical fraternity were represented, the pharmaceutical fraternity, and the Insurance Committee representatives were there; but did they accept that model scheme coming down from Whitehall? Not they. Why should they? It did not contain all the wisdom in the world on this matter, and they were not going to have it. There were a hundred things the Ministry had forgotten all about. What did they do? They sent it to the Inter-Sub-Committee, and they said we must get some more expert advice and they co-opted the President of the Pharmaceutical Association on it, and appointed two members of the Panel Committee to it. As far as Cheshire is concerned the Insurance Committee has functioned and has done extremely valuable work, and we repudiate entirely the suggestion that the Insurance Committee sits down and says "ay" and "nay" and goes home.

12,522. That is not the suggestion made by any member of this Commission. That is a suggestion made by members of other Insurance Committees?—Then they know nothing about it.

12,523. (Sir Arthur Worley): As far as I can gather the difference between the Cheshire Insurance Committee and others is that they do the work in many cases which is often done by the administrative officers, and in fact do it twice or three times over. That is what is happening there—they are super-cautious in their administration?—Who are?

12,524. Your Cheshire Committee is super-cautious in comparison with other committees?—No, we do not admit that. We administer as we are intended to administer.

12,525. I am quite willing to accept that that is your view as to what the duties of the Cheshire Committee are? I am glad you accept it. (Mr. Wright): We do this with a view to seeing that these model schemes are properly adapted to local requirements. That is what we are most anxious about, to secure smooth working of the machine.

12,526. I am not cavilling against your doing it, but just examining why there is a good deal more interest in Cheshire in this matter than in other places. It is quite possible that you may have a different point of view as to the efficiency of an Insurance Committee from what other committees hold. Obviously you are doing work that they do not do?—(Mr. West): But that they should do.

12,527. That is a matter between you and them. I think we have more or less cleared up that point. Your Committee simply takes the whole of the instructions very widely and goes into them either in full Committee or Sub-Committee and back again very frequently to the main Committee, and analyses them and looks at them from all points of view. Do you ever get Whitehall to alter them?—There is not a scheme at present operating in Cheshire that conforms to its entirety to the model of the Ministry of Health.

12,528. Do you get them to alter their views at all?—The reply is that they have altered them.

12,529. (Chairman): You have never found them right?—In matters of principle they are generally right, but in matters of detail they are lacking in local knowledge.

(Sir Arthur Worley): That is a very fair definition.

12,530. (Mr. Jones): You have told us something about the distribution of insulin. Is there any special virtue in that?—It has been stated time and again that panel practice is something inferior. It is not an easy thing to examine a case of diabetes mellitus, and it is not an easy thing to treat such a case. Evidence of the provision of insulin is an in-

dications that insured persons in Cheshire are treated no less satisfactorily than are private patients. If a doctor desired to accept the capitation fee and do as little as possible he would not prescribe insulin treatment, nor would he take over vaccine treatment.

12,531. Are you aware whether insulin has been prescribed for insured persons elsewhere as well as vaccines?—I am aware it has been prescribed elsewhere.

12,532. Do you suggest that the standard of medical treatment in Cheshire is higher than elsewhere?—No.

12,533. Is there any special virtue in this distribution of insulin? Is it not the insured person's statutory right to receive insulin and vaccine?—It may be his statutory right, but to a large extent that right is determined by the insured person's own practitioner.

12,534. Is the insured person in Cheshire only getting what he is entitled to both from the doctor and the Insurance Committee. (Mr. Wright): But we are not asserting there is a difference. We have simply put down those figures to show that the general practitioner treatment is of a higher quality than probably would have been the case if it had not been for the Insurance Act, and that the insured person is getting what you may term first-class treatment.

12,535. But he is only getting in Cheshire what he is getting elsewhere?—We do not contest that. (Mr. West): We are drawing no comparison between Insurance Committees or their areas.

12,536. You deplore the transfer of the treatment of tuberculosis to the local authority?—(Mr. Wright): Yes, that is so.

12,537. Your main reason I think is because of what you call lack of personal touch?—Yes, lack of dealing with the individual case by the general body. (Mr. West): May I just introduce another point. We hold that the treatment of tuberculosis is in the main domiciliary, and the general increase in knowledge on the subject on the part of general practitioners has made it less a specialist service, and we consider for these reasons it should not be divorced from the administration of medical benefit, especially as this separation involves a further division between institutional and domiciliary treatment of tuberculosis. (Mr. Wright): I should like also to point out that whereas our Committee in administering the sanatorium benefit received over 2,000 reports annually from doctors, for the year 1924 the tuberculosis officer of the County Council has only received 822 reports—which shows that there is a very considerable reduction in the reporting on these cases and possibly in the attention to them.

12,538. On that one point are you aware that there has been a very considerable fall in the number of cases of tuberculosis occurring in recent years?—We are aware of that, but we do not think that accounts for the difference between 2,000 reports in the year and 822.

12,539. There has also been a very considerable increase in institutional accommodation?—Yes.

12,540. So that that has taken away some amount of domiciliary treatment which was probably necessary in former years?—Not to a very large extent, because these people only remain in the institution for a temporary period. They are back again at home in the course of a few months.

12,541. These reports are cut out by the medical practitioner because you get more detailed reports from the sanatorium?—That only covers a very short period during the patient's temporary stay in the institution.

12,542. Having once got a complete report on the insured person's condition, is there any necessity to repeat it from time to time in such detail?—There is a necessity to report as to the development of the case. It is a statutory requirement.

12,543. Has there not also been a considerable development of tuberculosis services through the appointment of visiting nurses?—Yes.

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12,544. Tuberculosis officers?—(Mr. West): No different from what it was when sanatorium benefit was in force.

12,545. So far as the number of officers are concerned they have only still the same number of people or even less to deal with?—There is no marked increase, if any. There is no increase of tuberculosis dispensary districts in the county of Cheshire.

12,546. One would suggest rather a decrease if one takes the official figures of the Ministry. Those show that in 1915 the total new cases of tuberculosis were 52,000, and in 1923 32,000—a drop of 20,000. So that the same staff will be able to undertake a great deal more work?—Probably.

12,547. You were in the habit of interviewing your applicants personally in your office?—To some extent.

12,548. To what extent?—As a Committee they did not interview applicants for sanatorium benefit, but as individual members of the Committee they took the opportunity whenever it was necessary to get into touch with the applicants who were resident in the area from which they came, and if it were found necessary to bring pressure to bear upon an applicant to take advantage of the sanatorium or other institutional treatment that pressure was brought to bear.

12,549. Has the place of your member not been taken by the visiting nurses?—(Mr. Wright): The insured persons do not look upon them in the same way. They look upon these visits of the official nurses of the County Council as a sort of official visit. They do not always agree to go because the nurse comes to see them. On the other hand an individual member, a quite independent person interesting himself in the case, very often induced the insured person to go to an institution that he had previously refused to go to.

12,550. Is not the nurse's visit likely to be much more valuable to a sick person than a visit of a lay member?—If it comes to the question of treatment perhaps I might say so.

12,551. That leads me to my next question. Is it not the case that the nurse might be more competent to advise on the nature of the treatment required?—(Mr. West): It is not a question of competency to advise. It is a question of the acceptability of that advice. When you get the Secretary of an Approved Society who knows every Tom, Dick, and Harry of that society, and knows them probably since they were children, and he says to Tom "Now, Tom, you get off to that sanatorium; I am talking to you like a father. Will you go?" And the man goes. But if you send a nurse complete in the County Council uniform, with badges and everything, and she says "Mr. So-and-so, I really think you ought to go to the institution," what is the effect? He does not change his opinion one bit. It is that close personal touch which is effective, and that is what we contend.

12,552. You put the Approved Society official forward as much more capable of advising a patient in regard to tuberculosis than a nurse specially deputed for the purpose?—You are drawing deductions that you have no right to draw.

(Chairman): Oh no, Mr. Jones is asking a question. You may answer it in the negative.

(Mr. Jones): I am using your own words.

12,553. (Chairman): In any event it is a question put to a witness, and he may answer it in the negative?—(Mr. Wright): I should not like to say that the Secretary of an Approved Society would advise on treatment for tuberculosis. What we suggest is that when the advice has been given by the Tuberculosis Officer and the person has refused to accept that advice, the influence of a member of the Committee living in the locality and near to that person will often induce him to accept that advice and act upon it.

12,554. (Mr. Jones): There are fewer persons in Cheshire now being admitted to sanatoria than in former years?—(Mr. West): Not necessarily. The domiciliary treatment may be more effective. There may not be the need to-day, and there may not be the faith to-day in institutional treatment of tuber-

culosis as there was in 1914. Because of the improvement in domiciliary treatment, the availability of drugs and of malt and oil much more freely than in those days, it may be that that provides a reason why there is no need for institutional treatment. There are many factors that have to be taken into consideration.

12,555. You say somewhere in your Statement that you regard as a loss the power of the Insurance Committee to grant these domiciliary extras. I think that is in your Statement?—(Mr. Wright): I do not think we are responsible for that remark.

12,556. If not, I withdraw it. It must be one of the other many Statements I have read. Let me come back for a moment to Mr. Wright's statement that it is undesirable to send tuberculosis patients into large institutions. I would like to know really what you have behind that statement; what is your authority for making such a statement?—For the reason that the administration of benefit in very large institutions becomes more or less routine and official. It is the same in education.

12,557. Let us stick to tuberculosis?—Education is a parallel.

12,558. Let us stick to tuberculosis.

12,559. (Chairman): Mr. Wright is entitled to state an analogy if he chooses?—(Mr. Wright): What I was pointing out was that if you have a larger number to deal with they will not receive that same personal attention that they would where there was a smaller number. That is our point of view. If you herd them together in large numbers they are dealt with in a routine way. That is not the same in smaller institutions.

12,560. (Mr. Jones): Are the larger institutions less efficiently staffed than the smaller institutions?—No, I would not say that.

12,561. Is the number of doctors less in proportion to the total number of patients?—That might be the case.

12,562. Do you know any standard that applies to the number of patients a doctor can undertake?—In a tuberculosis institution, no, I do not.

12,563. There is such a recognised standard, I think. Is the nursing less efficient in these large institutions?—Except that probably they might have a larger number to attend to than in a smaller institution.

12,564. Is there not also a recognised standard as to the number of patients nurses should look after in an institution?—That may be the case.

12,565. Would you look to have those standards adhered to in a large institution less closely than in a small institution?—I would not like to say that.

12,566. Do you know whether it is the case or not?—I would not like to say that at all.

12,567. Are you merely expressing a sort of personal opinion without any facts behind it?—That is the opinion of our Committee.

12,568. Had they any facts before them to justify that?—It is from general experience that they have arrived at their opinion.

12,569. In small institutions do you get X-rays apparatus?—Apparatus of what kind?

12,570. X-ray apparatus which is now recognised as a very important adjunct to the proper diagnosis of tuberculosis?—Are you speaking of X-ray treatment and that sort of thing?

12,571. Yes. Do you get that in a small institution?—In a very small institution you would not, perhaps. We are not suggesting it should be so small as not to be able to provide proper apparatus.

12,572. You are criticising the large institutions, and I am asking, taking a small sanatorium, which you have in view apparently, do they possess this apparatus?—(Mr. West): If they do not possess it it is probably quite easily available. There is a little place outside Chester. In that place there is not an X-ray installation, but at the Chester Infirmary there is such an apparatus and that is quite near.



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[Continued.]

12,573. Can they get Finsen-ray treatment?—At Chester.

12,574. That means the removal of the patient from one institution to another?—Not permanently.

12,575. Is the staff of the small institution likely to have the same experience and to develop the same special knowledge as the staff of a larger institution?—(Mr. Wright): I do not see why they would not have the same experience. They are dealing constantly with the individual cases.

12,576. I happen to be associated with the largest tuberculosis hospital in the world. If a sanatorium wants a medical officer they nearly always choose one from that hospital. I want to put that experience against Mr. Wright's statement that a large institution is less efficient and less satisfactory than a small one?—(Mr. West): Let us judge rather by the death rate and the degree of recovery which attend the treatment under that great institution.

12,577. Does it not spell efficiency?—Not necessarily; it might spell advertisement.

12,578. Do you think that many tuberculous patients die in spite of the treatment they get?—There are tuberculous patients who die in spite of treatment, as witness our experience during the 7½ years in which we administered it.

12,579. If I say to you that the results in that large institution are the most satisfactory results that have been recorded anywhere, would you say that the treatment in that institution was inefficient?—I would not be prepared to give an answer or to submit an explanation of that. It may be because that institution is exceedingly careful in its selection of cases.

12,580. (Chairman): I take it you know nothing of this institution?—That is so.

12,581. (Mr. Jones): There has been an opinion expressed about the large institution and I want to get to the bottom of it. You say there is less need for specialist services in tuberculosis?—Yes.

12,582. Are tuberculosis dispensaries becoming less popular, if I may use the expression, than they were?—That again is a question which is difficult to answer.

12,583. Do you know whether the attendances are going down or not?—That I am not prepared to answer without the details.

12,584. If you were assured that they were going up would you take that as an indication of the continuing and improved success of these institutions?—Not solely.

(Mr. Jones): What other construction would you put on it?

12,585. (Chairman): If there were more applicants in Cheshire would you regard that as showing more efficiency in your county?—Not necessarily. These are considerations that you cannot answer. The fact that there is an increased application for dispensing treatment is not an indication that there is an increase in the efficiency or popularity of those institutions. There are several factors which may be brought to bear upon the answer which I should give in those circumstances, and I am not in a position to illustrate those factors. I know nothing about them.

12,586. (Sir Arthur Worley): Assuming that there was an increase you would not take it as a point against it as showing inefficiency, would you?—What exactly is that question?

12,587. Suppose Mr. Jones's premises are correct and that these institutions show an increased number of applicants, you would not take it that that showed inefficiency at any rate?—We may be compelled to use a means which, if we could avoid it, we would not use. Necessity does not always enable us to make a choice.

12,588. (Chairman): I do not gather what that means. Could you put that in simpler language for us?—The question you ask is whether, if there was an increased demand for this type of treatment, or in other words, if that facility were more used, would that be an indication of efficiency?

12,589. (Sir Arthur Worley): Or inefficiency?—You ask me to put the alternative?

12,590. You will not agree that it is a test of efficiency at all. You say there are other factors. I suggest you would not, on the other hand, say it was a test of inefficiency?—You are asking me to make a statement on the alternative. I am not prepared to say "Aye" or "No" to it. (Mr. Wright): Would not the explanation of that increase probably be that the local medical men were sending more of their patients to the dispensary? Previously a number of them had not very much confidence in these dispensaries and did not send their patients.

12,591. (Chairman): I am anxious that we should avoid dialectics on the subject. After all, the question is a very simple one. Mr. West is free to say "I do not choose to answer it," but I do not think we should enter into a debate about it?—I am suggesting another reason which may account for it.

12,592. (Mr. Jones): Assuming it to be the case that more doctors are sending their cases to the dispensary, is not that also an indication of the confidence that the medical practitioners have in that particular institution?—(Mr. West): Yes, that might be so.

12,593. (Professor Gray): Could you tell us, following up what Sir Arthur Worley asked you, what you regard as the most important points in the work of the Insurance Committee? How would you arrange them in order of importance?—It is rather difficult to say, because I have not really given consideration to the matter.

12,594. Your Insurance Committee deals with deposit contributors?—Yes.

12,595. How much time does that take?—Relatively little.

12,596. The Navy and Army Insurance Fund?—Relatively little.

12,597. Applications for own arrangements?—Also not of much importance.

12,598. What else is there?—Negotiations with medical practitioners and pharmacists on matters affecting the terms of service and all schemes affecting the distribution of funds in connection with remuneration, mileage and dispensing. Problems arising out of those matters, we consider, are the most important, and they require most consideration on the part of the Committee.

12,599. As things have turned out, of course the actual negotiations with doctors on the subject are dealt with nationally?—Not completely.

12,600. You deal with the distribution of money inside your area and mileage and things of that sort?—Yes, not exclusively; but also; on the introduction of new terms of service which from time to time occur, and which have occurred in the past very frequently. Take the introduction of the system of medical records, and the question in connection with the conditions under which anæsthetists' fees shall be paid. All these are matters which have engaged the attention of the committee and have also been the subject of conferences between the Committee and the Panel and, where necessary, the Pharmaceutical Committee.

12,601. And you would say that it is on that side that most of the work of the Insurance Committee goes?—Yes; on the side of medical administration; that is to say, the association between ourselves and our personnel. It is there that the great bulk of the Insurance Committee's work goes. (Mr. Wright): There is another very important feature which should not be omitted, and that is the question of dealing with complaints. That forms a very important part of our work.

12,602. That is the Medical Service Sub-Committee?—Yes.

12,603. How many cases have you had there? I think you have had 51 cases of complaint, 13 being without a hearing. That gives you 38 cases with a hearing in 11 years?—Yes; we have not had a large number.

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[Continued.]

12,604. Do the Approved Societies rather complain about that?—Speaking for our own Committee, the findings have always been accepted. I do not remember a single case where an Approved Society has objected to the findings of the Committee.

12,605. They do not say behind your backs: "It is no good going to the Medical Service Sub-Committee"?—I do not think so; I have had some experience of that, and I do not find that is the case.

12,606. (*Mr. Cook*): With regard to additional benefits, you advocate that additional benefits should be administered through Insurance Committees?—(*Mr. West*): We do.

12,607. Are you voicing the sentiment of the Insurance Committee, or is it your own personal opinion you are giving us?—I am able to say that this statement of evidence is the expression not of my own personal opinion, though I may agree with it, but of the Committee.

12,608. Do you think that these additional benefits should be made uniform, or should be made statutory benefits, in the same way as medical benefit is a statutory benefit under the Act?—In so far as I am in a position to express the opinion of my Committee from my knowledge of their previous resolutions on these matters, I should rather think that they would be prepared to support the extension of these benefits to insured persons generally as a statutory right, in so far as such benefits could form the subject of a statutory right within reasonable financial limitations.

12,609. How would you get over the difficulty, unless you made them statutory, of administering uniform additional benefits of this nature when you consider that quite a considerable number of Approved Societies have no surpluses out of which to provide additional benefits?—My Committee have passed resolutions to the effect that these benefits shall not be contingent on the existence of valuation surpluses.

12,610. That is to say, in another way, that in your opinion they should be made statutory benefits?—Yes, statutory benefits; in other words, they should be applicable to all insured persons.

12,611. Have you any idea how the opposition of the present Approved Societies—the Friendly and Industrial Society in particular—to your point of view is to be overcome? I suppose you know that, speaking generally, the Friendly Societies and the Industrial Societies are strongly opposed to such an idea?—I gather from the evidence which has already been presented to this Royal Commission that they are not completely and unanimously in favour of the extension of these benefits to all insured persons; but I do not think I am in a position to suggest how that opposition should be removed.

12,612. They are also opposed to the administration of additional benefits by Insurance Committees?—I am aware of it; but it is difficult to understand, because are not Insurance Committees their own selected or elected representatives for the administration of medical benefit, and does it not seem reasonable that those representatives with whom they have entrusted medical benefit shall likewise be entrusted with the extensions of medical benefit?

12,613. Yes, but my difficulty is to see how the opposition can be broken down?—(*Mr. Wright*): I do not think that it is universal among Approved Societies. There are many Approved Societies, I think, who would be prepared to have treatment benefits administered through the Insurance Committees, because those benefits are allied to medical benefit and really form part of it. The Statute itself provides that all such medical benefits shall be administered through the Insurance Committees.

(*Mr. Cook*): All I can say is that those Committees have not laid evidence here on that so far.

12,614. (*Chairman*): There are one or two other questions I would like to put to you on rather important points in Section B. of your Statement. From paragraph 1 I infer that you are well satisfied with the scheme of Regional Medical Officers and that you regard this as a valuable nucleus for extension of specialist work?—Yes, we

are in agreement there. We are very well satisfied and we do regard them as a valuable nucleus. We have just one suggestion to make which I can put very briefly, and that is that we consider such officers should be given opportunities for post-graduate study and also for practice in operative surgery.

12,615. And you think that the present Insurance practitioners are capable of playing a considerable part in that extension by giving services outside the present content of medical benefit and on an attendance basis?—(*Mr. West*): We do. About 20 per cent. of the practitioners in Cheshire have rendered services which have been held to be outside the present content of medical benefit.

12,616. Apart from that you look to the services given in the hospitals by their professional staff and to sessional services from their consultants and specialists, to complete the picture. You would not have the specialist dealing with these problems in his own surgery?—(*Mr. Wright*): That is so. We consider that the facilities in the past, and also now utilised by insured persons and their dependants, should continue to be so utilised and that at the moment there is no need, in order to secure the extensions suggested, that consultants and specialists should be introduced into the scheme as an additional personnel under individual contract.

12,617. You put the extension which you have outlined first in priority of any development in this scheme. Your next extension would be a complete and uniform dental treatment available to all insured persons without payment other than the insurance contribution. Are you satisfied that there is in your area an adequate supply of qualified dentists for your 240,000 insured persons?—(*Mr. West*): Yes. With the exception of a few purely rural areas, we are satisfied that an adequate supply of qualified dentists would be forthcoming to treat the insured persons resident in the area. In the purely rural areas it is usual for medical practitioners to make extractions.

12,618. Your next extension is that certain appliances should be added to the prescribed list. Can you give us any estimate of the additional cost of this to the funds of your Committee?—We estimate the cost to be approximately £750; that is for the additional appliances suggested.

12,619. All told?—Yes. The average price of those appliances is somewhere about 4½d.

12,620. That is per annum, is it?—Yes, per annum.

12,621. After this you suggest that general domiciliary nursing and maternity nursing should be provided, not as separate services but as a single combined service. Does this mean that you would abolish the present maternity benefit and replace it by a service benefit?—(*Mr. Wright*): Provided that the funds are forthcoming, we are not suggesting that the present maternity benefit should be abolished. We think it is necessary and should be retained for the purpose of providing for the additional wants of the mother at that time, and also for the special requirements of the child at that time.

12,622. But if both could not be given, which do you prefer?—(*Mr. West*): I think the service in kind.

12,623. And you would transfer from the Local Authorities to the Insurance Committees the work under the Midwives Act of 1918, would you?—(*Mr. Wright*): Yes, that is so, so far as insured persons are concerned. (*Mr. West*): I think our opinion is that there would be no need of any transfer. It would be a dead letter so far as our insured persons were concerned. There would be no need of any action on the part of any authority, or any legislation, because it would, as far as insured persons are concerned, by the operation of the maternity and nursing services, become a dead letter.

12,624. Your next extension is the provision of extended in-patient hospital treatment and convalescent home treatment, and for this you would have a series of grants-in-aid instead of payment for the individual cases on the basis of services rendered?—(*Mr. Wright*): That is so.

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[Continued.]

12,625. Then we come to optical treatment and appliances, where again you are not in a position to submit an estimate of cost. You would, however, like to have such treatment administered on a local basis by the Insurance Committee for all insured persons in the area?—(Mr. West): We would.

12,626. In Chapter II of Section B you deal at length with the question of the extension of medical benefit and the maternity service to the dependants of insured persons and you give us some very interesting calculations. I have dealt already with the question of the maternity service which on your calculation in paragraph 34, appears to mean an increase of an eighth of a penny in the contribution. But the extension of medical benefit to dependants appears to mean 12s. 2½d. per insured person per annum or an increase of about 2½d. in the weekly contribution. Do you place this extension to dependants as subsequent in priority to the extensions recommended in Chapter I?—Expressing the opinion of the Committee, we do. My own personal opinion, of course, differs, but I am not here to express it.

12,627. The total cost of all those services would mean quite a substantial addition to the contribution and the Exchequer grant. You do think, do you, that the employers, the workpeople and the State are in a position to meet such substantial additions?—(Mr. Wright): Is your question: Do we think that these contributions are sufficient?

12,628. Assuming the present contributions are not sufficient, do you suggest that in order to provide these additional benefits as statutory benefits, an increase of contribution should be made?—We do think so, and that they should be made on the insured person, because the insured person will be relieved of a considerable amount of responsibility which he now has to bear.

12,629. It should be made on the insured person only, or on the employer and the State as well?—With a grant from the Exchequer.

12,630. What about the employer?—We do not recognise that the employer has the same responsibility from this point of view (Mr. West): The definite position of the Insurance Committee is that the employer shall not be asked to contribute more than he does at present for the provision of these benefits.

12,631. In paragraph 40 you suggest that certain sections of specialists and consultant services, the provision of dentures and optical appliances and the more expensive special medical and surgical appliances and of hospital and convalescent home (extended) treatment should only be available on the recommendation of the Insurance Committee. This would mean, would it not, that the Insurance Committee must have a considerable number of paid advisers just as in sanatorium benefit days when they had to have a paid adviser for that?—(Mr. Wright): It would not necessarily follow, we think, that the Insurance Committee must have a considerable number of paid advisers. Much of the assistance they require would be available, we think, through the Divisional and Regional Medical Officers, and also, of course, we have a number of doctors on the Committee who would be willing to render assistance in this direction. (Mr. West): Were these extensions forthcoming the probability is that there would be representatives of the additional personnel as members of the Committee, whose advice would be forthcoming just as much as it is to-day on medical benefit from the medical profession.

12,632. Do not you think you could trust the recommendation of the general practitioner in these matters?—Unless the Committee had some power over the methods of the general practitioner in these matters it would be to a large extent impossible for the Committee to secure that the benefits were dispensed with discretion. We want to safeguard that.

12,633. I do not propose to ask you any questions on Section C, though I have read your discussion of the problem with great interest; but I should like to know whether you consider that the attendance basis is on the whole preferable to the capitation system

of payment for general practitioner treatment?—(Mr. Wright): We would prefer not to give a really definite opinion upon that. At the time we entered into this investigation in reference to attendance we had a very definite opinion about it, but since that time there has been a change in the arrangements for insured persons, who can change their doctor at any time, and that has, of course, reduced to a considerable extent what I may speak of as the need for an attendance basis.

12,634. (Sir Arthur Worley): You were saying that on the Committee you have the advantage of medical men who can give advice. You would not expect medical men to give expert advice on a matter of that nature free of charge, would you? I mean, if a case comes up before the Committee, and medical men are on the Committee, you would not expect that they, in that capacity, should give expert advice free of charge?—(Mr. West): In sanatorium benefit medical men have given advice on cases.

12,635. You would expect to get the advice free of charge?—I think that they would carry out their duty as members of the Committee to the very best interests of the Committee.

12,636. That was not quite the point, if I may say so. You see you are imposing a new duty on them, or you would be doing so. There are cases brought up in which technical questions are involved, and the proposition is that you would be helped and guided by their technical advice. Would you expect that to be given free?—In so far as it lay within the ability of the Committee, as a Committee, to help in administration, it might be reasonable to expect that that help would be forthcoming.

12,637. It is a very simple question, with all due respect. You do expect that the medical members of your Committee would give you their expert advice on matters free of charge. You either expect that or you do not. It is either yes or no?—(Mr. Wright): We think they would in many cases; but, of course, we should rely for detailed advice upon the Regional Medical Officers very largely.

12,638. (Sir Alfred Watson): You have made proposals to us from your Committee, Mr. West, that it is perfectly evident would involve a considerable increase to the contributions now paid by insured persons. Can you tell us that the members of the Committee representing the insured persons are representing the views of the insured persons within the Committee area?—(Mr. West): I do not think that the members of the Insurance Committee have called together the members of the societies which they represent and obtained from them a definite statement or expression of opinion upon these matters.

12,639. How many members are there on your Insurance Committee?—35.

12,640. And 24 of them represent the insured persons?—Yes.

12,641. And you say they have not obtained the opinion of their members?—I think that is the case. (Mr. Wright): They evidently hold the view that it is a wise course to get these additional benefits because the insured persons they represent will be relieved of the responsibilities they have now to provide for in some cases out of their own pockets.

12,642. How many out of the 24 are actually elected by insured persons?—(Mr. West): That appears in our Statement of Evidence: directly appointed by Approved Societies, 9; elected by Approved Societies, 11, and 1 deposit contributor. That makes 21.

12,643. The 9 that are directly appointed by Approved Societies are simply appointed from some Head Office outside the county of Cheshire?—(Mr. Wright): Yes, I think that is so. (Mr. West): Of course, we are not aware of the method adopted by Approved Societies in the appointment of their members.

12,644. How many of these 21 ladies and gentlemen are themselves insured persons?—That is rather a difficult question to answer; but I should imagine that some half dozen would be insured persons.

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[Continued.]

12,645. They are not really very representative at best, are they?—I would rather not answer that question.

12,646. (*Mr. Evans*): I understand that only one member of your Committee was really paid for loss of remunerative time. Does not that suggest that you only have one man?—(*Mr. Wright*): I am under the impression that that is the case. (*Mr. West*): I should like to correct that. I think there have been, since the reduction of the Committee, four members of the Committee who have put in claims for compensation for loss of remunerative time; but these members do not always put in such claims, inasmuch as on occasions they do not lose wages. They have in every case put in a certificate that they suffered an actual loss of wages.

12,647. I do not want to follow that up. The members of the Committee are really wage-earners?—Yes.

12,648. With regard to dental treatment, you say that the amount of treatment that would be meted out could not apply to the whole of the county of Cheshire. There would be certain rural areas for which provision could not be made, because the number of qualified dentists you have at present is rather limited?—It was not intended that that should be inferred from the reply given, but that in some purely rural areas it might possibly arise that there was not a sufficiently great population to justify a dentist practising in that particular district.

12,649. Have you any school clinics in the county of Cheshire under the Education Authority?—Yes.

12,650. Are there any of these travelling clinics?—I am not aware of travelling clinics. (*Mr. Wright*): They go from place to place.

12,651. Do they do that in the country villages?—I think they do. I know they come to the place where I live, which is a small place of about 5,000 inhabitants.

12,652. To what extent do you think the work done by the school clinics under the Education Authorities is going to affect the health of the people of Cheshire?—(*Mr. West*): We have suggested in connection with an extension of benefit to dependants of insured persons that the value of this service should be taken into account.

12,653. Do you work in harmony with the Education Authority, or do you simply want to take that over from them entirely?—If you are referring to an extension of medical benefit to the dependants of insured persons, that is a matter which would require to be determined really by the necessities of the case. It is not suggested that the medical inspection of school children should be removed from the authority of the Board of Education.

(The Witnesses withdrew.)

Alderman C. GOODACRE and Mr. T. CREW, called and examined. (See Appendix XXXV.)

12,660. (*Chairman*): You are Alderman C. Goodacre, J.P., ex-Chairman of the Leicestershire Insurance Committee and a member of the Leicestershire County Council?—Yes.

12,661. And you are Mr. T. Crew, Clerk to the Insurance Committee and a member of the Executive Council of the National Association of Insurance Committees?—Yes.

12,662. Your Statement of evidence is confined mainly to questions of health propaganda. May I take it that you support the general proposals of the Federation of Insurance Committees and that, therefore, you have not thought it necessary to submit any separate evidence with regard to them?—(*Mr. Goodacre*): That is so.

12,663. Before going on to the main subject of your evidence, I should be glad to learn whether you think the Insurance Committees have fulfilled a valuable

12,654. How could you on the Committee work in that watertight way and not have some sort of link with the public authorities and the school authorities?—You are now coming to a great question which is not a matter that can be answered by two or three replies; it is the great question of co-ordination. That is a matter which we would much rather fully develop; and inasmuch as you have other witnesses waiting, I do not think it would be fair, either to you or to us, for us to reply by very short answers to such a question. It is an exceedingly involved matter. It is one to which we have given a great deal of consideration and one which we would prefer to submit to you with proper opportunity for discussion.

12,655. I am wondering what your idea of dental treatment is? Do you suggest that mere extractions would be enough?—No.

12,656. What about the preservation of the natural teeth? Do you think that ought to be mainly the object?—On the question of dental treatment, we have given the matter quite a considerable amount of attention. I would rather quote our considered opinion on this matter, if I may. We are of the opinion that the system of payment for dental treatment should have as its first consideration an incentive on the part of the profession to treat cases in the very earliest stages. The system should further avoid an undue obligation to make special application by forms, or otherwise, on the part of the patient. An insured person should be as free to apply to a dentist at any time as he is at present free to apply to a doctor. For this part of the service, that is to say, advice and relief of pain by extraction or otherwise, the dentist should be paid a capitation fee, and in respect of services beyond those—fillings, dentures, etc.—he should be paid according to scale. I think that perhaps meets your point.

12,657. (*Mr. Jones*): You approve of the present system of Regional Medical Officers, do you not?—(*Mr. Wright*): We have found it very useful.

12,658. Would you go further, in fact, and allow these men opportunities for undertaking surgical work?—Yes.

12,659. I do not want to enter into the difficult problem of making physicians into surgeons, but if they undertook those or any other duties, would not it involve more time on their part? I am assuming that they are fully employed at the moment?—It would involve probably an extension of the personnel. I should like to say with reference to dentists in rural areas that the position is exactly the same as it is with regard to doctors. Doctors are not resident in these rural areas. The insured persons would have to travel to the dentists.

(*Chairman*): We are very much obliged to you. We have read your long Statement with great interest.

and useful function in the scheme of National Health Insurance, and if so, in what ways?—Speaking from one's own experience my answer to that would be undoubtedly, "Yes." As regards the larger question that is being submitted by the Federated Committees, I would prefer to leave the full answer to them; but I might make an observation from my own personal view of the matter. So far as my experience has gone, confining myself to the Leicestershire Committee, the members of that Committee have been live members. They have felt the responsibilities devolving upon them, and as far as ability allowed they have discharged those responsibilities in a worthy manner. They have been assiduous in their attention; their attendances have been most regular, and in the general work of sub-committees, as apart from the Committee itself, they have shown a desire to take their share. If we could assume for one moment that

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there is no Insurance Committee, the work would have to be done by someone. Looking round at the various authorities, take the District Councils; they are overburdened. Unfortunately, I am a member of a District Council myself, and I was sitting from 11.0 to 6.30 at our last meeting. Then you come to the County Council. My experience of the County Council, apart from the minority of its members, is that they show no desire to engage in insurance work. We have the privilege of sending six representatives to the Leicestershire Insurance Committee. We had a vacancy for a long time. We could not get any of the old members to accept the position as a member of the Insurance Committee, the reason being: "We are overworked now and we cannot take on any more." It was not until we got a new member who did not know what the amount of work really was that we were able to fill that one vacancy. Assume the Insurance Committees were swept away and this work was delegated, say, to the County Council. I wipe out the District Council as being impossible because it is sectional; we have no less than 14 of them in the County and you could not divide the County into 14 portions. Therefore, the only unit representative of the whole of the County is the County Council. If you cannot get full representation on the Insurance Committee from the County Council, how can you expect the County Council is going to take on insurance work? They have more important duties. That is the reason they will not take on insurance work. Their time is as fully occupied as individual members care to be occupied. My first experience of the County Council was that sub-committees would meet perhaps once a month; then they got to once a fortnight, and then they got to every Saturday. Every Saturday is crammed full of various sub-committees of the County Council.

12,664. Do they sit all day on Saturday?—All day, some sub-committees or other. Not only on Saturdays do they sit, but we find even Saturdays insufficient, and every three months we have to take in other days of the week in addition to Saturdays. That is how the Leicestershire County Council is worked to-day. We have only got at the present time six members who will devote that extra day to insurance work. We only had five at one time but we have got six to-day. The County Council have a rule that only so many committees shall be allocated to each member; that is, a member of the County Council can only serve on so many committees. I have been at my full quota ever since I have been a member of the Council, and that is from its birth. I would not give up any one of those committees to take on insurance work, wrapped up as I have been in that work. I should prefer to remain on the old committees whose work I know rather than give up one of those committees to take on the Statutory Committee which might be allocated to insurance work. For that reason I say that the work if sent to that body would not be done so efficiently, so well, and so devotedly as it is done by the existing Committee. May I give you just a few instances illustrative of that point? I myself—and mine is a common experience—have been approached by more people that I care to count on the difficulties that present themselves in the working of the Insurance Acts. I am speaking now of insured persons. Only the other Sunday morning a man came to me from a neighbouring village. I happened to be just outside, and he said: "Is this Mr. Goodacre's?" I said: "Yes, and I am the man." He said he had come over from a certain village (it was a contiguous village to where I live), and he said: "I spoke to my master and he advised me to come to you because you are a member of the Insurance Committee." It was a trouble he had over his insurance card. His Approved Society had been swallowed up by or transferred to another Approved Society, and in the process he somehow found himself without a doctor. He wanted a doctor. In various ways it is the experience of every member of our Insurance Committee that they are useful to the general body of insured persons

in that way. (Mr. Crew): I would like to add that undoubtedly the Insurance Committee is performing a valuable and useful function. My main reason for saying it is that I believe the Insurance Committee has been the channel or link whereby insured persons have sought advice not only in regard to the Insurance Act itself in respect of medical benefit and sickness and disablement benefits but on tuberculosis treatment and even domestic affairs. I believe the Insurance Committee will come more into the life of the rank and file of the people. They are familiar with the local conditions of insured persons and with the innumerable subjects they represent to us. I feel that the Insurance Committee has been a means of arousing the insured community to a sense of its own responsibility for health, and that to my mind has been one of the reasons of our success. We get more into touch with the general community, and this is one of the greatest factors towards the prevention of disease. Again, to prove the value of the work of the Committee, I would refer to the Departmental witnesses who have spoken highly of it, even from the Ministry itself. Sir Alfred Mond, when he was Minister of Health, thought fit quite spontaneously to express his appreciation of the valuable services rendered by Insurance Committees when the Committees were reduced in size. That is sufficient evidence to my mind to prove the usefulness of Insurance Committees.

12,665. I think you were present when I read some extracts from former evidence which, shortly, seemed to describe the work of the Insurance Committees as at present constituted as a farce. I take it from what you have said, Mr. Goodacre, that you do not agree with that?—(Mr. Goodacre): Far from it.

12,666. I see from paragraph 18 of your statement that you have now been able to achieve a certain liaison with the Public Health Committee through the Medical Officer of Health. Perhaps you would amplify for us a little your views as to the value of the results of this?—Of course under the Insurance Act the Committee have the right to ask for the services of the Medical Officer of Health of the County. The County Council have the right to refuse and they have the right to grant that. To a limited extent they have granted those services. The doctor recognises the value of the insurance work and he is in sympathy with the Insurance Committee. The County Council have granted him permission to attend every meeting of the Health Propaganda Sub-Committee and the services of the Medical Officer of Health have been most valuable in that respect; in fact, I might almost say he edits our scheme of health propaganda work so that we shall not go about the business in an amateurish way, doing mischief. (Mr. Crew): The effect of the alliance with the local authority has tended to greater interest by the insured persons, inasmuch as the Medical Officer himself, the Tuberculosis Medical Officer, the Assistant Medical Officers and the Health Visitors and Nurses have come more into personal contact with the insured persons and stimulated interest, a very great deal. That is why we are encouraged to go on further in this work, and I strongly urge that there should be greater co-operation with Medical Officers of Health and that there should be more distinct emphasis laid on the fact that local authorities should meet Insurance Committees in this direction. There is a certain amount of hesitancy to meet Insurance Committees on the part of some local authorities. It is a matter of personal diplomacy as well, and we would like to see greater co-ordination in that respect. The work to be done varies according to the degree of support and particular encouragement and according to the particular conditions of the area. When you are dealing with rural areas it is a very difficult problem. I have spent on an average about £80 per annum, but I could usefully have done with much more. You can, however, only give according to your funds, and must make them last as long as possible.

12,667. Could you get the funds now for this purpose?—Generally speaking, there are no funds

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available to the Insurance Committees to help the propaganda work except the ordinary bank interest, and that is absorbed in the main by the contribution to the National Association of Insurance Committees and the travelling expenses of members to the National Conferences; but there is a new regulation now by which a sum may be transferred from the Administration Fund to the General Purposes Fund. It is under Article 58 (1) (2) of the Insurance Committees Regulations, 1924, by which a transfer can be made out of your ordinary Administration Fund.

12,668. Is that the source from which you have had the funds up to now?—We have just exhausted our amount. I had about £1,500 altogether.

12,669. Where did you get that?—From the monies claimed from the insured persons who were given institutional treatment. If they had no dependants the Insurance Committee had the right to claim that money. That ceased in 1918. As you know, under the Civil Service Supplementary Estimate £20,000 was promised for this sort of work, and that has not been renewed at all.

12,670. Have you any indications that what you have done in this direction has really improved the health of the people of your area?—(Mr. Goodacre): As regards that question you have only to interview the doctors, who in their daily rounds know of, and express their delight at, the improved conditions they find in the homes of the people. I myself went into one of our Elementary Schools during Health Week when a doctor was giving a lecture. I presided for him. I sat there and heard the doctor giving his speech to the children in a simple way and with simple expressions, the children giving him whole-hearted attention (and that is something marvellous for children to do); and then after he had finished I put a few questions to those assembled to see how far they had gathered what the doctor had sought to impart, and the replies I received were amazing. When I came away from that school I thought to myself: "Here is the secret whereby the position of a C.3 nation may be retrieved, for these children in a few years will be the fathers and mothers of England, and the lessons they learn to-day will have an influence on their lives whether they know they are so influenced or not." In that way it is doing an immense amount of good.

12,671. Were these lectures well attended by the school children?—Yes. (Mr. Crew): They are bound to be; it is under the education curriculum arranged through the Education Committee. (Mr. Goodacre): On another occasion I went to a Grammar School, and there I found on the part of those approaching 17 years of age the usual thing: they were too superior to be taught anything. There I was again amazed at the few elder ones amongst the children assembled in that Grammar School who adopted that line. Even they began to listen carefully to what was being said, and they were actually amongst the first to give an ovation to the lecturer at the close. One other example I will give to you. I took the Chair for a doctor at what is known as a public meeting. The room was crammed full of adults. The doctor spoke to them in simple language on the skin. I need not give his illustrations. You know the importance of the question, the skin being a breather and an excretor too. Then of course naturally followed the importance of personal cleanliness. The doctor spoke for an hour on the skin alone. Then he went on to clothing and blood, and so forth, and if he had been talking till 12 o'clock I do not believe there would have been a soul go out from that audience. They were hanging on his words—every one of them adults. At the close they besought that doctor to come again. He had not time to complete the whole list of subjects that he had given out, and they would not let him leave the room until he had promised to come again at an early date.

12,672. Had you many of these meetings for adults?—They were held all over the county. In one case a meeting was held, and a gentleman who had no connection whatever with insurance, except that he is

a large employer, was in the Chair. We got him to take the Chair because he was representative of the Parish Council, and so forth. At the close he was so delighted with what he had heard and with the information imparted to him, that he came up and said, "I like this work. Take this Five pound note." That is a sample of what we are doing. Further than that, we thought it advisable to call together the Local Authorities, and we circularised the Local Authorities in the County—the Parish Councils and District Councils—and we had a largely attended meeting of people sent from Councils all over the County who had heard the good work that we were doing. They came to that meeting to know what they could do to help on the work, and during the last Health Week practically all arrangements in the several villages in the County were made by the local bodies. That is the work that we are doing in Leicestershire, and that is the effect it is having on the people. (Mr. Crew): I would like to add, purely from the medical point of view, that of course we rely mainly upon the doctors who are most interested in our health propaganda. Naturally, at the beginning they were not so inclined to undertake this work, but the whole of them now, after seeing the splendid results are anxious to do anything they can. What has pleased them most is to see the alteration in the habits and homes of the people. Doctors have reported to me frequently how they notice the change, and the fact that the child has even set an example to the parent. The parents have come to the doctor to say so, and the doctors have seen the more cleanly conditions in the homes of the people. That is why we can perform a useful work, because we are more in touch with the insured persons. (Mr. Goodacre): I would like to say that this was not always so. At the commencement of this work we met with nothing but discouragement. An eminent doctor in our County volunteered to go round giving simple health talks to the people on how to avoid those minor illnesses which really sap life in the end. It was a deplorable meeting. I should think all told there would not be more than fifteen there, and out of the fifteen not one of the class we wanted to reach. But it was the beginning of the work, and I believe that the other occasion to which I referred when the room was crowded, was a direct result of that small beginning; the matter had grown.

12,673. I see that you state in paragraph 20 that the Committee has concentrated on section 107 of the Act. We have been told by other witnesses that this section is unworkable. What have you to say to this?—I speak as a member of a Sanitary Authority, and I speak as a one-time Chairman of the County Sanitary Committee. I have no hesitation in saying that I should be very sorry to see my Committee involved in any dispute arising under Section 107 whereby penalties are claimed from a local authority. I think they would meet with disaster. But there are certain other parts of that, such as the gathering of information as to the health of districts in the County, which are most valuable. For instance, the Chief Medical Officer of the Ministry of Health recently issued his Annual Report, and he emphasized the ravages of rheumatism. I think he went on to say that one-sixth of the population suffered from rheumatism. He gave the total number of days lost and the amount, approximately, of the sickness benefit that had to be paid, which was appalling both in the number of days and the amount. The Health Propaganda Committee of Leicestershire, seeing this, sent circulars round to every doctor on the panel in the County asking them to report on the conditions which in their particular area were conducive to rheumatism. The number of replies show the interest the doctors take now in our propaganda work, because almost every doctor in the County reported on the incidence of rheumatism and the conducting causes of rheumatism in their particular areas. I will not worry you with the whole of it, but I wanted to show you that this is one of the valuable provisions in section 107. (Mr. Crew): To work it in itself is impossible, owing to the varying methods of adminis-

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tration of Approved Societies. I endeavoured to get this information, but it is impossible to get it from the national centralised societies. A few local societies were able to give me information, particularly the National Union of Boot and Shoe Operatives, and I might say that the Committee along with that Society made a request to the Ministry of Health to hold an inquiry into the tuberculosis incidence in a certain district of Leicestershire. The replies we received have been very useful, and some valuable information has come to light. Of course, we in turn collate the figures we have received and submit them to the Medical Officer of Health, who works with us, and also to the various District Councils, to try and remedy as far as possible the different health conditions which are occurring all over Leicestershire. We have the co-operation of the District Councils in this respect.

12,674. Perhaps you would give us a brief outline of what you consider the future of medical benefit should be and what the relations of medical benefit to other health work in the area? These highly important matters are not dealt with in your Statement, but we shall be interested to hear the views of an individual Insurance Committee?—(Mr. Goodacre): I have not come to answer on the general attitude in insurance matters; I have rather come to explain this side line of the Insurance Committee work.

12,675. (Professor Gray): How many Insurance Committees, can you tell us, have gone in for health propaganda?—(Mr. Crew): You have to understand that Insurance Committees have many difficulties to contend with in their application of that section of the Act. Some Committees have funds at their disposal and others are not so well placed. Local Authorities are not aware, to a great extent, that they can give pecuniary assistance to Insurance Committees. There seems to be some hesitancy on the part of Local Authorities to give grants; but it is laid down by the 1924 Act that it is lawful for a Local Authority to make a grant. I should say that there are about 40 to 50 Committees altogether at the present time who are, in some form or other, dealing with health propaganda; but that has only been within the last two or three years to any appreciable extent.

12,676. Have you any grant from your Local Authority?—Not from the Leicestershire Council but that is under negotiation at the present time. We have had assistance from Urban District Councils and an Education Committee.

12,677. (Chairman): And a grant of money from them?—Yes, and from societies on their voluntary side.

12,678. (Professor Gray): You mention the importance of propaganda in each area. I imagine you would agree that if this thing is going to go on it is very desirable that there should be some sort of co-ordination in the business. After all, what is good for you is good for other areas?—Yes.

12,679. You would not like to have your placards peculiar to your areas. What is effective in one area would be effective elsewhere?—Not necessarily so; you have to apply it to local conditions.

12,680. But the campaign against the fly is common property?—Quite; that would be national.

12,681. Then with regard to financing the business, your contention—and I think it is a good contention—is that this propaganda ultimately assists the societies' funds?—Yes.

12,682. Do, or can, societies help to pay for this?—They are not permitted under the Act to make any grant from their sickness or disablement funds, and the only way they can do it is through their voluntary side. It can only come in the form of a direct contribution as a first charge similar to medical benefit, if the Act is so amended.

12,683. I presume if societies' funds were saved by this, there would be quite a good case for suggesting that they might be enabled to contribute to propaganda which was effective for that purpose?—I would not suggest that individual societies should make a

contribution because you would have such a complex application of societies that it would be difficult to apportion what contribution they should give. One would prefer it to be a definite charge upon the insurance contribution, say one half-penny per member. That would create a central fund. I have estimated that if it is worked on similar lines to medical benefit and there is a charge of one-halfpenny per member, we would receive £26,390 per annum for a national fund. To my mind that, properly distributed according to the insured population, would give Leicestershire an allowance of £215 per annum, and that would be most effective for our needs.

12,684. You have had a good deal of experience in various forms of propaganda. Can you tell us which you think is the most effective?—It is very difficult to state that. You have to engage various forms in accordance with local conditions and requirements. I am very keen about the children, showing films, and also suitable literature through Insurance Committees for the benefit of insured persons.

12,685. It is very difficult to link up the advantageous results of propaganda with the amount spent upon it?—Yes, it is.

12,686. You may spend on posters on hoardings, or you may spend on lectures at the schools, or you may spend on leaflets and in other ways. Some of them may be ineffective?—Yes, but you do not know where you are sowing the seed of enlightenment.

12,687. Quite so. Others again may in fact be much more efficient than the others?—Yes; it is very difficult to state in general terms: it is according to the peculiar conditions of your area.

12,688. Possibly lectures in schools would be as good as any?—That has been one of our features, and it has been of great effect. It has been noticeable from the improvement in the homes that the parents have received benefits thereby.

12,689. (Chairman): What are the special features of the literature that it should be so helpful in your case, and what leads you to think it might not be so helpful elsewhere?—I am dealing in particular with the posters and the distribution of literature. It is very difficult to distribute health literature unless you have ways and means of doing it. When you get into scattered areas a lot of it is liable to be wasted; whereas in a compact area you can use it to advantage.

12,690. (Professor Gray): You have rather specialised in posters, have you not?—No, we have not. To be quite frank, I am not in agreement with these big posters. I think they are a great waste of money. They entail a great deal of expense in finding special places for them. We have specialised on small posters to be put in doctors' surgeries, factories and shops, where the rank and file can see them.

12,691. Do you find that they get across the footlights and get home in certain cases?—Certainly. They enlighten the mind of the individual.

12,692. What kind of things are these small leaflets?—I have some samples of them. We gave up the big poster and these are what we have kept. They are applicable for any year. We did not put the date on, and we have different phrases of health information upon them. (Mr. Goodacre): I was met by a certain doctor on our panel and he said: "I have seen a number of your advertisements this morning." I could not think for the moment what he meant. He said: "Your health literature. They are hanging up in all the cottages that I have been in this morning." (Mr. Crew): The great feature of our distribution of literature is to get them into the homes of the people. That is the difficulty, and that is why I believe in co-ordination with the Local Authority. We also work with the Education Committee. The children act as messengers for delivering these small posters and cards, and they take them into their homes.

12,693. (Sir Arthur Worley): Which do you place first, these posters or the school lectures or the adult lectures, as being the most valuable in your district?—(Mr. Goodacre): I think they want combining and working together. You want the posters to attract

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and to remind, and you want the doctor as the man of importance to give the lecture. May I interpolate here a remark I heard? I was in a certain school where the doctor gave his address, and at the close the schoolmaster proposed a vote of thanks to the doctor. He turned to the children and he said: "Now you have heard the voice of authority on what I have been trying to teach you. You will believe it now it comes from him." I thought what a thing that was: We had got the man of authority there! Up to that time the schoolmaster was the man of authority in the village; he was the one the children thought was the only one. But he was no use and the doctor was, because he was the man that the children looked upon as the man who came to their home in time of trouble, and they found him in the school. He was the children's friend.

12,694. (Chairman): Is there anything else you would like to add, Alderman Goodacre?—I do not think there is anything that I would like to add to the statement that has been put in beyond this: When we lost our source of income—I need not

repeat what it was—there was a kind of promise: "Notwithstanding the fact that we are taking this away from you" (I did not object to the taking of it away) "it shall be made up to you." Well, it never has been made up to us, and now after all our valuable work we are face to face with bankruptcy, and unless means are provided for us in lieu of those which were taken, our work must cease. If it does cease I should look upon it as a national calamity, because we are practically gingering up other insurance people to the value of this work. I would far rather prevent disease than cure it after it has been incurred.

12,695. There would be no chance, would there, of your getting a grant from the rates for work of this kind?—(Mr. West): We are making enquiries through the Minister of Health. (Mr. Goodacre): This is rather a wrong time to go to the rates; everything is on the high water mark.

We are very much obliged to you. Your evidence has been short, but it has been extremely interesting, and we have to thank you for coming here.

(The Witnesses withdrew.)

## TWENTY-THIRD DAY.

Thursday, 26th March, 1925.

PRESENT:

SIR ANDREW DUNCAN in the Chair.

THE RT. HON. SIR JOHN ANDERSON, G.C.B.  
SIR HUMPHRY ROLLESTON, BART., K.C.B., M.D.,  
P.R.C.P.  
SIR ARTHUR WORLEY, C.B.E.  
MR. JAMES COOK, J.P.

MR. JOHN EVANS.  
PROFESSOR ALEXANDER GRAY.  
MR. WILLIAM JONES.

MR. E. HACKFORTH (Secretary).  
MR. J. W. PECK, C.B. (Assistant Secretary).

The Reverend W. D. YOWARD, Mr. EDWIN POTTS, Mr. W. M. MARSHALL, and Mr. F. LLEWELLYN JONES, called and examined. (See Appendices XXXVI, XXXVII and XXXVIII.)

12,696. (Chairman): You are the Reverend W. D. Yoward, Vice-Chairman of the Federation Committee of the English, Scottish and Welsh Associations of Insurance Committees, and ex-President of the English Association?—(Mr. Yoward): Yes.

12,697. And you are Mr. Edwin Potts, Honorary Secretary of the Federation Committee and of the National Association of Insurance Committees?—(Mr. Potts): Yes.

12,698. You are Mr. W. M. Marshall, ex-Chairman of the Federation Committee and Honorary Secretary of the Scottish Association of Insurance Committees?—(Mr. Marshall): I am.

12,699. You are Mr. F. Llewellyn Jones, Chairman of the Federation Committee and Past President of the Association of Welsh Insurance Committees?—(Mr. Llewellyn Jones): I am.

12,700. While you are all appearing on behalf of the Federation Committee, I understand that you, Mr. Yoward, and you, Mr. Potts, are also representing the National Association of Insurance Committees, that is, the English body; while you, Mr. Marshall, are representing the Scottish Association, and you, Mr. Llewellyn Jones, the Welsh Association. Is this so?—(Mr. Yoward): Yes.

12,701. I propose, in the first place, to take you over a number of minor suggestions contained in Chapters I to XI of the very full Statement which you have submitted. Thereafter I will go on to

Chapter XII, which contains your important recommendations as to the scope and administration of medical benefit and its relations to other medical services. A large part of your Statement is historical and descriptive, and though we may not question you on such matters, you will understand, of course, that we shall carefully consider the whole Statement?—Thank you.

12,702. In paragraph 24 you indicate that a contributory superannuation scheme for the staffs of Insurance Committees was submitted to the Minister of Health, but that he determined that consideration of the matter must be deferred pending a Report of this Commission. Would you indicate to us briefly why you consider such a scheme desirable and outline the form you think it should take?—A Departmental Committee on the Superannuation of Local Government Officers reported fully in 1919 upon the advantages of a joint contributory scheme of superannuation for all officers of Local Authorities, and reference is made to paragraphs 27 and 28 of their Report. Briefly the advantages of a superannuation scheme are two-fold. On the one hand it would ensure the employees and their dependants against want in old age, disability, death, and, to some extent, resignation and dismissal: on the other hand, it would facilitate the elimination of dead-wood from the service, attract a better type of employee, promote *esprit de corps*, and improve generally the efficiency of the service. The form which it is considered the scheme should take is



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[Continued.]

outlined in a Report dated May, 1920, pages 16 to 18, prepared by the Joint Superannuation Committee of Associations of Committees, Clerks, and Officers. (Copy handed in.) The scheme followed closely the Report of the Departmental Committee. As stated in that Report, staffs of Insurance Committees are the only persons performing duties of a national character who are not provided with superannuation. Attempts were made recently to secure inclusion in the Local Government Officers' Superannuation Bill, but in view of the definition given to the term "local authority" in that Bill it was not possible for Committees to take advantage of that measure. Insurance and Pricing Committees are unanimous in their desire to secure a comprehensive scheme of superannuation for their staffs, and the true obstacle to a scheme being set up would appear to be a financial one. Even Approved Societies are not opposed to a superannuation scheme.

12,703. I see from the same paragraph that a voluntary scheme did come into operation on the 1st September of last year. Perhaps you would give us a short description of that scheme?—The voluntary scheme of superannuation is upon similar lines to the Report of May, 1920, but was based on a contribution of 5 per cent. by the employees only. The scheme was submitted to Mr. Duncan Fraser. The superannuation allowance provided is one-one hundred and twentieth of the average salary only, in lieu of one-sixtieth recommended under the joint contributory scheme, and in the case of any entrant aged 30 and upward a slightly less superannuation allowance is payable owing to the 5 per cent. contribution being insufficient to provide the full benefits.

12,704. I take it that you desire to pass from the voluntary scheme to a compulsory contributory scheme as soon as possible?—I think that would be satisfactory.

12,705. Have you anything in your mind as to any addition that might be made under a compulsory scheme, or is it the same type of scheme that you desire as you have now?—The type of scheme would follow very closely that of the Local Authorities.

12,706. In paragraph 31 I observe that you think the Association should be directly represented on behalf of the Insurance Committees in any central negotiations with the medical profession relating to the terms and conditions of service. I take it that you desire to have something more than merely a consultative position in this matter. Perhaps you will indicate to us what sort of representation you have in mind?—(Mr. Potts): The terms and conditions of service to which this paragraph refers are matters which very closely concern Insurance Committees who are responsible for the administration of medical benefit. It is true, as stated, that Insurance Committees have been consulted, but such consultations generally take place after the terms and conditions have been practically agreed upon between the Minister and the medical profession. The Associations are of the opinion that they should be brought into consultation from the commencement of any negotiations relating to terms and conditions of service. Instead of separate consultations it is suggested that the Minister should arrange joint conferences of the interested parties, including Insurance Committees.

12,707. In paragraph 37 you state that it would be an advantage to restrict the present right which the Insurance medical practitioner has to be included on the Panel List. Do you contemplate that such admission should be dependent upon the consent of the Insurance Committee? If so, to what type of questions would the Committee address itself in considering the matter?—It is suggested that precisely the same procedure as in the case of chemists should be followed, namely that where the Committee have any knowledge that it might be

to the prejudice of the Insurance service they should have power to make representation to the Minister with respect to the exclusion of a practitioner on grounds such as the following: (1) physical incapacity or infirmity; (2) previous withdrawal from list to evade removal; (3) unsuitable arrangements proposed for conduct of practice, for example, residence, surgery, etc.

12,708. Would you not expect strong resistance to this restriction from the medical profession in view of the rights which they have enjoyed for over 12 years?—It is considered that the profession would regard the restriction as being in the best interests of the profession.

12,709. Have you discussed it at all with members of the medical profession?—It was discussed at a joint conference that we held with them some time ago, and they strongly expressed the view that in any matter of this kind it would tend to improve the service generally, and they were very anxious that the service should maintain a high standard. (Mr. Yoward): Personally, I know that is the case; they would welcome it.

12,710. They would have no objection to Insurance Committees being consulted on it?—(Mr. Potts): No, provided it was done by means of representation to the Minister. The Minister must be the person to decide. For instance, on that last question, as a result of the same conference, arrangements were made under which the Panel Committees and Insurance Committees jointly are inspecting the surgeries in every Insurance Committee area and reporting on them jointly, and a great deal of improvement, as is stated later on in our Statement, has resulted from these investigations.

12,711. I imagine that in any recommendation of this kind that the Insurance Committee might make they would carry the medical members of the Committee with them?—It is to be hoped so, certainly.

12,712. At any rate, there would be a full right of consultation?—Quite.

12,713. From paragraph 39 I observe that you consider that the definition of the range of medical service is not yet quite satisfactory. Do you consider that this is inherent in the present position, that is, in the difficulty of demarcating general from specialised treatment, or have you any concrete suggestions for improving the definition of general practitioner treatment?—The difficulty is inherent in the present position. It is not always possible to say immediately whether any particular service is within the scope, but this refers only to border-line cases. Similar questions must arise even if specialist and consultant services are made available under the Insurance Scheme. We offer no suggestions with respect to the alteration of the definition.

12,714. One rather gathers that the view you now express is somewhat inconsistent with the present experience?—There is no real inconsistency. In practice few questions are raised, and those that are can be dealt with under the existing machinery, which does not, however, make it always possible to decide at the moment that a particular service is rendered whether it is within the contract. A practitioner having rendered a service must notify the Committee if he proposes to charge the patient a fee, and in due course, if the service is held to be within the scope, he is notified of the fact.

12,715. Have you had such difficulty in determining whether the service was within the scope or not in actual experience?—No, but it takes a considerable amount of time to settle any particular case. It is not obvious at the moment when the service is rendered.

12,716. Your object is rather to avoid the question having to arise?—Quite so, especially where the patient is called upon to pay a fee. (Mr. Marshall): There are few questions raised, but the point is that

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those few questions that are raised lead to rather longer delay than is desirable in the interests of the insured.

12,717. If there was fuller and clearer definition these questions might not arise, is that so?—I doubt whether it would be possible, humanly speaking, to frame a definition that would avoid all difficulty in border-line cases. We merely point to the difficulty of deciding whether certain cases are within or without the contract.

12,718. No definition has occurred to you?—No.

12,719. In paragraph 50 you suggest that Insurance practitioners should be required to issue recommendations for dental or other treatment where such is necessary, even though no question of incapacity for work is involved. Do you think that the doctors would be willing to accept this requirement without additional remuneration?—(Mr. Potts): Possibly not. The duty would obviously be one of the factors to be considered in determining the rate of remuneration. If dental benefit were available to all insured persons this requirement would undoubtedly be necessary.

12,720. Do you contemplate that if dental benefit were to become a normal benefit under the Act it would be given only on a medical certificate?—I should assume in most cases it would be recommended on medical grounds.

12,721. Are you assuming that a medical certificate would be an essential for getting dental treatment?—It would be the normal procedure.

12,722. That is rather a different point, is it not? Do you think it ought to be not only the normal procedure but a condition of getting the benefit?—Yes, on the whole it ought to be.

12,723. You see no difficulty about that?—We see no difficulty.

12,724. In paragraph 54 you draw attention to a difficulty in connection with certificates of incapacity, and suggest that this difficulty will continue so long as the Act does not make provision for payment of benefits during partial incapacity. Do you suggest that benefit should be paid in respect of partial incapacity? Would not any attempt to define partial incapacity be surrounded by very great difficulty, and would the problem of supervision not be insuperable?—We make no such suggestion, but merely mention a difficulty which will persist so long as payment of sickness benefit is confined to total incapacity for work. We understand that even now many societies do provide sickness benefit for a reasonable period to insured persons certified to be fit for light work.

12,725. Have you no recommendation or suggestion to make in connection with it?—No. The only suggestion that the Association has ever put forward was that tuberculous persons might be allowed to do a certain amount of light work recommended by the Tuberculosis Officer, and should receive a certain amount of assistance by way of sickness benefit.

12,726. Are you recommending that in connection with tuberculous patients?—Yes, we have no reason to alter the recommendation.

12,727. Do you confine it to that class of patient in your recommendation?—Yes. Another class we had in mind was trainees in Government factories. There has been a considerable amount of difficulty in dealing with these men.

12,728. You mean ex-Army men?—Yes. Some go into those factories and are in receipt of sickness benefit on entry; others are not. They are all together and are doing the same kind of training work, and they feel that they should be all receiving the same benefits.

12,729. Might it be put thus: a restricted amount of work under medical supervision should not be regarded as ordinary work?—Yes, that is so.

12,730. (Professor Gray): Is that question of trainees still an urgent one?—Yes, we are still having

cases. We had trouble in my own area quite recently.

12,731. (Chairman): In paragraphs 57 and 58 you draw attention to certain defects in medical records and suggest that arrangements be made whereby Insurance Committees could take advantage of the information contained in medical records and compile statistics and information as to the cause and incidence of sickness. Your object here, I suppose, is that Insurance Committees should be in a position to carry out more adequately that supervision of the health conditions of the area which the original Act contemplated. Is that so?—That is so. But another important object is the collection of information to be issued in connection with health propaganda. Information relating to all insured persons in the area would in this way become available to Insurance Committees, who should be empowered to deal with excessive sickness amongst the insured in their area.

12,732. What does "empowered to deal with" mean?—At the present time the Act says that these inquiries with regard to excessive sickness lie with the Approved Societies in the case of members of Societies and with Insurance Committees in the case of deposit contributors. In other words, they are to be based upon the actual cash payments by way of sickness and disablement benefits; these are the criterion of excessive sickness. We suggest that doctors' records of visits, attendances, and so on, would afford useful information with regard to all insured persons in the area, and these would be available to Insurance Committees.

12,733. What do you mean by "empowered to deal with"? Having got the information what would the Committees do?—Make representations which are provided for by section 107 of the Act. At the present time Insurance Committees cannot make any representations with regard to members of Approved Societies.

12,734. Then is the answer to the question I put in the affirmative, that this is intended to enable you to carry out more adequately that supervision of the health conditions of the area which the original Act contemplated?—Yes, and also for the collection of information for health propaganda purposes. It is under both sections, 50 and 107.

12,735. (Sir Humphry Rolleston): I should like to know whether the machinery for carrying out those district inquiries would not be a burden on local bodies, and whether that information could not be better obtained by utilising the central machinery?—It seems that both central and local machinery would be essential in any scheme of this kind.

12,736. Would you locally have a sufficient amount of machinery to deal in an expert way with medical statistics, which is a very important branch?—We have the suggestion that Regional Medical Officers should be brought into close connection with Insurance Committees, and we also have the assistance of the Panel Committees and various sub-committees on which doctors are represented. We ought to have as much technical experience as is required for statistical purposes.

12,737. (Chairman): The keeping of statistics is a considerable trouble in itself?—We would not suggest keeping them week by week. It would be periodical.

12,738. (Sir Humphry Rolleston): There is no local machinery doing expert statistical work of a medical character, is there?—There is no machinery because there is no work to do at the present time. We suggest that if the work had to be done the machinery would be forthcoming.

12,739. (Chairman): Sir Humphry is putting to you that if you were to undertake work of that kind it would require a very specialised and efficient machine?—It would, especially with regard to clinical work, but a good deal of the statistics

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would be prepared automatically. It would not require any special medical knowledge to analyse the number of attendances, visits, and certificates.

12,740. Still, that would not be of much service; you could not draw any inference from the number of visits?—(Mr. Marshall): You could draw an inference from the nature of particular diseases.

12,741. Yes, and that is the special purpose to which Sir Humphry refers?—We would point out that in Scotland, as you probably know, Sir, there is a different system of medical records in operation. The doctor is required to prepare annually a summary card in respect of every patient to whom he has issued a certificate during the year, and these summary cards are sent to the Scottish Board of Health. There they are kept for some years and, as far as I know, they lie on the shelves of the Board. If they are of no practical service then they should be dispensed with. It seems an unnecessary burden on the doctor to provide these summary cards if they cannot be used, but if they can be used then we suggest that we are the appropriate persons to deal with the material provided by them.

12,742. I can understand your suggestion that they should be dispensed with, but not the suggestion that they should lie on the shelves of your Committee rather than on the shelves of the Board of Health?—If that were all of course we would quite agree.

12,743. You think you could make practical use of them?—We should like to have the opportunity. The original Act contemplated that we should have the opportunity, and we do not doubt that if the opportunity were provided we could create machinery to deal with it.—(Mr. Potts): We do not mind, as I said, whether the information comes through the Central Authority to the Insurance Committee or whether we get it direct from the records, so long as we have the information available.

12,744. Quite. May we take it from what Mr. Marshall has said and from what Mr. Potts has said that you consider that Insurance Committees have fallen far short of the high anticipations originally formed?—As far as sections 60 and 63 of the original Act are concerned, we agree that Insurance Committees have, as a result of circumstances over which they have no control, fallen short of the anticipations of the promoters of the Act, but in these matters alone. As we have indicated in our Statement, Insurance Committees did, however, turn their attention to their powers and duties under section 50 of the 1924 Act quite early and in most cases made arrangements for health lectures and the publication of information in their areas in co-operation with the Council of the County or County Borough and the local Education Authorities. You have already had detailed evidence of the activities of an individual Insurance Committee, Leicestershire.

12,745. Do Insurance Committees generally do propaganda work of the kind we had described to us by that individual Committee?—Yes. The outbreak of war and the National Health Insurance Act, 1918, are mainly responsible for the suspension of this work, and in the absence of the necessary financial provision Insurance Committees generally have not felt themselves in a position to resume this work and develop it as they would have wished.

12,746. Have they consulted Local Authorities with a view to joint propaganda?—Yes, and they participate almost in every case with Local Authorities in National Health Week. (Mr. Marshall): Last week the Corporation of Glasgow concluded a series of lectures arranged in conjunction with the Glasgow Burgh Insurance Committee, at which there was an average attendance of over 900. (Mr. Potts): Often arrangements are made with the Education Authorities for the County or County Borough to issue joint pamphlets and leaflets.

12,747. Do you regard that class of work as an exceptional activity of some Insurance Committees

or as a fairly normal activity of most Insurance Committees?—A normal activity of most Insurance Committees, and one which all Insurance Committees would like to carry out.

12,748. Would like to carry out, I appreciate they have they in fact been carrying it out generally?—Yes, invariably. (Mr. Marshall): In varying degrees, of course.

12,749. The impression created by one Insurance Committee which appeared before us to describe what they had done was that it is something exceptional?—Oh, no.

12,750. It is open to that construction, is not?—It was exceptional in so far as the particular Committee regarded themselves as being pioneers in the movement right from the very commencement.

12,751. You think that class of work is quite general amongst Insurance Committees?—Not to the same extent as in Leicestershire, but I should say that most Committees have directed their attention at some time to this department and have done some work of this kind. In my own Committee we have a series of lectures every winter, chiefly in the outlying parts and rural parts of the County.

12,752. How are they attended?—Curiously enough they are well attended in the more remote parts; in the purely industrial parts they have not been so well attended.

12,753. The Glasgow attendance of 900 is good?—Yes, I am dealing with Lanarkshire, my own area. Further, we have had caravan tours through the County in connection with tuberculosis, we have given prizes to school children for essays and we have had film exhibits at cinema houses dealing with health matters generally, and I do not think Lanarkshire has taken any exceptional part in the work, though perhaps somewhat more than in the case of the smaller Committees.

12,754. What about Wales, Mr. Llewellyn Jones?—(Mr. Llewellyn Jones): I fear that owing to the fact that most of our Committees represent comparatively thinly populated areas, the funds at their disposal have naturally been very limited, and at one time we had considerable difficulty in carrying out the ordinary work of the Committees with the funds allocated to us, but in one connection, particularly during the war, there was a good deal of activity on the part of Committees, in association with the work of the King Edward VII. Memorial Association. Lectures were delivered throughout the greater part of Wales, and Insurance Committees were largely associated with the work that was undertaken by the officers of that Association. In recent years there has been a certain amount of co-operation between Insurance Committees and local Education Authorities. Also an attempt has been made by several Insurance Committees to get the local Health Authorities to take up the matter during Health Week that has been observed in various parts of Wales. It is the limitation of funds that has naturally prevented more being done in this direction.

12,755. What is your experience, Mr. Yoward?—(Mr. Yoward): We have published a series of articles in the local papers bearing on health and health matters drawn up by local doctors and one or two of us from time to time, and I believe they have been very useful indeed.

12,756. Is that throughout the County?—Throughout the County.

12,757. Who pays for that?—We were fortunate enough to get most of them in free as a matter of fact.

12,758. You get the press to do that?—(Mr. Potts): We have a note here of some Counties that have been particularly active in connection with the County Councils.

12,759. Could you let us have some information as to the nature of the work of that kind that has been

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done?—Yes. (*Mr. Marshall*): It is hardly reasonable to expect the smaller Committees to have done it to any very large extent.

12,760. I appreciate that. If all Committees normally have done it then it does show that it is an aspect of the work to which Committees are giving attention and feel worth while doing. As far as I understand the case made out up to now, it has been that the work has been worth while doing but there have been no funds to do it, and what is asked is that we should try to make arrangements so that funds will be available?—You will remember, Sir, that in 1914 Parliament definitely promised us a grant for this particular purpose. That is a long time ago.

12,761. We have been reminded of that.

12,762. (*Professor Gray*): What about London? Can you speak with any knowledge of London?—(*Mr. Potts*): I am afraid not, as regards this particular work.

12,763. (*Chairman*): If you can send us some particulars of that we shall be obliged?—Yes.

(*The particulars promised in answer to Questions 12,759 and 12,763 are now inserted at the end of Appendix XXXVI.*)

12,764. Does your proposal in paragraph 62 mean that though a doctor might have on his list a reasonable excess of the maximum limit, yet he would only be paid capitation fees in respect of the number up to the maximum?—Yes. My Scottish colleague has some papers which indicate the difficulty that arises through attempting to deal with this margin. (*Mr. Marshall*): On the question of limitation of lists, I have a case which I received only the other day from one of the County areas in Scotland where last year it was necessary to reduce a doctor's list by 187. The Clerk to the Committee informed me that he issued notices to these persons that in future they would have to choose another doctor, and he wrote to the Board as follows:—"The action on the part of the Insurance Committee produced more complaints against the administration of medical benefit than any other action of an administrative nature which I can recollect. Many persons called at this office and entered strenuous protests against the Committee's interference with free choice of doctor. I enclose for your perusal two complaints made in writing at that time. I think it is right that the attention of the Board should be directed to the point of view of insured persons as disclosed in these complaints." The letters were merely strong protests against being removed.

12,765. In the best Scottish fashion?—Yes, with which doubtless you are familiar. I think most of us who have had any share in the administration of the Act know that it is a matter of extreme difficulty to remove any person from the list of a doctor definitely chosen by the insured person.

12,766. The doctor is paid for them, is he?—At present, yes. Our suggestion is that in future the limit should be financial, that is to say, if the limit were fixed by the Committee at, say, 1,500, the doctor would only receive payment in respect of 1,500, but that should not prevent a doctor accepting on his list certain persons whom he definitely desired to have on his list.

12,767. What would become of the payment in respect of these persons?—It would go into the Medical Pool, and would be shared by the other doctors in the area.

12,768. Does that seem just?—It is a very small matter. We quite realise that no doctor is likely to accept a very large number more than the number for which he is paid, unless he was of a very altruistic nature not common in Scotland.

12,769. It might well be the opposite of altruism in many cases; he might quite well desire to retain persons on his list rather than run the risk of these persons, being members of a household he is attending, going on the list of another doctor and the

other doctor getting into that family?—Yes. (*Mr. Potts*): That is so. The scheme is at present in operation in Liverpool, and in Manchester and Salford there is a limit of cash payments to any individual doctor, which has precisely the same effect; it leaves more for other doctors.

12,770. On the whole, apart from that margin, do you consider that the present maximum operates fairly, having regard to the uncertainties consequent upon the volume of private practice?—Yes, we do.

12,771. In paragraph 69 you suggest that admission to the panel list should be conditional upon the surgery and waiting-room accommodation being satisfactory, but on the whole I gather that you think that such accommodation is generally satisfactory throughout the country. Is it in these circumstances worth while introducing a new condition which might be irritating to the profession?—Insurance Committees agree that conditions are generally satisfactory, but they consider that the recommendation would meet with the approval of the medical profession who desire the Insurance Medical Service to be efficient and satisfactory.

12,772. It is one of the things, is it, that you have specially discussed with them?—Yes. It is no new condition that surgery and waiting-room accommodation should be satisfactory, but we prefer to examine it before putting the doctor on the list.

12,773. That would be a new condition, but from such conversation as you have had with the medical profession you feel it is not something to which they would seriously object?—I think they would welcome the exclusion of unsatisfactory arrangements of this kind. (*Mr. Marshall*): Difficulty has arisen in certain areas where a doctor admitted to the list has been found to have premises which are quite unsuitable. The only action which could be taken is the long, tedious and expensive action of proceedings before the Medical Service Sub-Committee and subsequently an inquiry by the Minister. We desire to avoid that.

12,774. You prefer to get it at the other end?—Yes.

12,775. From paragraph 81 I infer that you think that in spite of the large mileage grants at present given the rural doctors are still at a disadvantage compared with urban doctors, and that mileage grants ought to be increased to three or four times the present amount in order to equalise the position. Do you definitely make a recommendation in this direction, having regard to the many other claims that are now being made on the finances of the Act?—(*Mr. Potts*): No, Sir. It is merely suggested that some further adjustment is necessary to improve the relative position of the country doctor, especially in sparsely populated practices.

12,776. And that adjustment could take place within the present funds?—That is so.

12,777. In paragraphs 87 to 89 you deal with the approved institutions, and make certain recommendations. On the general question of these institutions, are you satisfied with the present position under which only those in existence in 1911 are allowed to take part in the provision of medical benefit?—The present position might be maintained, but any change should be rather in the direction of reducing the number. In view of the importance of free choice of doctor and of deputising arrangements, the ordinary system offers a much wider choice of doctor and provides better supervision over the service generally.

12,778. Is that the view of all Insurance Committees?—(*Mr. Marshall*): We have no institutions, of course, in Scotland. (*Mr. Llewellyn Jones*): As far as Wales is concerned, I am afraid the position has not been dealt with by most Insurance Committees, neither has it been dealt with by the Association of Welsh Insurance Committees. The question did come up for consideration when the evidence for the Royal Commission was being dealt with, and it was finally decided that

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the Association could offer no opinion as to the working of existing institutions in Wales. The Association, however, felt that the matter was one of considerable importance, and suggested that the Clerk to the Glamorgan Insurance Committee (where there is a large number of institutions) should be asked to give evidence before the Commission, but it must be understood that Mr. Lewis's evidence does not in any way commit the Association. It does not express the views of the Association, as the matter has never been considered by the Association. We have expressed neither approval nor disapproval.

12,779. I understand the evidence will be his own personal evidence?—I presume so.

12,780. At any rate, not representative?—It does not represent the views of the Association.

12,781. In paragraphs 113 and 114 you call for a review of the constitution of the three Services Sub-Committees, although I gather from later paragraphs that you are on the whole satisfied with their working. In what manner would you amend the constitution of these three bodies?—(Mr. Yoward): The Services Sub-Committees are quite satisfactory in their working, but we do think there should be a wider field of selection of Chairman. The Minister, we think, should have power to appoint a Service Sub-Committee in the rare cases where, as in London recently, a Sub-Committee fails to function. There should be a wider field of selection of Chairman.

12,782. How wide?—(Mr. Potts): Simply wide enough to include some person who is not at the moment a member of the Insurance Committee, and who might be specifically appointed for the purpose by the Minister.

12,783. On the Committee asking, I take it?—Probably the Committee would be consulted on the matter. The Ministry of Health appoint one-fifth of the Committee at the present time, and that could be increased by one for the particular purpose when it is necessary.

12,784. Is it your suggestion that the Minister should specifically appoint the Chairman?—Yes, on the nomination of the Insurance Committee.

12,785. And that failing nomination by the Insurance Committee he should appoint a Chairman himself?—Yes. I think the technical way of dealing with it would be for the Minister to make the appointment.

12,786. On the nomination of the Insurance Committee in the first place?—Yes. (Mr. Llewellyn Jones): I think in many cases the matter might be met by allowing the Service Committee themselves to appoint an outside Chairman who had experience of conducting enquiries, where it was felt that the nature of the enquiry was of such a serious character as to justify the appointment of an outsider.

12,787. That would be an appointment *ad hoc*?—Yes, for that purpose alone. (Mr. Potts): At the present time an Insurance Committee may appoint on its Sub-Committees outside persons, that is, persons other than members, but that power does not exist in the case of the Finance Sub-Committee, and the Services Sub-Committees, which are, of course, specially constituted.

12,788. (Sir Arthur Worley): Is it not the case that when difficulty arises the machinery proposed is that the Minister should appoint what you might call a neutral person? Is not that what you have in mind?—(Mr. Yoward): That is so. (Mr. Potts): At the present moment the Committee is required to appoint what is called one of the neutral members of the Insurance Committee to be Chairman, but in some cases the number is so restricted, down to as low as one, and in one case there was no person really eligible to be made Chairman.

12,789. (Chairman): What happened in that case?—The Ministry took steps to make some change in the members appointed by the Local Authority. I think in some cases the Minister has increased the number of the Committee by one and has chosen

somebody who would be eligible to be Chairman of the Sub-Committee.

12,790. That was to get over a different type of difficulty from the type of difficulty that Mr. Yoward has in mind?—(Mr. Yoward): No, I think that covers it really.

12,791. Arising from paragraph 120, have you experienced any real difficulties because the Services Sub-Committees have not at present power to require witnesses to give evidence on oath?—(Mr. Potts): In semi-judicial investigations such as these the Associations consider that the responsibility of witnesses would be better appreciated by them and that there would be a greater likelihood of correct evidence being given if they were placed on oath than is now the case. Occasionally the evidence given at an inquiry has differed materially from that given before the Service Sub-Committee. The power to administer the oath is now provided for in Scotland and the Association considers similar power would be of considerable assistance in England and Wales.

12,792. Has the Scottish experience been that it has improved the position?—(Mr. Marshall): Decidedly. It certainly adds to, if I may use the term, the solemnity of the occasion, and the evidence given by witnesses is certainly much more carefully considered than in the case of the somewhat haphazard procedure when no such rule was in operation. It can be provided for quite simply by regulation. (Mr. Llewellyn Jones): I think in addition to having an influence upon the witness ensuring that his evidence would be more reliable, it would undoubtedly have an influence on the members of the Committee who would regard the inquiry from a more serious point of view than they do at the present moment in many cases.

12,793. In connection with the question of monetary penalties, you suggest in paragraph 125 that the Minister should not vary the penalty unless the Insurance Committee has been afforded an opportunity of making a statement on the case. Has the Ministry, in fact, varied the penalty recommended by the Insurance Committee in any substantial proportion of cases?—(Mr. Potts): Although the variations have been few, the result has been a growing tendency on the part of Insurance Committees not to recommend any specific sum. Committees consider that proper regard is not given to local knowledge and experience, nor to the proceedings at the hearing by the Services Sub-Committees. We recommend that the Scottish procedure be adopted generally, which is that the Insurance Committee should have an opportunity of expressing its views on the matter whenever it is proposed to vary the monetary penalty that has been suggested.

12,794. In connection with paragraph 126, we should be glad to have your views on the statement sometimes made that the service given by insurance practitioners is inferior in quality and sympathy to that given by them in their private practice or by private practitioners of similar qualifications. Have you any reason to believe that there is substance in this allegation?—(Mr. Yoward): I think there is none whatever. We could give plenty of instances where it can be proved quite readily that insured persons are able to get really better service than ordinary patients, simply because for financial reasons an insured person can call on the doctor at any time, whereas the other person cannot.

12,795. And similarly as to the quality of the drugs and the carefulness of the dispensers?—There is no reason for such a statement at all.

12,796. I note that in paragraph 126 you say that the medical service available to insured persons is incomparably better than the service which existed prior to the inception of the Insurance Act. In this, are you comparing present insurance practice with pre-insurance club practice, or with the perhaps somewhat limited private arrangements which persons not voluntarily insured were in a position to make?—We were comparing both, but chiefly club

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practice. We think there is no question as to the superiority of the practice to-day over what it was in the old days of club practice.

12,797. Do you consider that the insurance service has improved steadily since the inception of the scheme, after making allowances for the war-time difficulties, and is this improvement now continuing?—Decidedly so.

12,798. Do you think that, broadly speaking, we have got as far as we can within the limits of the present insurance scheme and that real improvement is now to be looked for in a radical development of the scheme?—The new regulations have not been in operation sufficiently long for us to say that all possible improvements have been effected. There has not been time enough for us to say that. The improvements are limited by the scope of the service provided, and because Insurance Committees regard this as incomplete they are pressing for extensive developments.

12,799. (*Sir Arthur Worley*): With regard to dental treatment, I gather your idea is that if dental treatment became a statutory benefit it would in most cases be given on a medical certificate?—That would be so, the same as in the case of tuberculosis. In the old days, when Insurance Committees administered that, it was always on the recommendation of a doctor.

12,800. I am not sure that the two are on all fours, because we have had evidence from the Dental Societies, and I think they all agreed that they were in a much better position than the doctors to say when and what treatment was required, and perhaps I am not putting it too high that they thought doctors did not know very much about it.

12,801. (*Chairman*): Except one. One Dental Society definitely stated that it should be given on a medical certificate. (*Mr. Potts*): One can assume a case where an insured person goes to a dentist and the dentist recommends treatment and the insured person goes back to his doctor and says so and so, and there is no reason why a doctor should not recommend him on medical grounds. The question we have in mind is how far dental treatment is necessary on medical grounds. All free treatment, we recommend, at any rate, is what is desirable on medical grounds, and we cannot see how we can express an opinion unless we have a report from the insurance practitioner or some other expert person. We might be advised by a dental expert on the Insurance Committee ultimately.

12,802. (*Sir Arthur Worley*): I am a layman in these matters, and, as I followed the evidence, it was this, that decayed teeth—unclean mouths as the dentists call it—are responsible largely for a good many evils, and that a doctor would not be able in many cases to tell, and, therefore, the dental practitioner would be better able to give a satisfactory certificate than a medical man?—We see no opposition in the two points of view. It is quite reasonable that they should work side by side. We should not expect a doctor in every case to be an expert on teeth.

12,803. (*Chairman*): There is not necessarily opposition?—Not at all.

12,804. Your recommendation, as I understand it, is that dental benefit, if it is to be a normal benefit at all, should be confined to such dental benefit as a doctor certifies to be necessary?—Not necessarily a doctor.

12,805. I understood you to say a doctor?—No, the doctor would be the person who would recommend that the treatment was necessary on medical grounds, but the exact extent of the treatment necessary would probably have to be determined by some dentist or dental surgeon.

12,806. It is as I thought. You are restricting in your recommendation dental treatment to such dental treatment as would be certified to be necessary on medical grounds?—That is not quite the way in which

we look at it. We are recommending that in every case without cost to the insured person all dental treatment necessary on medical grounds should be provided as a normal benefit. There are, of course, other services.

12,807. Either I stated it rightly or wrongly. Was I right or wrong?—Wrong to this extent. What we recommend as a minimum is all dental treatment that is necessary on medical grounds.

12,808. That is what I said?—But we recommend beyond that minimum, in so far as funds permit, further dental treatment, including the provision of dentures, if possible, which a dentist might recommend and which the insured person might wish to have.

12,809. There is no medical certificate needed for dentures?—No, but whatever is recommended for medical reasons we say ought to be provided free as a minimum.

12,810. (*Sir Arthur Worley*): As I understand you, you divide it into two. First, the medical man might say, "This man should have his mouth attended to," and then you will accept very probably what the dentist said was necessary to put matters right?—Quite.

12,811. Then there is the further thing that might be added, prevention or comfort?—Yes.

12,812. One of the Dental Societies who have been here was represented by two gentlemen who held qualifications on the medical side, and they both agreed, if I remember rightly, that it was not competent for the ordinary doctor to give the certificate or opinion that you defined just now.

12,813. (*Chairman*): I think that is right, but as against that I put the question to Sir Frank Colyer, who is distinguished in medicine as well as in dentistry, and who was appearing on behalf of the Society of Dental Surgeons, "Would it be possible to confine dental benefit to cases certified by a doctor?" and his reply was, "If I had my way I would not allow any dental benefit to be given unless it was certified by a doctor, because I think dental benefit should be primarily for the health of the patient." I was assuming, apparently wrongly, that you were confining your recommendation to such dental treatment as was primarily necessary for the health of the patient. If that were so a medical certificate would be the right thing?—That is the extent of dental benefit which we recommend should be normally provided at the present time. We have no objection to anything beyond that being provided in some way or other. We have not considered precisely in what manner it would be done. We agree with the doctor.

(*Sir Humphry Rolleston*): Does that mean that the only channel to dental benefit is through the medical practitioner?

(*Chairman*): If that is so that is what it would mean.

12,814. That is the minimum?—The minimum.

12,815. I think it would probably be fairer to put it in another way: wherever there was a medical certificate that dentistry was required it should be provided?—I think so.

(*Sir Humphry Rolleston*): I think that is much better.

12,816. (*Mr. Evans*): With regard to dentistry, is it your suggestion that the medical needs of the case should just be met and the patient left with a toothless mouth?—(*Mr. Yoward*): No. (*Mr. Potts*): We suggest that all that is necessary should be done.

12,817. At the moment the provision of dentures is a matter for the Approved Societies?—Only for those Approved Societies that have funds to assist in the payment of the whole or part of the cost under their scheme. Many societies do nothing at all in the matter.

12,818. I know. At the moment the provision of dentures is an additional benefit with which the Insurance Committee has nothing to do?—We do

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not accept that view at all. What the societies are doing is not providing dental treatment as a benefit at all, they are simply making a payment towards the cost of providing dental treatment and dentures, the money having been expended by the insured person in the first instance. The societies make no arrangement in any case for providing dental treatment, and we suggest that they have no right to, as the Act says that all benefits in the nature of medical benefit shall be administered by and through Insurance Committees.

12,819. At the moment dental treatment is not one of the treatments with which Insurance Committees have anything to do?—Nor anybody else, we suggest.

12,820. (*Chairman*): You go further and suggest that on its present basis it is not of the nature of medical benefit at all?—That is so. It is a cash benefit paid through the society.

12,821. And may be paid in some cases, as I understand the contention, where health is not involved?—Quite so.

12,822. It may be the substitution of one set of dentures for another?—(*Mr. Yoward*): As a matter of fact there have been quite a number of cases in our own area where a patient has been known to be suffering from want of dental treatment and the members of the Insurance Committee by private subscription have provided for them the treatment necessary. (*Mr. Llewellyn Jones*): The objection to the present method is very largely this, that in the case of most societies it is confined to payment for the provision of dentures. Obviously dental treatment cannot be satisfactory unless you make provision for conservative dentistry which in a very large number of cases is much more important than the provision of dentures.

12,823. (*Mr. Evans*): With regard to payment of benefits during partial incapacity, you said that there might be tuberculous patients who might be employed on certain kinds of light work. How would you carry that out, and by whom is it intended they should be employed?—(*Mr. Potts*): I think our suggestion was that where there was a medical certificate that it was desirable in the interests of the patient that he should do light work, that ought to be the best evidence in deciding whether benefit should be paid or not. The Tuberculosis Officer or the Regional Medical Officer, on an appeal, for instance, from the insurance practitioner, might make such a recommendation. After all, the decision would rest with the Society responsible for the administration of the benefit. It would be no more difficult in view of the evidence submitted than the present cases are.

12,824. Do you suggest that the provision of light work should be part of his treatment?—It would be in the case of a tuberculous patient, certainly.

12,825. Such a man could not compete in the labour market, could he?—No. That is what results from him being only partially incapacitated.

12,826. (*Chairman*): It would be a fresh theory in these days that work should be part of medical treatment?—It is definitely so in the case of tuberculous patients.

12,827. (*Mr. Evans*): With regard to medical records, I am wondering to what extent medical records can be relied on. Are you satisfied that records are being kept regularly by medical practitioners?—I am afraid Insurance Committees are not the people to put that question to. We have no access to the records. We are under a pledge of secrecy. We have no information on that point.

12,828. Supposing a doctor has paid 30 or 40 visits during the day, is it reasonable that when he comes back to his surgery he should then set about preparing a record card of each individual and put down everything he has done during the day? Besides, if a man was suffering from any disease such as syphilis, would the doctor put that on the record

card and would that go down to posterity, or would it be kept in a pigeon-hole of the Insurance Committee?

12,829. (*Chairman*): Mr. Potts' evidence on that is that Insurance Committees have no cognisance. They get the records into their possession merely for the purpose of transmission?—We do not read them.

12,830. (*Mr. Evans*): You do not know what is on the card?—(*Mr. Marshall*): With regard to that last point, it is surely obvious that it is of great importance to subsequent doctors to know that a particular man has suffered from syphilis.

12,831. I was wondering whether the doctors did it?—We cannot say, but as far as our information goes these records are reasonably well kept. You cannot expect in dealing with thousands of doctors that there will not be quite a number who will take some time to become accustomed to an entirely new system, but bit by bit, from my experience of insurance administration in Scotland, doctors are falling into line. After all, the movement is not an Insurance Committee movement. It was originally started by Sir James Mackenzie, and has the authority of the Medical Research Council behind it. It is not a duty framed by the present administration. It is a system believed to be in the best interests of the medical profession and recommended to them by their own leaders. (*Mr. Llewellyn Jones*): I might perhaps state that I have experience of this from an entirely different point of view. I am Coroner for the County of Flint, and at one time in holding an inquest where there was a history of disease it was often difficult to get any accurate information from the medical man concerned. I am quite satisfied that of recent years there has been a good deal of improvement in this connection, and that one can generally get information from medical witnesses as to the dates on which a deceased person was attended and what he was attended for. I have no doubt that the improvement in that connection is largely due to the fact that these records have been kept. (*Mr. Potts*): I have a recollection of doctors asking for supplies of these records when they were suspended temporarily during the war, so that they might keep them for their own purpose, and there have been requests made that we should supply the same forms for them to use for non-insured patients. It may be a matter of convenience to have them in the same form.

12,832. With regard to the panel service, you tell us that the panel service to-day is quite as good as the private medical service. That is speaking generally, I suppose. We have been told that in London particularly the panel service is not popular. Do you know anything at all about the panel service in London?—Although the London Insurance Committee are members of our Association, they specifically requested us not to make any reference to London matters. I have no doubt they will be prepared to offer evidence themselves with regard to London.

12,833. (*Chairman*): Are they coming separately, do you know?—(*Mr. Yoward*): It was their intention to do so.—(*Mr. Potts*): Two of the members of the London Insurance Committee are members of our executive, who have had this before them and they have helped to fashion the Statement. We have no specific information on any matters of detail concerning the London Insurance Committee. They have not replied to our formal enquiry.—(*Mr. Llewellyn Jones*): In connection with the more rural districts, I am quite satisfied that the agricultural labourer at the present time gets a very much better medical service than does the small farmer who employs him. The small farmer living seven, eight or 10 miles from a medical practitioner hesitates to send for him except in a very urgent case; on the other hand, the agricultural labourer who is entitled under the panel system to attendance does not hesitate to send for the doctor as soon as he finds that medical attendance is necessary.

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12,834. (*Sir Arthur Worley*): The question is whether the insured person thinks he gets as good service, not whether he actually does. There is certainly an impression in some parts that he does not get as good service as an insured person as a private patient does?—(*Mr. Yoward*): That was perhaps true in the first instance owing really to the hostility of the doctors to the service. I think there is a great improvement in the opinion of people to-day. It has wonderfully improved. There is no question about the service being an excellent service. That opinion was due partly to the hostility of the doctors to taking on the work, and to a large extent the people did not care for the system in the first instance. That took a lot of getting over. I think at the present time it may be said that the idea does not exist to any large extent.

12,835. (*Chairman*): In the minds of panel patients?—In the minds of panel patients.

12,836. (*Sir Arthur Worley*): There are two points to keep distinct, the fact and the opinion. Your view is that at first that was the opinion and that it probably had justification?—Probably, Sir.

12,837. Because of hostility on the part of the doctors?—That may be.

12,838. That hostility having gone, there has been an improvement, and that is being reflected in the opinion, too?—I think it is very largely. (*Mr. Llewellyn Jones*): There is another point in that connection. There is no doubt that a certain proportion, perhaps a small proportion, of insured persons are somewhat exacting in this connection, and knowing that they are entitled to medical attendance they demand of the doctor more than they are really justified in asking, and they feel, if the doctor does not respond always to their demands, that perhaps they are not being treated as they should be. (*Mr. Potts*): For the large masses of the industrial population there is really no change in the system at all. They were accustomed long before the National Insurance Act to a club doctor. One feature of it which perhaps causes trouble with the insured person in the suburbs is that the insurance rules require the patient to visit the doctor at his surgery whenever he is able to do so. Sometimes persons in these circumstances rather look to the doctor paying a visit to them instead of their having to go to the surgery. In rural areas the doctor generally does a lot of his work at patients' houses rather than at the surgery, but in the towns the expectation that they shall attend at the surgery for treatment has something to do with the feeling, "Well, if I were a private patient the doctor would come to see me at my home."

12,839. (*Mr. Evans*): With regard to the size of doctors' lists, you suggest that 2,500 is not too big a number?—We suggested that that was a fair maximum. So many other circumstances must be taken into account in individual cases. In some counties there are very few doctors who have 2,500, or even 2,000, on their list.

12,840. Take a big industrial area. If a man has 2,500 panel patients he probably has four times that number altogether, including dependants. That would mean 10,000. Is not that too big a number?—The question is not the number on his list as much as the actual service he has to render, and if a doctor during an influenza epidemic can keep things going with four or five times his normal practice it shows that he is not being pressed unduly. There comes a stage in a doctor's practice, a growing practice, when it is necessary for him either to take an assistant or a partner, and, roughly speaking, the figure of 2,500 is a fair point at which the Committee should begin to enquire whether the doctor is to take an assistant or partner or have his list reduced. A reduction in the list in fact very seldom takes place. The result usually is that the doctor gets an assistant or partner to join him. It is very rarely that the notice suggested has to be issued to patients. (*Mr. Yoward*): In our area the average number on a

doctor's list is 592. There is only one who has over 2,000. (*Mr. Potts*): The average for the country is about 1,000 all told; in rural practice about 600. (*Mr. Llewellyn Jones*): I think the average in Wales is about 900.

12,841. In Glamorgan it would be very much higher than that?—In certain parts of Glamorgan.

12,842. In the industrial areas?—Yes.

12,843. Have you had instances where differential treatment has been meted out to panel patients and private patients, for instance different entrances and different waiting rooms?—(*Mr. Potts*): No. That has been abolished long since. It is a long time since a doctor had two entrances. It would not be allowed to continue if the Insurance Committee were made aware of it.

12,844. You think it does not exist to-day?—No.

12,845. (*Mr. Jones*): On the question of superannuation, I suppose one of your difficulties in adopting the recent Act is that Insurance Committees are not regarded as Local Authorities?—That is so, Sir.

12,846. They are merely regarded as public authorities?—Yes. We have some difficulty really in deciding precisely what we are. Unemployment Insurance Officers are all regarded as Civil Servants because they are appointed by the Department to undertake the work locally. The Insurance Committee Officer is appointed by a Statutory body, the Insurance Committee, which is not and never has been technically defined as a Local Authority, and he can neither obtain superannuation as a Civil Servant nor be regarded as a Local Authority Officer, although there is no question that we are the Authority for some national purpose in the area of an Insurance Committee.

12,847. Have you any suggestion to make in that connection?—The Act is called the Local Government and Other Officers Superannuation Act, and all kinds of people interested in Local Government can be brought in. A slight amendment of that Act to include Insurance Committees and Pricing Committees would probably meet the case.

12,848. The only alternative to that is that your administration funds should be increased by an amount that would enable you to make a contribution from your employing authority to your fund?—We do not think it would be necessary to make any specific increase on that account for the moment, although there would be some extra charge on the fund. One difficulty is, of course, the limit to the fund available for Insurance Committees, which is such a sum not exceeding 6d. as may be determined. There could be no guarantee, so far as the employers are concerned, with regard to any moneys beyond the moneys made available by the Minister. Therefore, it seems to us that the Minister should take action to deal with the question of superannuation. If he had the power, for instance, to formulate a scheme for the whole of the Insurance Committees in the country, there should be no real difficulty.

12,849. In regard to the negotiations with the medical practitioners, I think it was contemplated by the Act of 1911 that the Insurance Committees would make negotiations direct with the medical profession?—Yes; it was intended that we should arrange with the medical profession and with the Approved Societies. But there were so many Approved Societies that the arrangements had to be made by the Insurance Commissioners as agents of the Societies and the Committees. The question of doctors' fees, you will remember, was a matter which gave grave concern to the Government, and a further 2s. 6d. had to be given as a last offer to the doctors to come on the panel.

12,850. Because of these varieties of circumstances you were deprived of your opportunity of conducting these negotiations?—That is so. The same bargain was made and the same capitation fee has to be applied in every area, whether it is too much or too little; we have no say in the matter.



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12,851. Your whole suggestion now, I think, is that being unable to perform your statutory function you should at least get representation on the body that is now performing these duties, whatever that body may be?—That is so.

12,852. You regard that as a reasonable compromise between the provisions of the Act and the present condition of affairs?—Yes. I can say that our experience justifies our being consulted in that way.

12,853. With regard to partial incapacity—and this question has been raised several times—would there not be very great difficulty in defining what was partial incapacity?—Yes, I see serious difficulties in it; but there is difficulty in defining what is total incapacity.

12,854. It is perhaps a little less difficult than partial incapacity?—I should think it is easier to certify partial capacity than total incapacity.

12,855. Take the case of a tuberculous patient who, during the course of his treatment in a sanatorium is given a certain amount of work to do as part of his treatment. Would it not have the result that in addition to that man having his treatment paid for he would also be receiving sickness benefit?—That is a matter of difficulty in every case where people are getting benefits from two or three different sources. We were rather thinking of the man who had left the sanatorium and was not able to earn sufficient to maintain himself. He was not a real unit in the employment market. To that extent he might be assisted, not necessarily by the total amount of sickness benefit but possibly by some smaller benefit.

12,856. Would not the same difficulty arise in connection with other diseases as well as tuberculosis?—Yes, it would.

12,857. May I refer to London again for a moment? Has the difficulty in connection with the Medical Service Sub-Committee in London arisen through inability to appoint a Chairman?—No, the Chairman was appointed.

12,858. Has it not rather arisen through the refusal of the medical members of the Sub-Committee to function?—That is so. A quorum of the Medical Service Sub-Committee consists of so many representatives of doctors, and of the insured persons, and a Chairman or Vice-Chairman. Failure to secure a quorum in any one section means there is no quorum of the Sub-Committee.

12,859. The difficulty that you visualise about the Chairman, I suppose, is consequent upon the reduction in the numbers of the Insurance Committees?—The difficulty has been made greater as a result of the reduction in the numbers.

12,860. What suggestion would you make to overcome the difficulty such as has arisen in London?—At present, if any Insurance Committee fails to function or does not do its work in a satisfactory manner, the Minister has power to undertake the work for that Committee, and surely he ought to have similar powers to see that the work of a Sub-Committee like the Medical Service Sub-Committee is duly carried out.

12,861. Here is a case where the Insurance Committee are quite willing to function, but the medical members might not be members of the Insurance Committee?—That is so.

12,862. May I put it to you as a reasonable suggestion that the other members of the Insurance Committee should be authorised to go on and deal to the best of their ability with these questions?—I do not think that would quite be a solution to a problem of this kind. The whole basis of a Court of this sort is that there are on the tribunal representatives of the two parties concerned in the question.

12,863. But if the medical members deliberately refuse to function would they have any cause for complaint?—I am afraid we could not go so far as that at the moment.

12,864. Might I turn again to the question of medical records? I think in the early days of the

Insurance Committees it was thought that they would develop into something like a second Health Authority, if I might put it in that way, or at least that they would perform active health functions?—Certainly. The intention was that they should be Health Committees. I think they were called Health Committees before the name was changed to Insurance Committees.

12,865. How have they failed in that direction?—We do not admit there has been any failure in that direction. There have been difficulties on financial grounds owing to the war.

12,866. Did you not just admit that they had failed to function in the direction of health, in accordance with the original intentions, at any rate? At least you have been disappointed in your anticipations?—That was a question put to us, but that is not failing to function. We functioned as well as we could under the circumstances.

12,867. In this particular direction?—Yes, in this particular direction.

12,868. Was that due to the fact that these medical records, although available, were sent to the Central Authority?—We have never had access to the medical records, and that is the point we are pressing now, that we ought to have some information which is derived from these medical records. For instance, the Ministry of Health themselves undertook an inquiry and collected a good deal of evidence in connection with these records. They collected a good deal of information on rheumatic diseases, and very valuable information it was. That information ought to be available to Insurance Committees so that they could discharge those duties which it was intended they should perform.

12,869. Such medical records are gathered by other local bodies—Public Health Authorities and Education Authorities, are they not?—Yes; I should say that there is a certain amount of information of that kind.

12,870. These local reports and papers are considered to be of very considerable value?—Yes.

12,871. If you had these records placed in your hands do you see any real practical reason why the same use should not be made of the insurance records as is made of these other records?—None whatever.

12,872. The questions of staff, tabulation and analysis would be just as easy to meet as in the case of any of these other bodies?—Quite.

12,873. Do you remember the original reason why these records were sent to the Central Departments instead of to the Local Committees? Was it because of questions raised by the medical profession regarding the confidential nature of the documents?—So far as I remember, that was one of the main reasons. The doctors only agreed to the medical record being adopted on condition that the two parts were separated and one sent to the Insurance Committee for statistical purposes, while the other portion, which really contained the private information, was sent direct to the Ministry.

12,874. Do you think there was very much in that argument?—Nothing at all.

12,875. The confidence of these doctors might be preserved in the Insurance Committee's office just as well as at the Central Office or in the Local Education Authority's office?—Yes.

12,876. (Chairman): Is their dust just as thick on the shelves?—There is no dust on our shelves. The records are always on the move. Even those that have been put away at rest, of persons ceasing to be insured, are constantly being looked at. If a person is reported to have died we send his record to the Central Department. What happens to it we do not know. We do not keep them, and we have no dust.

12,877. (Mr. Jones): Members of your staff see these records passing backwards and forwards?—Yes. There are certain definite members of the staff who are responsible for handling these things.

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12,878. Do these members talk about the contents of these records afterwards?—No. The point is not that they might refer to them or see them, but the question is that they may have occasion to attempt to refer to a specific record; there is need of secrecy.

12,879. Could not some machinery be evolved to overcome that? Suppose the card was still split and one numeral put on it that might identify it, or it might be done in some other way?—I see no practical difficulty.

12,880. (*Professor Gray*): I think you would help the Commission a great deal if you could give us some sort of an idea of what the Insurance Committee does, in view of suggestions made to us here and repeated in the Press and elsewhere, that in certain respects the Insurance Committees are different from what was intended. I suppose you would agree that the Insurance Committees are doing useful work?—Yes.

12,881. I do not think anyone would suggest the contrary; but as far as I understand it, the suggestion is rather that the work the Insurance Committees are doing is largely the work of the Clerk and the Chairman and not of the big body which makes the Insurance Committee. What do you say to that?—I should say No, no more than the same might be said of any Local Authority or even any Society or Association.

12,882. I really want to give you an opportunity of rebutting suggestions made elsewhere. You would say that the Insurance Committee, which in your case has 40 members, has it not?—Thirty-five members.

12,883. You have more, Mr. Marshall, have you not?—(*Mr. Marshall*): Seventy.

12,884. You would say that these members are playing a useful part in the running of the machine?—(*Mr. Potts*): Certainly.

12,885. Would you tell us what the various parts of the work of the Insurance Committee are? You administer the benefits of deposit contributors, do you not?—Yes.

12,886. Does that give you much work?—Of course it varies with the number of deposit contributors in the area.

12,887. How many have you?—Between 3,000 and 4,000.—(*Mr. Marshall*): We have 900.

12,888. How many claims a week does that mean? How many of these 900 are on benefit at one time?—I am afraid I cannot give you that, but I have the information somewhere if you would not mind waiting.

12,889. Will it work out to more than five at any one time?—No; it is a very limited number.

12,890. You might have two certificates a week perhaps?—There is not much work in that.

12,891. That in fact does not involve much work?—(*Mr. Potts*): With a larger Committee there would be sufficient to keep a junior clerk employed on the deposit contributors and the Navy and Army Fund together.

12,892. But I am speaking of the Insurance Committee?—There is really very little at all.

12,893. There is no question that can arise on deposit contributors. You are not troubled with their behaviour during sickness?—We have to determine who should be paid in the case of the decease of a deposit contributor.

12,894. If a certificate comes in benefit is paid more or less automatically?—Yes, that is so.

12,895. And in actual fact, unless in a very big Insurance Committee, there will not be much more than one certificate a day?—(*Mr. Marshall*): No.

12,896. You mentioned the Navy and Army Fund. How much does that come to?—(*Mr. Potts*): It is about the same size as the deposit contributors.

12,897. Are there any more complicated questions there?—Yes, there is more complication.

12,898. I suppose the question of behaviour during sickness is more serious there?—That is so, and we have cases to refer to the Regional Medical Officer from time to time.

12,899. You would not think of sending a deposit contributor to the Medical Referee?—No.

12,900. But in either of these cases is there any question of policy which could come before the Insurance Committee, apart, I mean, from a general resolution that deposit contributors ought to be abolished, which is a thing that the Insurance Committees might express an opinion on?—No. I suppose the routine cases would scarcely interest the members of the Insurance Committee. We have sometimes asked them to make local inquiries both with regard to deposit contributors and Navy and Army members.

12,901. Then we come to medical benefit—sanatorium benefit has, of course, gone. What are your functions there? Mr. Jones has put to you, and I think you agree, that the thing has not worked out as was intended. What you say in paragraph 30, I think, refers to the general arrangements. In actual fact, of course, the arrangements with the doctors are made centrally. The main agreement is made centrally and what is left to you is a local adaptation; is not that so?—Yes, that is so.

12,902. What comes under the local adaptation?—The whole of the distribution of the fund available for practitioners in the area.

12,903. That is the local distribution scheme. Who draws that up?—The Insurance Committee and the Panel Committee jointly.

12,904. What do you mean by the Insurance Committee there?—As a rule the Insurance Committee acts through its Medical Benefit Sub-Committee.

12,905. The Medical Benefit Sub-Committee and the Panel Committee draw up a distribution scheme?—Yes.

12,906. It is referred to the Insurance Committee, and, I suppose, accepted?—It is prepared jointly by the two and submitted jointly to the Ministry.

12,907. But it will pass through the Insurance Committee?—Yes, it does.

12,908. That deals with the distribution of the funds which are assigned to you?—Yes.

12,909. Do you say that is passed by the Medical Benefit Sub-Committee?—Generally.

12,910. Who is on that?—It varies a great deal. In some cases the whole of the members of the Insurance Committee are members of the Medical Benefit Sub-Committee. In other cases probably half.

12,911. So that it is quite a large Sub-Committee?—Yes.

12,912. It might in Mr. Marshall's case be up to 35?—We have no Committees of that size. (*Mr. Marshall*): Our number is 25. (*Mr. Potts*): I had 100 members altogether when Durham and Darlington were combined.

12,913. But you do not tell me that 35 people, plus the Panel Committee—that is, 60 or 70 people in all—can draw up a distribution scheme?—I would not suggest that for a moment. It would not be a practical method.

12,914. A distribution scheme is a matter for, at the most, four people round a table?—Yes, but every member of an Insurance Committee is entitled to express a view and to be satisfied when the scheme comes forward for adoption.

12,915. Where the Insurance Committee come in is in the acceptance of it?—Quite.

12,916. If they do not like it they can send it back for consideration?—Certainly.

12,917. Now take another part of medical benefit. How much work is taken up with "own arrangers"?—That gives a good deal more work than the numbers would justify, having regard to the amount of work involved by people under the ordinary arrangement. There are cases where persons are required to make their own arrangements.

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12,918. How many "own arrangers" have you in your area at the present time?—The average number for the last quarter of people who were allowed to make their own arrangements was between 20 and 30.

12,919. And how many were required?—Probably 90 to 100 were required.

12,920. Are these exempt persons?—Yes.

12,921. You require them and they do not do anything. Is that the case with your exempt persons?—The Act requires them and we notify them to that effect. We do not receive the form back from them always. Some make no arrangements.

12,922. How many do you allow and how many do you require, Mr. Marshall?—(Mr. Marshall): The numbers are quite small and they do not involve any substantial amount of work.

12,923. That 20 that you have, Mr. Potts, will be the same as last year more or less. It is a certain number carried forward from year to year?—(Mr. Potts): It is what remains in most cases of the people who were allowed in the early days of the Act.

12,924. But you have the evidence last year?—We review the cases every two years.

12,925. All the 20?—Yes—never longer than two years.

12,926. Take another question of medical benefit—the Allocation Scheme. Do you draw up an Allocation Scheme?—Yes.

12,927. That is to assign insured persons who do not choose a doctor to a medical practitioner?—Yes, or those who have chosen a doctor and the doctor has died or removed.

12,928. How much work does that make which can go to an Insurance Committee on a question of principle?—In every case the Committee has to decide through its Allocation Sub-Committee whether these patients shall be assigned to the doctor who has taken over the practice or to any other doctor in the area.

12,929. How big is the Allocation Sub-Committee?—About eight or ten people, I suppose.

12,930. That is again work that can pre-eminently be done round a table. It is detail work—administrative work?—Yes, I should think so.

12,931. You cannot have a body of 40 or 70 discussing an Allocation Scheme?—There is the advantage of a particular member knowing something about the locality. You get that from the larger Committee at times.

12,932. Take questions about disputes as to range of medical benefit. Where do you come in there? That is a matter jointly for the Panel Committee and the Local Medical Committee?—Yes.

12,933. It does not concern you at all?—Yes, it does. The doctor sends the case to the Insurance Committee and we pass it on to the Local Medical Committee for their opinion. Then the Insurance Committee has to decide whether it agrees or disagrees with the opinion of the Local Medical Committee. In every case it is reported to the Minister and the Minister must refer certain types of cases, and in other instances he may do so.

12,934. Then the question is primarily for the Local Medical Committee, and the Insurance Committee's function is to agree or disagree?—Quite so.

12,935. An Insurance Committee last week gave us a list of things referred to it. Looking down the kind of things which were referred, can the Insurance Committee, without medical guidance, do much more than acquiesce? For instance, if the question is as to whether or not exploratory laparotomy was or was not within the scope of medical benefit, could the ordinary Insurance Committee do anything more than accept the guidance of the medical members on the Committee?—Yes, it has a duty to perform in deciding whether this is in its opinion within the service or not. Obviously it requires technical advice, which is forthcoming.

12,936. From the medical members of the Committee?—Yes, and we suggest that we ought to be able to refer matters of this kind to the Regional Medical Officers. It was particularly matters of this

kind which led us to put forward that suggestion; in fact unofficially we can take the opinion of those gentlemen in any case of difficulty.

12,937. But so far as the Insurance Committee is a lay body, it is somewhat difficult for it to express an opinion on such matters without a good deal of guidance and explanation?—It would have to have guidance. (Mr. Marshall): To express an opinion of value, I presume?

12,938. Of course. Just tell me about the Medical Service Sub-Committee. How do you get on with the Approved Societies there?—(Mr. Potts): Very well.

12,939. Are they quite cordial?—Yes.

12,940. You do not find Approved Societies saying: "What is the use of sending a thing there? It takes a lot of time and the Committee is under the thumb of the doctors."?—I think the Approved Societies would not make that suggestion. (Mr. Marshall): I have heard that suggestion made, but not by Approved Societies.

12,941. What do you think, Mr. Yoward? Does your Medical Service Sub-Committee work quite well from that point of view?—(Mr. Yoward): Quite. (Mr. Marshall): I think the difficulty is that of understanding that a statement is not evidence. In the earlier years we certainly found that Society officials complain that a bare statement was not accepted as sufficient in itself to justify a decision against a doctor. On the other hand, I think longer experience has led them to understand that a semi-official body such as the Medical Service Sub-Committee must have some real evidence before them in coming to a decision.

12,942. You find there are Approved Societies' officials who tell most harrowing tales about doctors, I suppose?—Yes.

12,943. And who never press them home?—I have frequently had the experience of a complaint having been made by telephone by a Society official. I have asked for it to be stated in writing. When it came it was not quite as was stated to me on the 'phone, and probably an interview, either with the Society official or with the doctor, has led to the statement being withdrawn.

12,944. How many cases have you which go to the Medical Service Sub-Committee in any ordinary sized Committee, whatever that may be?—(Mr. Potts): Very few.

12,945. Would you have one a year?—It is very difficult, really, to answer questions of this kind, having regard to the different sized Committees. There is a number of small Committees in the country.

12,946. How many have you had in the last year?—Six or eight cases have gone before the Medical Service Sub-Committee.

12,947. What is the number in your case, Mr. Marshall?—(Mr. Marshall): Two. (Mr. Llewellyn Jones): I think we have had more in the small Committee of which I am Chairman. It is a very small Committee; I think there are approximately 32,000 insured persons. We have probably had within the last year six or seven cases. They were very minor cases. We have only had two or three serious cases during the whole time we have been in operation.

12,948. Have you had more in this year than ordinary years, or are you always more contentious than other people?—I do not think we have had many more in ordinary years. Minor complaints have come forward, and we have generally been able to deal with them and settle them.

12,949. You have had an outburst of minor things this year?—Possibly there have been a number of Approved Societies' officials who have been more vigilant than at other times. (Mr. Marshall): There is one Society in Glasgow which has been responsible for more than half the complaints in my area, and possibly the same in the Glasgow area.

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12,950. That is efficient administration?—That is what it is styled. (*Mr. Potts*): Of course there are many questions which come along for action in the Insurance Committee's office which never really develop into a question to be gone into by the Medical Service Sub-Committee. Very often you merely put the point to the doctor, and you reply to the Society and they accept the doctor's explanation and that ends the matter. There are quite a large number of cases in a Committee of the size of mine. It is almost a daily occurrence. (*Mr. Marshall*): I think that is the common experience with all Committees. The Clerk to the Committee, in some cases with the assistance of the members of the Committee, and the doctors are in constant communication, and a great many matters are adjusted either by telephone or by letter or interview which might, if they were not handled properly, develop into a complaint.

12,951. But they are handled by a tactful Clerk or a tactful member?—Yes. I believe to some extent the difficulties which have arisen in certain areas are due to an absence of tact.

12,952. Which of all these things form questions which come before the Insurance Committee and are discussed by them? I realise that there is a great deal of work in all these matters, but is it or is it not work done primarily by the Clerk with the Chairman and perhaps two or three zealous members of the Committee, who are in effect unpaid officials?—I should not say so. If you refer to all the work undertaken by Committees there are, of course, in the administration of the scheme a great many duties which are undoubtedly minor duties, but which do require to be considered by the Committee. It is quite true—and I grant you that for what it is worth—that the size of the Committee seems out of proportion to the duties of the Committee; but I should hesitate to say that these duties would be better or as well administered by the officials.

12,953. Which are the major duties, since you have spoken of the minor duties?—There are many questions. There is dealing with medical benefit and the question of surgery accommodation. We have been dealing with that question in my own area this winter. That has involved a visit by a deputation to quite a number of surgeries in the county, consideration by the Sub-Committee of a report, and consideration of the report by the Medical Benefit Sub-Committee itself. That has taken several meetings of the Medical Benefit Sub-Committee and is, we believe, of considerable importance in improving the efficiency of the service in the area. Then again, questions such as the mileage question—the distribution of the mileage fund in the area.

12,954. That is hardly a matter for a big Committee?—It is a matter for the Medical Benefit Sub-Committee. My Committee of 70 is something like a County Council. I was a member of a County Council for six years. The meetings of the County Council were three or four in number in the year. It is obvious that when the County Council met it could not do anything more than discuss the reports of Sub-Committees who were really doing the work. I have frequently seen a County Council meeting finish in 20 minutes, having considered matters dealt with by Sub-Committees over a period of four or five months.

12,955. How long do your Insurance Committee meetings last?—Probably not very much longer than one to two hours. A week ago we had a Sub-Committee which sat for two and a-half hours.

12,956. Could you give us an idea of the nature of the agenda of an Insurance Committee at an ordinary kind of meeting? Have you a copy of your last agenda?—Of the principal Committee do you mean?

12,957. Yes?—So far as I am concerned, as a rule it is like a County Council agenda. It consists merely of lists of the minutes of the Sub-Committees.

12,958. (*Chairman*): Might we have the agenda and the minutes over a period of, say, 12 months?—(*Mr. Potts*): Yes. (*Mr. Marshall*): I presume you mean a selection of Committees which may be called fairly representative of the various classes of Committees throughout the country.

12,959. Yes; but give us the minutes of all the Sub-Committees. I presume the minutes of every Sub-Committee go to all the members of the full Committee?—Yes. (*Mr. Potts*): Or reports—not always the minutes. In the case of the Medical Service Sub-Committee you could not send the minutes to the full Committee. You make reports which set out the facts and conceal the names. (*Mr. Marshall*): The practice varies even in regard to that.

12,960. We do not want to pick and choose; we want to take the practice as it stands in the Committees you represent?—We will see that you have those at your next meeting.

12,961. On this question of the size of the Committee and also the range of work in the Committee, Mr. Yoward and Mr. Llewellyn Jones are both Chairmen of Committees, and have been for some time?—(*Mr. Yoward*): Yes.

12,962. Everyone knows that in any organisation the work is done by the office, that is what the office is there for. But there may be quite a number of important matters that have to come before the Committee, and for the purpose of a solution of problems it may be necessary that there should be a full discussion in Committee from different points of view, and a larger number of members may be necessary than would appear to be required if you look merely at the amount of work that is done. I would like to know whether Mr. Yoward and Mr. Llewellyn Jones can say what their view is as to the range of subjects that come before the Committee; as to the need for a fairly large number of persons to be able to draw upon to get a proper complement for Sub-Committees, and whether the work that has been done in the past justifies all the time and public service that has been devoted by members of these Insurance Committees to the work, and whether there are directions in which, well within the scope of the Act, that work can be supplemented to public advantage?—Supplemented in what way?

12,963. I wondered whether you feel that the Insurance Committees as they stand are being given enough scope. No matter what the amount of work is that you have to do you have got a sort of minimum of Committee that you require if you are to get proper discussion. If you bring that Committee from long distances, and they are being brought together merely for a 20 minutes' or half-hour's meeting, I think you are putting these people to unnecessary trouble?—A good deal of interest was of course taken away from the Committee when the sanatorium benefit was transferred. But, speaking of my own Committee, our meetings last about an hour, and a tremendous amount of interest is taken in them. I think, as a matter of fact, the average attendances on that Committee during this last four or five years have been about 80 per cent., which shows a considerable interest.

12,964. How many meetings in the year?—In ordinary meetings the full Committee meets once a quarter unless there is a special reason. Then there is a Finance Sub-Committee, a Medical Benefit Sub-Committee and the Sanatorium Benefit Sub-Committee. The last named has gone now. The Medical Benefit Sub-Committee meets once in two months, and the Finance Sub-Committee meets every month. There is always sufficient work to occupy the reasonable time of the Committee, and I have never heard of the suggestion that the work there was not worth coming to transact. There has never been a suggestion of that kind; in fact the members in my area are very enthusiastic, as I think is evidenced by the average attendance over the last five years. It has not gone down; the average is practically stationary.

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12,965. Many of these members would be persons who are quite busily engaged from day to day?—Most of them are; otherwise they would not make such good attendances. It is the busy people who always attend to their duties.

12,966. They would not want to spend time on trifles?—No; they would not do so. They do not consider them trifles. They consider the Insurance Act and its administration a very important national affair.

12,967. What is your opinion, Mr. Jones?—(Mr. Llewellyn Jones): My Committee is a comparatively small one. Prior to the last re-arrangement it consisted of 40 members. It has now been reduced to 20 members. We have four ordinary meetings in the year of the full Committee. We have two Standing Sub-Committees in addition to the Medical Service Sub-Committee, and having regard to the small size of the Committee, all the members are members both of the Medical Benefit Sub-Committee and of the Finance Sub-Committee. The Sub-Committees generally meet a clear fortnight before the quarterly meeting of the full Committee. The Sub-Committees generally occupy from two to three hours to get through their business. In the Insurance Committee the time varies from 25 minutes to 1½ hours. We have very rarely exceeded 1½ hours. We have occasionally found it necessary to call special meetings of the Medical Benefit Sub-Committee. So far as any questions of finance are concerned which may arise between the quarterly meetings, they have been left to the local members resident in Mold and myself, along with the Clerk. As I am resident in the town where the offices are situate, there is a good deal of conference from time to time between the Clerk and myself upon matters that arise in the course of the ordinary administration of the Committee. We have found that the Approved Society members attend very regularly—of both types of Approved Societies—and that they take a considerable part in the discussions that arise in Sub-Committee and also in the Committee.

12,968. May we ask what your personal view is as to the value of these discussions on the type of subject which comes before you?—The Approved Society members bring an entirely different point of view from the point of view that we get from the County Council members, where we have the Chairman of the Public Health Committee and two or three other county councillors who take a very active part in County Council work.

12,969. Are the subjects of such a kind that in your view they require this diversity of view brought to bear upon them?—I think that in regard to many of the subjects that come up it is essential that you should be able to get the views of persons looking at the subjects from different points of view.

12,970. Is it your opinion, then, that, so far as you have been able to judge, the Committee has served a very useful function?—I have no doubt about it.

12,971. You are suggesting that there are other functions which this Committee can perform usefully under the Act, but you are not suggesting, in doing that, that the work at present done up to now has been routine or unnecessary, or that the proceedings have been farcical?—No. Mr. Yoward has already pointed out the regularity of attendance, not merely of Approved Society members, of whom it might be suggested that they and the doctors come there because their interests are involved, but of those who are associated with the public work of the county. They also attend regularly, and that is evidence that the Committee is doing useful work.

12,972. (Prof. Gray): With regard to the extent to which outsiders are put on Sub-Committees, have you to go outside often?—(Mr. Potts): Very seldom. We might say we never have to go outside. There was an arrangement to secure inter-representation between the County Council and the Insurance Committee with regard to tuberculosis work. On some

joint committees there were five members of the Insurance Committee and five members of the County Council.

12,973. (Sir Humphry Rolleston): I understand that Mr. Lewis is going to give some account of medical institutions. Those institutions are a survival in a large degree, I suppose, of club practices that existed before the Insurance Act?—That is so.

12,974. In paragraph 126 you say that the present medical service is incomparably better than it was before the advent of the Insurance Act. I suppose that carries with it the conclusion that the medical service is very much better than the service in those institutes?—One feels that they have improved.

12,975. Have they improved in a corresponding way?—I am afraid we could not say that. We have not sufficient inside information of their working to say that.

12,976. Do you think that these are kept on now largely as the result of vested interests, or that they really earn respect?—I think it is a continuation of the vested interest. Obviously there are several advantages in the panel system to which one could point. As I have already stated there is the wider scope of doctors and, as a matter of fact, the number of applicants that there would be for institutions would be very limited.

12,977. (Mr. Jones): You have made a good deal of reference in your Statement and in your remarks to the inspection of dispensaries. That is a new function, is it not?—Yes; it is a new function in so far as it has been defined in the regulations as one of the specific duties of an Insurance Committee. I take it we have always been responsible for seeing that the arrangements were suitable.

12,978. It is bulking larger at the moment because it has become a statutory duty to survey these places?—It is mentioned in the regulations that it is one of the conditions of service that the accommodation should be satisfactory.

12,979. To a considerable extent these duties would be non-recurring?—I should not incline to that view. Any changes that take place in doctors coming on to the list or in their surgery accommodation would necessitate inspection. One would have to see that the surgery was up to date. The standard changes from time to time, and one could probably expect something different in three or four years' time from what might be accepted as satisfactory to-day.

12,980. I think you said in your Statement that in most cases matters are remitted to your Sub-Committees with powers to deal with them?—That is so.

12,981. Do you carry out the decisions of the Sub-Committee immediately after the Committee?—The regulations provide that an Insurance Committee may delegate power to the Sub-Committees, and if that is done immediate action can be taken. There are cases where practically the whole of the powers are delegated to the Medical Benefit Sub-Committee.

12,982. Then when its minutes come before the Insurance Committee the discussion must be academic if action has already been taken?—Yes, in the cases where they have delegated powers to the Sub-Committee. Of course in some cases the whole of the members of the Insurance Committee are members of either one or more of the Sub-Committees that have taken executive action; but when the matter comes before the full Committee it gives an opportunity to any member who wishes to ventilate any matter in public, to do so.

12,983. (Chairman): That is the real advantage?—Yes. In many cases it merely meets on the day when the Sub-Committee meets and there is an opportunity of saying in public something about the work of the Sub-Committee. In some cases it is over in two or three minutes.

12,984. Which means that the Committee is satisfied?—Yes, if the report is adopted. Sometimes the Chairman makes a Statement.

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12,985. (*Prof. Gray*): I suppose the Press are admitted to the Insurance Committee but not to the Sub-Committee?—That is so.

12,986. (*Chairman*): In paragraph 140 you refer to the work of the Central Index Committee. You state that the effectiveness of the clearing system is to some extent impaired because there is no Central Index Committee in Scotland. Your commendation is somewhat hesitating, is it not? We should be glad to hear the views of both the English and the Scottish representatives on this matter?—We consider that the present system can and should be improved and amended so as to secure a minimum degree of inflation which would not be uneven in its incidence amongst all Insurance Committees.

(*Mr. Marshall*): The Scottish Association has not considered whether it would be desirable to establish a Central Index in Scotland. This is a matter which we believe might well be considered when fuller information is available to the Association as to the methods in operation in the Central Index Committee, and the results which have been obtained. The very substantial expenditure involved in the creation of such a clearance scheme makes the Association hesitate to take any line unless and until they are convinced as to its real value.

12,987. Have the English members any view as to the absence of Scotland from the Central Index?—(*Mr. Potts*): Yes; we feel that the Central Index might include in it all the names of the persons who are in Scotland. Otherwise it leads to difficulties in regard to those members. They may be duplicated in England and Scotland at the same time. If a member of a Society is resident in England, and we apply for an index slip, we get one, but that may lead to inflation in Scotland.

12,988. Whatever is done in this respect, do you unanimously recommend that in the next Census the Scottish example should be followed in England and Wales?—Yes. The removals are different in the Insurance Registers from the actual removals recorded in the Census, and it would be of some comparative value.

12,989. I gather from Chapter IV that while you are on the whole satisfied with the working of the Regional Medical Officers' Scheme, you desire that the duties of these officers should be substantially extended in directions which you indicate; but if the suggestions which you make later on as the extension of the medical service were adopted, your point would be met, would it not, in the big scheme?—The point would be met to some extent by the adoption of the suggestions for an extended medical service, but in any case the Regional Medical Officers should be brought into intimate relationship with the Insurance Committees.

12,990. In paragraph 161 you state that deposit contributors should be placed on a sound insurance basis. This is a little vague, is it not? Perhaps you would tell us precisely what you recommend?—There is a division of opinion as to the steps which should be taken with regard to deposit contributors. Committees are not greatly concerned as to those persons who have become deposit contributors by choice, but it is felt that at least those who by reason of ill-health have become deposit contributors or may hereafter find it impossible to join an Approved Society should receive benefits on an insurance basis and not be limited to the amount standing to their individual accounts.

12,991. How is that to be done?—There are several methods which have been suggested.

12,992. Which do you suggest?—We have nothing to put forward. We prefer not to make any definite recommendation. (*Mr. Marshall*): We have suggested two methods in the Scottish evidence, either of which we think would meet the difficulty.

12,993. We will come to that in the Scottish evidence. In paragraph 163 you propose that a court of appeal for the purpose of the Navy and Army Insurance Fund should be set up. Are you not aware

that members of the Fund already have a right of appeal to the Advisory Committee set up under the Regulations, and that appeals are heard and decided from time to time by that Committee?—(*Mr. Potts*): The court of appeal suggested is an independent tribunal. Members of Approved Societies have a right of appeal to Arbitrators and they may afterwards appeal to the Ministry. In the case of the Navy and Army Fund the Minister determines any question after ascertaining the views of the Advisory Committee. It is an intermediary body that we suggest that should correspond to the Arbitrators in the case of members of Approved Societies.

12,994. In paragraph 169 you suggest that members of the Seamen's National Insurance Society should have their arrangements for medical benefit made by the Insurance Committees. Is it the case that seamen who are members of other Societies have their arrangements so made? Do the Committees have any difficulty in making these arrangements because of the peculiar position of seamen as to residence, etc.?—Seamen who are members of Societies other than the Seamen's National Society obtain medical treatment in the same manner as other insured persons as stated in paragraph 167. No difficulties, so far as Committees are aware, have at any time arisen, and Insurance Committees consider that the limited arrangements made by the Seamen's National Insurance Society contrast unfavourably with the arrangements available through Insurance Committees to seamen who are members of other Societies.

12,995. Is this contrast reflected in any sense upon the insured person himself? Do you find discontent among members who are under the Seamen's National Insurance Society?—Yes, we get letters both from doctors and from the seamen themselves on account of the difficulty they have in finding out who is responsible for the treatment and for the payment of it. In fact, I think Mr. Marshall has a letter which indicates that it is really impossible for a member under the Seamen's National arrangements to obtain treatment at the time he actually requires it, and we suggest that under the Insurance Committees' arrangements, any doctor would give him immediate treatment. (*Mr. Marshall*): On the 4th February last the Clerk to the Greenock Insurance Committee wrote to the Secretary of the Seamen's National Society about a seaman who had called at the office of the Committee, desiring medical treatment. The Clerk pointed out that he had sent this seaman to a particular doctor who he understood was the doctor for the district. He proceeded to say: "As I occasionally have a visit from members of your Society desiring to know to whom they should apply for treatment and as I have hitherto referred them to Dr. Mackay, I will be obliged if you will state whether Dr. Mackay is the only practitioner in this area entitled to attend your members or whether they can apply to any practitioner in the area." The reply from the Seamen's National Society from their office in London was: "Dear Sir, Thank you for your letter of the 4th inst. This member is entitled to medical benefit and I have communicated with Dr. E. Mackay on the matter. I think it best if, when members of this Society call on you for medical treatment, you will kindly refer them direct to this Society." So that seamen calling at the Greenock office requiring medical treatment are to be referred to the London office to ascertain whether there is a doctor available to provide treatment.

12,996. Do you have much inquiry made on the part of members of other Societies?—(*Mr. Potts*): No, none at all.

12,997. Every other insured person knows who his doctor is?—Quite so.—(*Mr. Marshall*): Are you referring merely to marine societies?

12,998. No. Do not you find many people come to your office who have not chosen doctors at all although they are entitled to do so?—(*Mr. Potts*): No. I scarcely recollect anybody inquiring who is

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a panel doctor. They all know. In the city of Durham every doctor is a panel doctor.

12,999. What about Greenock?—(Mr. Marshall): I am not sure as to the number. In Lanarkshire, which is much larger, every doctor in general practice is on the panel in that county.

13,000. Do not you find persons coming to make inquiries about it?—There are lists of the doctors in the Post Offices, but we have a great many callers at the office.

13,001. Would it serve the purpose if this Seamen's National Society arranged to put up a list at the Post Office?—I do not think so. I do not think the lists we supply are referred to to any extent.

13,002. So that the Post Office list is of no benefit?—(Mr. Potts): Except that there is a limited number of these people in any area. There are 218 insurance doctors on the list and only 11 on the Seamen's list in one area in the North. Unfortunately, these people often want treatment before they can ask the Insurance Committee or the Seamen's Society about it at all. The first thing they do is to go to a doctor and get treatment.

13,003. But they are not turned down by the Society because they have gone to another doctor. In that way a man would get practically complete free choice of a doctor, although the Society itself might have made arrangements with a certain number of doctors?—We suggest there should be free choice on his part, but there is not the same freedom of choice on the part of the doctors in accepting these patients. On account of the method of remuneration a seaman has not the same opportunity of getting immediate treatment. (Mr. Marshall): I suggest that it is hardly borne out by the correspondence I submitted to you from Greenock that there is free choice. (Mr. Potts): In the early days, when the panel system was first commenced, there were no proper arrangements for dealing with persons who removed from one area to another. All the arrangements with regard to temporary residents, and so on, have been changed since the first days of the Insurance Committees' work. We suggest that it would be very much better for the members of the Seamen's Society to get their benefit through our arrangements than through their own Society's. The reasons for setting up the separate system do not exist, and have not done for some time past.

13,004. In Chapter VIII you definitely recommend that exempt persons should not receive any benefit. Do you not think that employers who pay the contributions in respect of these persons would like to think that their contributions go to benefit their own employees?—It is not considered that employers are particularly interested as to what becomes of the contributions that they must pay, and certainly are not concerned with the arrangements made by the individual employee.

13,005. (Mr. Jones): Mr. Potts, how long has this Central Index Committee been in operation in England?—(Mr. Potts): The Committee has been in existence for about three years. The actual work was performed before that, since about 1919.

13,006. And to what extent have they succeeded in reducing the inflation in England?—The first operation reduced it by about 8 per cent. all round. The second process is only about one-third completed, but it is finding out varying degrees of inflation of from 4 to 6 per cent.

13,007. Are you satisfied with the results of the scheme?—Not altogether.

13,008. What are its present defects?—Up to now we have not been able to find of recent date a list of the members of the Approved Societies. The records of the Societies are apparently some year or two behind for this purpose, and we have been having to compare the Insurance Committee Registers with the removals, for instance, that took place in 1918, notified to the Valuation Department, but

some societies' branches have been referred to Registers of Committees up to more recent times. The present work is to compare them with the records for valuations which are just being completed now.

13,009. So that the machinery is not working altogether satisfactorily?—The Central Index Committee has the matter under consideration, and it is probable that some modified system will be devised by which the live Register of the Committee can be compared with the live Registers of Societies.

13,010. What is the present degree of inflation?—I think about 8 or 9 per cent.

13,011. How much is it in Scotland?—(Mr. Marshall): About 20 per cent.

13,012. Do you regard the contrasted positions as more satisfactory to the English condition of affairs? Do you think they are a stage ahead of Scotland?—(Mr. Potts): I think so, in this respect. It is considered desirable that the inflation should be got rid of. It was due largely to initial difficulties and war conditions have brought a good deal of it about; but once it is cleared up it should be fairly simple to keep it down to a reasonable margin.

13,013. Do you think it gives you a more exact distribution of funds amongst the various Committees?—In so far as the inflation is uneven it must have that effect.

13,014. Would it reduce any existing difficulties if a similar institution were set up in Scotland?—The transfer of slips between England and Scotland might be facilitated, and it would obviate the inflation which has arisen owing to the fact that there are different methods in the two countries.

13,015. Would you rather recommend that there should be one Central Index for the whole of the United Kingdom?—Yes.

13,016. (Professor Gray): With regard to the deposit contributors, you refer here to the case of people who are unable to get into societies because of ill-health. Have you ever gone through your list of deposit contributors and analysed the kind of people they are?—No; it cannot be done except by special inquiry.

13,017. I mean, have you made any special inquiry?—No. Occasional inquiries have been made with regard to limited numbers, but nothing specific.

13,018. Do you think that, in fact, there is any great bulk of them there who could not get into societies if they wanted to do so?—Yes, we know that there are cases of that kind amongst them.

13,019. And who have tried?—Yes, who have tried; people, for instance, who have developed heart trouble before attaining the age of 16, and people who are obviously physically below the normal standard. They would have been refused admission by any Society at that time, and naturally they must become deposit contributors.

13,020. When you say "at that time," do you mean at the age of 16?—Yes.

13,021. Do you think Societies still are fairly strict in regard to admission? As far as one can find out, the tendency is rather that societies accept in many cases without inquiry?—I think the societies still reject people who are obviously unfit—tuberculosis cases, mentally deficient, and so on. There are also people who have dropped out of insurance for one reason or another, and wish to come back. They are certainly rejected by Approved Societies if they appear to be obviously unsuitable.

13,022. To return to the question of inflation, you have inflation in Scotland of about 20 per cent.?—(Mr. Marshall): That is so.

13,023. I suppose the argument for no particular action being taken in Scotland is briefly that the expenditure is fairly heavy and perhaps no particular change would be made by getting rid of the inflation. Is that the kind of argument that is urged?—It is hardly correct to say that no action has been taken. Twice there have been attempts to reduce this inflation through the Scottish Insurance Commissioners, now the Scottish Board of Health. These

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were spread over a considerable period, and had not any substantial result in diminishing the actual number of slips. Being somewhat costly, the second scheme was dropped before the proceedings had gone very far. Our view is that because of the reasons indicated by Mr. Potts, namely, that the English system has not yet quite justified itself, we would prefer to wait until we are satisfied that this system does really justify the very substantial sum involved in connection with it. At the present moment we are, in fact, engaged in a little test which is being carried out in connection with the slips of particular societies in Scotland to find whether the tracing of these slips against the Registers of the societies will have any substantial effect in reducing inflation. Several of the smaller societies which have been so tested have shown a reduction in the inflation, and we propose to continue those tests. We shall be quite prepared to consider the English system if and when they are in a position to say: "We are quite satisfied with the results."

13,024. But at the back of your mind have you got the idea that inflation as between different committees is more or less uniform?—Yes, we do think that. We think we have been more or less justified by the Census figures.

13,025. If it was shown that the inflation was not uniform between one area and another, would you modify your opinion?—Clearly.

13,026. (Chairman): I come now to the very important question of the development of medical treatment and allied services. May I take it that the substance of your recommendations is contained in paragraph 224, and that this represents the considered views of all the Insurance Committees?—(Mr. Yoward): Yes, that is the case. The considered views of all Insurance Committees were sought and reviewed by the Executive Council of the Association. A full statement was circulated to all Committees and considered at a meeting of the Association, comprising representatives of the constituent Committees. It is not suggested that every Committee agrees with the precise recommendations submitted, nor that all suggestions made by the Committees are contained in the Statement, but the proposals, except for matters of minor detail, have the support of Insurance Committees throughout the country.

13,027. You are of opinion then that the extended services which you suggest should still be administered by the Insurance Committees, with any necessary modification in their constitution. Will you indicate your reasons for this?—We are of opinion that Insurance Committees should administer these services. They have a comparatively long experience in the administration of the benefits of which those proposed are a natural development. The constitution of Insurance Committees is such that no other body can be said to be so representative of all the interests for this special purpose, and it is capable of modification to suit altered conditions. In so far as the proposed extensions are in the nature of medical benefit they should only be administered by Committees, and so far as they are ancillary services available to all insured persons they could best and most economically be administered by the Insurance Committees. That is our considered opinion.

13,028. What is your view of the proposal to place the administration of an enlarged and unified medical service in the hands of a special committee of the local authority for each County and County Borough?—The enlarged and unified medical service to which you refer would involve the transference of the health services of the Borough, Urban and Rural District Councils and the Boards of Guardians, and until a comprehensive scheme of this character is undertaken no possible advantage would accrue from this proposal. At present there does not appear to be any justification for the administration of the National Insurance Service being placed in the hands of an authority which provides no part of the cost. The

Association consider that the committee responsible for the administration should contain representatives of the contributing parties and those interested in providing the service.

13,029. Assume that it was practicable now to set up under the local authority—either under a committee of the local authority or under a committee appointed through the local authority—a unified system of public health service, including medical benefit under the Act, what would your view be as to the desirability of doing so?—The view of the Association of Insurance Committees is distinctly that, because of their experience in the matter, and seeing the difficulty in getting anything like a unified service, they are the only people to administer it.

13,030. I quite understand that, but I am going a step further. The suggestion which has been put before us by previous witnesses is that instead of having a number of authorities or bodies dealing with health service there should be one public health service, covering all branches of the health service and all conditions of persons, administered through a local public authority. I am asking you to assume that that is practicable. Would you conceive it to be desirable if it were practicable? It might displace the Committees such as you represent, though not necessarily?—That view one has considered once or twice. I am accustomed to some little public work under the County Council, and the difficulty is so great that it is scarcely practicable to imagine where the Insurance Committee could come in. You would suggest, I presume, the County Council, probably, and there are all the Rural and the Urban and the Borough Councils with their sanitary powers, the County Council not being the sanitary authority for the County. Such a possibility is, I think, so far away that I can give no answer really about the Insurance Committees.

13,031. You would not even care to assume it were practicable? I am not suggesting it is: it is merely an assumption, but assume that medical benefit were taken clean out of the Insurance Act and put into the hands of a local authority. Would you regard it as possible to provide any function for the Insurance Committee in a scheme of that kind?—I should, of course, assume at once that such an authority would be capable of administering the Act; there would be no question as to that at all. But exactly how useful it would be, I do not know.

13,032. You do not feel it is practicable?—The difficulty is so large because the assumption is so great. I have gone into the question of the absorption of local minor authorities into one large authority, say the County Council, for each area.

13,033. And you do not regard that as practicable as yet?—I do not.

13,034. Do you not think that the arrangements should provide for the effective co-ordination of all the existing local medical services, in particular the Public Health Service and the Insurance Service?—Yes, in that case, certainly.

13,035. If a medical benefit of the scope which you contemplate were provided for all the insured persons and their dependants, would not a relatively small section of the population be left outside the service; and that being so are not the arguments in favour of a unified service thus reinforced?—(Mr. Potts): We do not think that the inclusion of dependants has of itself any bearing on the arguments in favour of a unified service.

13,036. Suppose you increase the number by 100 per cent.?—In that case the service would be unified.

13,037. Not necessarily?—If you increase the number of insured persons through the Insurance Committee there would be nobody left outside.

13,038. If you increase the number of persons covered by the various agencies to such an extent that you could then say that all persons were covered by one agency or another, you would still require to have some further scheme for unification?—Or co-ordination.



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13,039. Your view apparently is that the addition of the dependants of insured persons to the Insurance Act would not in itself strengthen the argument for unification?—Not for unification.

13,040. Do you think that if the Insurance Services continue to be administered as you suggest by the Insurance Committees, there are means of securing an effective co-ordination with the other local health services, namely, the Public Health Service, the School Medical Service, the Maternity and Child Welfare work and the Poor Law Service?—Yes, in so far as this relates to co-ordination with the local medical services provided by the County or County Borough Councils and the Education Committees. In so far as the Poor Law Service is concerned the Association hopes that effect will speedily be given to the declaration contained in the Ministry of Health Act relating thereto.

13,041. Have you any suggestion to make as to the form the co-ordination should take?—We feel that an effective co-ordination and unity may be secured by co-operation between these bodies strengthened as suggested by Sir Robert Morant by interlocking or reciprocal representation and by joint sub-committees, including arrangements for joint action by officers of these bodies.

13,042. You have no doubt made yourself acquainted with the proposals contained in the Interim Report of the Consultative Council on the Future Provision of Medical and Allied Services published in 1920. Could you indicate generally your views on the proposals therein contained?—The Associations carefully considered the Interim Report in 1920 and 1921, and their views are contained in a series of resolutions, of which I hand in a copy.

(Document handed in.)

#### REPORT OF CONSULTATIVE COUNCIL ON MEDICAL AND ALLIED SERVICES.

##### 9. Resolved:—

"That this Association welcomes the Report of the Consultative Council on Medical and Allied Services as an attempt to place the health services for the people on a sound and comprehensive basis, and with a view to securing local co-ordination this Association is of opinion that the Local Health Authority should be required to submit to the Ministry of Health for approval a 'Scheme' providing for the constitution of the Committee charged with the provision of health services in its area.

"That such 'Scheme' should provide for the adequate representation of Insurance Committees upon the Local Health Authority, and that it be not approved until consideration has been given by the Ministry to representations made by the Insurance Committee interested.

"Further, that the Executive Council be empowered to consider the Report and to make such representations thereon as may appear desirable."

10. Upon consideration of the Report of the Executive Council on the above matter, the following Resolutions were sent to the Ministry of Health and to all Insurance Committees, viz.:—

(1) *Constitution of Authority.*—"That the Resolution passed at the last Annual Meeting of the Association with regard to the Local Health Authority be re-affirmed."

(2) *Domiciliary Service.*—"That this Association is of opinion that a complete 'Scheme' of domiciliary service (comprising the services of doctor, dentist, pharmacists, nurse, midwife and health visitor), as outlined in the Report, is eminently desirable, and should be given effect to at the earliest possible date." (Paras. 18-35.)

(3) *Voluntary Hospitals.*—"That this Association is of opinion that the position of the

Voluntary Hospitals can best be met by means of a grant in aid for work carried out, and suggests that such a course be adopted subject to the conditions attaching to the admission of patients being revised." (Paras. 81-86.)

(4) *Institutional Accommodation.*—"That to secure increased institutional accommodation and to make possible a more suitable classification of patients, this Association supports the recommendation of the Medical and Allied Services' Consultative Council for the immediate utilisation of Poor Law Infirmaries." (Paras. 46-59.)

(5) *Hospital Committee.*—"That to ensure the best use being made of all the hospital accommodation within an area pending the creation of the new Local Health Authority, this Association is of opinion that provision should be made for the setting up of a provisional Committee in each area consisting of representatives of every authority engaged in health administration, and of the several hospitals within the area." (Para. 12.)

(6) *Adequacy of Hospital Accommodation.*—"That with a view to ascertaining the degree of adequacy of accommodation, this Association is of opinion that under the direction of the Ministry of Health a 'Hospital Survey' should be undertaken at an early date by the Committee of each area referred to in the preceding paragraph." (Para. 12.)

(7) *Nursing.*—"That the need of an adequate nursing service is urgent, and this Association suggests that the Committee referred to in paragraph 5 should, in conjunction with the Nursing Associations and Approved Societies operating within the area, prepare a Scheme for securing an adequate system of nursing for all sick persons for whom the doctor deems nursing to be necessary." (Paras. 29-32.)

(8) *Area of Local Health Authority.*—"That this Association is of opinion that since a full medical health provision for any area must be associated with institutions or machinery situated in a town of some considerable size, the most convenient area for health administration would be such a town together with so much of the surrounding districts as can be properly and effectively associated with it."

(9) *Place of Insurance Committees in Scheme.*—"That as domiciliary services will require a Committee's full consideration, particularly in view of the extensions proposed, this Association is of opinion that Insurance Committees should be retained as separate statutory authorities and be responsible for the administration of all domiciliary services, including the proposed Primary Health Centres."

(10) *Administrative distinct from Medical side.*—"That in the opinion of this Association, provision should be made in every 'scheme' for an administrative or secretarial side as distinct from the medical side in similar manner to that which obtains in the organisation of the Ministry of Health." (Paras. 103-104.)

The Association's letter forwarding copies of the Resolutions to the Consultative Council was acknowledged by the Secretary of the Council, who stated that the representations contained therein would be borne in mind in any future consideration of the Interim Report.

13,043. Do you think that the scheme there outlined is consistent with the continuation of a separate Insurance Committee alongside of the Public Health Authority and the other existing authorities for local medical services?—Yes, we do. Paragraphs 92 to

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25 of that Report recommend a co-ordination of the several services. In paragraph 95 it is stated that whatever may be the nature of the future Health Authority it will be necessary to devise machinery for securing the complete inter-communication and co-ordination of the various services enumerated in paragraph 93, which includes domiciliary service.

13,044. I note that in paragraph 224 you indicate not only the scope of the general medical service which you recommend, but also the order or priority in development. We shall be glad to hear your justification for the order of priority of the eight headings which you give, ranging from consultants and specialists down to massage?—It is considered that items (a) and (b) are essential to enable the ordinary medical attendance and treatment of the general practitioner to be effectively carried out and supplemented so as to secure the adequate medical attendance and treatment intended under the Act. Item (c), Nursing, is considered to be necessary in suitable cases to assist in the early recovery of the patient and to conserve the National Health Funds. As to item (d), the lack of dental treatment is generally regarded as one of the principal causes of illness and consequent incapacity for work, and for this reason its early provision is recommended. The remaining items are not regarded as so important in relation to the conservation of the Insurance Funds, nor are they so urgent on medical grounds.

13,045. May I take it that you place the extension of the scope of the medical benefit for insured persons definitely in priority to provision of the present benefit for the dependants of insured persons?—Yes.

13,046. Is your order of priority based merely on health and social considerations, or is it determined in any way by financial considerations?—The order of priority was settled by the Association when due weight was given to all considerations involved.

13,047. I judge from what you stated a few minutes ago that it is more on health and social considerations than on financial considerations; is that right?—The order of priority is mainly on health considerations, certainly.

13,048. Have you attempted to make any estimate as to the cost of these proposals?—No; we did not feel that we were in a position to undertake work of that kind. We thought that was rather a matter for the Government, advised by their Actuary.

13,049. Most people have taken that view. I do not know where we are going to get the witnesses who can undertake it. You realise, I am sure, that such a comprehensive scheme could not be financed from the present funds. Do you think that the need for some extension is so urgent that we should contemplate an increase in the present rates of contribution and State grants? What increase of contribution do you think the country could stand, having regard to the present state of industry and employment?—No additional contribution is suggested unless and until the service for dependants is provided.

13,050. If it were found that none of these suggestions you make could be given effect to without an increase in the contribution, would you be satisfied to let things remain as they are?—I do not think so. We should be very much surprised to find that that was the position.

13,051. I ask you to assume it?—Assuming that, I think we would be prepared to recommend that the first three items, at any rate, and possibly the first four, should be done, even if it meant an increase of cost.

13,052. What increase had you in mind as a maximum?—We had not considered that, as we felt that there was money available for providing some of these services.

13,053. So that you may want time to reconsider whether you would recommend even an increased contribution for the first three?—Yes; we have not anything definite to put forward on that. (Mr.

Marshall): We in Scotland are definitely against any increase in the contribution in the meantime.

13,054. I note that you think the treatment benefits should be administered by the Insurance Committees and not by the Approved Societies. Perhaps you would indicate to us in a little detail what are the defects of the present system of treatment additional benefits, illustrating it, say, from the dental benefit arrangements?—(Mr. Potts): Dental benefit, in the opinion of the Association, is so closely allied to the medical benefit at present under the control of Insurance Committees that the arrangements for it should be under the same body. Under the present system of administration it is regarded as an "additional cash benefit" and it is provided only for a limited number of insured persons who are members of those societies or branches which have agreed to provide it, wholly or in part out of the disposable surplus ascertained on valuation. The cash payment is not always made as the insured person is sometimes unable to find the balance of the cost and is compelled to forego the treatment. This constitutes a danger—steadily on the increase—to the insurance scheme, and with the spread of the knowledge that dental treatment is, or might be, available applications and enquiries are being made in larger volumes and where no such treatment is available serious discontent arises. Uniform compulsory payments tend to the expectation of uniform benefits. The present system is defective in that the dental benefit provided is variable both in amount and quality. There is no real supervision, and this can only be secured by local control. The Association suggest that a dental panel in each area should be constituted, but all applications for dental benefit should be considered and reported upon by the medical adviser to the Committee; that if and so far as funds are available full benefit should be provided in all cases where recommended by the medical adviser, and that any complaint regarding the service should be investigated by a Dental Service Sub-Committee constituted in a similar manner to the Medical Service Sub-Committee.

13,055. Your suggestion amounts to this, does it not, that you would desire to see these additional benefits not given as additional benefits at all, but as normal benefits?—That is so. (Mr. Marshall): Primary benefits.

13,056. That is what we have been describing as normal benefits. What, then, would be left for the Society to do for its own members where it had a surplus?—(Mr. Potts): There are various forms of cash benefit.

13,057. Is it your suggestion that additional benefit should be confined to cash benefit?—Yes; all treatment benefits would become part of medical benefit. (Mr. Marshall): As they are understood to be under the original Act.

13,058. That is contested, of course?—I do not think so.

13,059. We have had it contested here. Assuming dental benefit were made a universal benefit, have you any views on the scope of the benefit, in particular whether it should cover the provision of dentures?—(Mr. Potts): Yes. We consider that the benefits should include extractions, fillings, etc., and as far as possible, provision of dentures, certainly where they were recommended by the medical adviser.

13,060. How do you think the dentist should be paid? On a capitation fee or on a scale basis?—We are of opinion that dental benefit does not lend itself readily to payment by the capitation system.

13,061. Why?—We think the interests of the patient would be best served by payment on a scale basis. We feel that the fund might be instituted on a *per capita* basis, but that it should be distributed, certainly as regards some of the more expensive work, on a scale basis.

13,062. Perhaps you would explain your views as to optical treatment and nursing treatment on similar

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lines?—We have dealt with these in our Statement. Our view with regard to optical treatment is that it is very like dental treatment. We could put forward a specimen of a nursing scheme which is in operation in three areas.

(Chairman): I merely asked you the question to give you an opportunity of amplifying what you have said, if you wished to do so.

13,063. (Sir Arthur Worley): I gather with regard to the first of these recommendations (a) and (b) you are of the view that an ordinary medical practitioner cannot give 100 per cent. of his service unless he has the assistance of these specialists and consultants?—That is so.

13,064. He could give it so far, but if he was aided and assisted by the expert advice he would be able to do a great deal more for his patient?—That is so.

13,065. You consider that is so important that if necessary so far as you are concerned you would be inclined to favour an increase of the contribution from somebody or somewhere to attain that, if it was necessary?—If it were necessary we would; we think it is so important.

13,066. I gather that Mr. Marshall is not of that view; that is to say, he would not be prepared to advocate an increase at this time?—(Mr. Marshall): Not at the present time. At the same time, we feel convinced that there are sufficient funds available for that purpose.

13,067. (Chairman): But you have not made an estimate?—That is for the Government Actuary.

13,068. (Sir Arthur Worley): That is outside the point I am making. Mr. Llewellyn Jones, are you in favour of those services, and are you prepared for an advance in the contribution, if necessary, from the Welsh point of view?—(Mr. Llewellyn Jones): The Welsh Association has repeatedly expressed the view that medical benefit is not adequate unless you get the other services to which reference has been made.

13,069. Are you prepared to go to the extreme of saying that if it was necessary to provide that benefit and there would have to be a further charge, you would be in favour of it?—Yes, I think I would be prepared to go so far.

13,070. (Mr. Evans): You are not prepared to go the whole length and advocate a national medical service?—(Mr. Potts): We do not quite understand the question. We regard the Insurance service as national.

13,071. You have told us that you believe that all these things here should be provided in the service; but you still think that a national medical service would not be desirable? If you do not say that, the Welsh Association say it in their Statement?—Of course we are concerned as Insurance Committees with the insured persons, and we recognise in the Insurance Act that the first additional benefit is medical benefit for the dependants. What we have considered is the question of providing the insured persons with a complete medical service and the desirability of bringing in as soon as possible the same services for the dependants of insured persons.

13,072. You mentioned in your answer to the Chairman, the Public Health Service, the School Medical Service, the Maternity and Child Welfare, but you have not put the Poor Law Service?—We understand that Parliament intended to remove that from the Poor Law.

13,073. Suppose a complete comprehensive Medical Health Service were set up with the Insurance Committees as a sort of nucleus for such service, would that be acceptable to you?—It sounds very attractive that the Insurance Committee should be the nucleus to such a service. I do not think we should object to arranging treatment for a few other people than the insured persons and their dependants.

13,074. At the moment we have got the Public Health Service, and I think much of the work done by these bodies is preventive work. The work that is now done by the Public Health Committees of the

various County Councils and Borough Councils, and also by the School Authority Medical Service and the Maternity and Child Welfare work done by the Local Authority, if co-ordinated, do not you think might be done by one body? I do not mind if that body is the Insurance Committee with other people added?—I think we have expressed our view that the thing cannot be unified, but it can be properly co-ordinated. We certainly feel that the services of the doctors, the chemists and the other persons mentioned here who deal with the persons in their own homes are a sufficiently large unit to require the attention of a committee and an individual department. That is our view, but it should work in the closest co-operation with all the other services of this kind.

13,075. How would you co-ordinate?—The co-ordination I suggest has been very effective in the case of sanatorium benefit, and it is still existing in relation to domiciliary treatment. We have the reports on insured persons going to the Tuberculosis Officer of the Local Authority and the cases being dealt with under the Insurance Committee. Any complaint that the County Council officer had to make would be dealt with suitably by the Insurance Committee and any complaint that the Insurance Committee had to make or any question raised with regard to the services rendered to the patient by the general practitioner would be passed on to the County Council and dealt with by them. In my own area we have worked in close connection with the County Council. Whenever the Insurance Committee has had matters to consider that required some medical advice we have always had it placed at our disposal by the Medical Officer and any of the staff of the County Council. Jointly we have also arranged lectures. There is no difficulty with regard to co-operation at all. (Mr. Yoward): It is the same in our own area, exactly.

13,076. You told us that you believed that the treatment benefits should be uniform. At the moment they are not uniform. It depends on the surplus any society may have. If treatment benefit were made uniform, that would do away with all surpluses, would it not?—(Mr. Potts): I do not think so. We feel that whatever sums are taken out for medical benefit would be a first charge upon the Insurance Fund and that the amount that was left would be an amount that was available for cash benefits. We would hope certainly that it would be sufficient, as at present, to make the cash payments under the Act and to leave some margin as an encouragement to societies in administering their funds and to the members to conserve their funds. We should not like to endanger the position that there is hope of a surplus and of additional cash benefits in the average well-managed society.

13,077. Societies to-day are rather in favour of any surplus being used for treatment benefits and not for cash benefits. They do not want a cash benefit, because that might damage the Friendly Societies?—I am afraid we do not know anything about that.

13,078. But you think that treatment benefits should be uniform?—Yes. We put forward complete medical attendance and treatment, and we suggest that the proper body to determine what money should be spent on that is Parliament. They determine at present how much the Insurance Committee can have for medical benefit, and it is for them to determine how much of the Insurance funds are to be set aside for this purpose.

13,079. (Mr. Jones): I should like to address some questions to Mr. Marshall at this stage. Do you know there are a large number of local authorities of one sort or another administering certain kinds of medical services in Scotland. (Mr. Marshall): That is so—too many.

13,080. It is too much perhaps to ask you to recall the figures, but perhaps you will agree if I repeat them here, that there are 33 County Councils, 90 District Committees, 869 Parish Councils and 27

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District Boards of Control. Then I think there are about 40 Education Authorities?—Yes.

13,081. How many Insurance Committees are there?—54.

13,082. That will be something like 1,100 or 1,200 altogether?—That is so.

13,083. I think a considerable amount of attention has been directed to this question in Scotland?—Yes.

13,084. There is under the Scottish Board of Health Act a Consultative Council on Local Health and general questions?—Yes.

13,085. I think you are a member of that?—That is so.

13,086. Has this Council had this matter under consideration?—It has.

13,087. Has it made a report upon that subject?—It has.

13,088. Has that Council expressed the opinion that "the concentration of all health services under one local authority, if possible, for each area should be the immediate aim of reform"?—Yes; it has also expressed certain other opinions, and the first is that there is overlapping and waste due to the distribution of local administration of health services among several different authorities in each area; and, secondly, that many of the administrative units are too small to carry out efficiently the powers laid upon them by Parliament, which has resulted in a need for reform of the whole public health administration of Scotland.

13,089. It was these considerations perhaps which led this Council to express the opinion I have just read?—That is so. I might read another section of the Report, which has been signed by yourself and myself, to the effect: "For the discharge of the duties involved, which include the provision of hospitals and other institutions, it has been found that not only the smaller burghs, but even several of the counties as at present constituted are inadequate in area, population, and rating value, and there is a steadily increasing number of public health local authorities who are finding it impossible to carry out effectively the comprehensive duties that have been laid on them in recent years."

13,090. (Sir Arthur Worley): Is that quoted as an authority?—That is a Report of the Consultative Council published in 1923.

13,091. (Chairman): Of which both Mr. Marshall and Mr. Jones are members?—That is so.

13,092. (Mr. Jones): I should like particularly that the Commission should see the results of the consideration of this important matter as given to it by this relatively important body. Might I put these further recommendations? It was recommended by that Council that the unit for local health administration in Scotland should be burghs having a population of 50,000 and over, and counties including all burghs with a population of less than 50,000?—That is so.

13,093. Did that Council also recommend that there should be no *ad hoc* body for health authorities in Scotland; that is, no new *ad hoc* body?—The Council recommended that.

13,094. Did they further recommend that in burghs with a population of 50,000 and over the Town Council should be the local health authority, and for the County Area the County Council containing representatives appointed by the Town Councils of burghs with less than 50,000 population should be the local health authority?—That is so.

13,095. And that the County Council, as the local health authority for the County Area, should rate, and so on?—Yes.

13,096. Was another of the recommendations that there should be no co-optation of outside persons to membership of the Local Authority, but that Committees of the Local Authority might have powers of co-optation?—It is suggested that Committees might have reasonable powers of co-optation, but with no right to the co-opted persons to vote.

13,097. Did they also recommend that while the policy might be directed in the main by the Central Authority, certain of these duties should be delegated to District Committees and Town Councils?—Yes; certain minor functions might be delegated.

13,098. The reason for that being that they would thereby secure more or less uniformity in the administration throughout, say, the whole of a county area?—That is so.

13,099. Did they also recommend the transfer of the poor law health functions of Parish Councils in Scotland in the manner set out in the Report?—They did.

13,100. They advised the abolition of the huge number of Parish Councils that exist in Scotland?—Yes; they suggested that they should be abolished.

13,101. I think you signed that Report with a reservation?—Yes, and I think in fairness I should read that to the Commission: "Under existing circumstances the cost of the provision of medical benefit under the National Insurance Acts, together with the cost of administration, is met by contributions from Approved Societies supplemented by a State contribution. No part of the cost is defrayed out of the rates. While it is desirable for simplification and to avoid overlapping that medical benefit should be administered locally as part of the same scheme which provides for Public Health and Poor Law Medical Relief, it appears to me that this benefit should be administered by a Statutory Committee of the Local Authority on which there might be co-opted representatives from Approved Societies, Medical Practitioners, and others interested in this specially."

13,102. Even in your reservation you recognise that it should be a Committee of the Local Authority provided you are given separate representation for your Approved Societies?—One must remember that I am a member of that Consultative Council in my personal capacity. I am here to-day representing the Association. Even apart from that, I regard this as in no degree conflicting with the views I have expressed as representing the Association for this reason, that one must take the Report as a whole. One must have regard to the whole suggestions contained here. If the proposals of this kind were brought forward—the proposals for the reform of public health administration in Scotland—then clearly nothing could stand in the way of what I regard as a necessary reform.

13,103. The Consultative Council gave that matter their full and careful consideration?—They did.

13,104. It was no hurriedly-arrived-at decision?—It was considered over a very long period.

13,105. (Professor Gray): I am somewhat in the dark as to your suggestion with regard to the extension of medical benefit and its reactions on the present scheme. You speak optimistically about a very large surplus which is available for this purpose. Did you mention forty million pounds?—The Valuation is not complete, but it is anticipated apparently that it will be from thirty-seven million pounds to forty million pounds.

13,106. And your suggestion is that this list of things from (a) to (h) can be met out of this forty million pounds?—We do. We suggest that some of them should be taken; we do not suggest all. We rather think that these should be taken step by step.

13,107. At present I suppose you realise that forty million pounds, taking that figure as being the sum you suggest, is in a way ear-marked to particular societies?—Clearly.

13,108. And your suggestion would have a distinct reaction, would it not, on the scheme of Approved Societies?—Of course it would necessarily involve an extension of the pooling which at present exists in a slight degree with societies.

13,109. Your suggestion is that you extend the scope of medical benefit to include, firstly (a), secondly

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(b), thirdly (c), and so on, and make them a charge in respect of medical benefit?—Yes, as a first charge.

13,110. And that of course would increase the charge for medical benefit?—Yes, clearly.

13,111. At the present moment, of course, there are societies which have no surplus?—Quite so.

13,112. And your scheme would put these societies into a deficiency?—That is why I indicated that in my opinion this would necessarily involve an extension of the pooling system.

13,113. What do you suggest there?—As to the extent of it, I am afraid that is not a matter for me.

13,114. How do you suggest it should be done? What form would the pool take, if you cannot tell how big it is?—We scarcely suggested that there should be a pool at all; we pointed out that what we hoped was that the amount available for medical benefit and distributed by Insurance Committees would be increased and would be a first charge on Insurance funds. We hoped that there would be sufficient money left in the Scheme as a whole to work the thing.

13,115. Take the increased sum required for medical benefit. Taking dental benefit only it is suggested that 5s. or 6s. is required. It is obvious, is it not, that it will put many societies which are at present merely paying their way into a deficiency?—I do not think that we are conversant with the case for the societies in this matter.

13,116. You are putting forward certain suggestions, and I want to know how far you have considered the reaction of these suggestions on the Society system?—It must inevitably bring certain societies which have little or no surplus into a deficiency.

13,117. (Chairman): Mr. Potts says, if there is enough money in the scheme as a whole?—(Mr. Potts): We also felt that it was not necessary that this money should come out of the surpluses that will be announced shortly, but that some re-arrangement of the fund itself might take place.

13,118. That is what Professor Gray is asking?—I suggest that apart from the pool, the amounts that have been set down by the actuaries have been on the generous side for the provision of cash benefits, and certainly in a good many societies that has proved to be true, otherwise these surpluses would not have arisen. We put it to you that we are not competent ourselves to go into that matter, but we feel that the importance of the work entrusted to us justifies the reconsideration of the position, and that the time has arrived when more money should be available for medical benefit, and that money should be determined by Parliament. I take it they would be advised and would consider the effect upon the societies.

13,119. (Prof. Gray): I understand your contention to be, firstly, that the contribution is too large, and that therefore there is a certain margin there. Secondly, certain societies have very big surpluses and others have none at all, but by a further process of pooling you would make some more available?—(Mr. Marshall): Yes, that is our suggestion.

13,120. And by a process of pooling you would prevent these other societies getting into a deficiency?—(Mr. Potts): I think so.

13,121. But you do not estimate how far that would go in your list here?—No.

13,122. Then I think you suggested that you would debar societies from giving anything that purported to be treatment benefits?—Except in so far as they make cash payments to members for something which is outside the services we recommend. In the case of dental treatment we said as a minimum it should be all the treatment recommended on medical grounds. We would not debar the societies making cash payments under proper schemes over and above that.

13,123. You would have a minimum dental scheme under your widened medical benefit, and you would allow Approved Societies to give something extra beyond that?—We would allow the Insurance Committee to give something extra beyond the minimum

requirements if it had the funds available; and also the Approved Society could do under its schemes something further if it was possible.

13,124. In the main you desire that all these things should be taken away from the Approved Societies and that they should be left merely to give additional cash benefits?—I do not quite like putting it in the way that we want to take it from the Approved Societies. We feel that these arrangements for these treatment benefits have never been made at all either by Approved Societies or Insurance Committees, and that these things which were contemplated in the Insurance Act to be administered by and through Insurance Committees, being in the nature of medical benefit, have not yet been introduced at all anywhere.

13,125. (Chairman): And that if they had been there would not have been these surpluses?—Quite so.

13,126. (Prof. Gray): Would you further agree that so far as these various so-called treatment benefits (in deference to your opinion) are given by societies, some giving them and some not giving them, and some giving them to a different extent, they can hardly be dealt with by Insurance Committees?—So long as they are additional benefits.

13,127. So long as they are uncertain in their scope, varying from one society to another?—I think the Insurance Committees, even under those conditions, could make arrangements for the members who were entitled to them, which would be much better than the present system. It would not be worth while, unless there was a reasonable number of insured persons entitled, to make general arrangements; but we could make arrangements for them.

13,128. Then apart from all these suggestions, you also mention the extension to the dependants. Have you considered how that is to be done financially?—We have refrained from going into the question of cost, but we are conscious of the fact that at the present moment the dependants of a very large number of insured persons are arranged for under a contract system.

13,129. Would you have a flat addition to all contributions, or would you have a varying contribution according to the number of dependants?—I think the ordinary insured person's contribution should cover this risk for dependants.

13,130. You would increase it for that purpose?—Yes.

13,131. You see no objection to that in the case of certain people who have not got dependants?—No. (Mr. Marshall): In Lanarkshire we have a medical scheme which includes ordinary treatment for the wives and dependants of the miners of Lanarkshire. We are distributing £60,000 a year, and that is accumulated on a flat rate by the miners, single or married, of 4½d. per week. The payment provides both attendance and drugs, and the miners so far have preferred in Scotland to pay under a flat rate system. They think that the single man is able to pay for something from which he is getting no benefit in order that his married colleague should receive the treatment for his wife and family at a less rate.

13,132. He himself may receive the benefit later?—Yes. (Mr. Potts): Or his dependants, even if he is a single man; he may have a mother or a sister.

13,133. You refer to Insurance Committees as representing the views of insured persons. How far do you think Insurance Committees as at present constituted are in fact representative of insured persons? How many insured persons have you on your Committee?—(Mr. Marshall): Three-fifths.

13,134. Insured persons or representatives of insured persons?—(Mr. Potts): I have more than three-fifths on my Committee.

13,135. Actual insured persons?—Yes.

13,136. How are your members elected? The great bulk are actually nominated by certain big Societies?—Yes; about half, I think.

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13,137. They are nominated by the Committee of Management of big Societies?—We do not know that. We are informed by the Ministry of Health that these gentlemen have been appointed to represent certain societies.

13,138. And are they in most cases insured persons?—Yes; in most cases they are.

13,139. (Mr. Cook): To follow up that last question, you say, Mr. Potts, that three-fifths of your members are insured persons, and you ask us to believe that they acquiesce in this proposal that you make for the extension of medical benefit to specialists and consultants, dental and optical treatment and so on?—I think it is quite safe to say that the insured persons so far as represented on Insurance Committees have acquiesced in all these proposals put forward.

13,140. They acquiesce in the provision of all these extra benefits, but have they acquiesced in the financial suggestions which you have been putting forward to meet these additional benefits?—These have been considered by every Insurance Committee in the country now for quite a long time, and we have no information to the contrary.

13,141. It is rather surprising to hear that in the light of the evidence we have had from the representatives of Approved Societies up to date, because we find invariably they are opposed to any system that is going to diminish their individual surpluses for the benefit of others?—I should suggest we are in quite as good a position to obtain the views of the insured persons themselves as the societies. We have local and public meetings, and we hear what is being said by the insured persons probably a good deal better than a great many of the societies do. (Mr. Marshall): A copy of the evidence which has been submitted to this Commission has been submitted to the members of every Insurance Committee in Scotland. We have no reason to doubt that it must have met with approval as otherwise we should have heard long since.

(Sir Arthur Worley): But Scotland has purposely put forward that they are not in favour of asking for more money, which I think was Mr. Cook's point.

13,142. (Mr. Cook): No, my point was the provision of these additional benefits out of the surpluses. Mr. Marshall has contended that there is abundance of money to foot the bill. Professor Gray was pointing out that that may be so, but it belongs to the Approved Societies, and I wanted to know whether these gentlemen were voicing the sentiments of the members of those approved Societies or simply giving us an official view?—We believe we are giving you the sentiments of the members of the societies. (Mr. Potts): We contend that this money does not belong to the Approved Societies, but is simply held in trust for the benefit of their members who are insured persons. We only propose that it should be spent for the benefit of the members. (Mr. Marshall): I might also be pardoned for saying that as we have consulted our Committees and our Committee members have expressed their views, possibly the Society officials who have given evidence before you might equally be asked to consult their constituents before arriving at a conclusion.

13,143. (Chairman): We will have now the Statement of Evidence of the Scottish Association of Insurance Committees. Most of the ground has already been covered in the Federation Evidence, and I note that you wish your Statement to be regarded as only supplementary to that. We have noted your recommendations in paragraph 91 as to alterations, extensions, and developments and the minor amendments which you suggest in paragraph 93. Are there any points of difference between the English and Scottish procedure or in the recommendations from the two countries, to which you specially desire to draw our attention?—(Mr. Marshall): There are not.

13,144. Do you consider that the insured persons in Scotland take a lively interest in the work of the

Insurance Committees?—I hardly think that the term "lively interest" would apply to the work of any local authority in Scotland; but I am very sure that as much, if not more, interest is taken in the work of the Insurance Committee as in that of the Education Authority or the Parish Council. At the elections last week for the Education Authorities only 22 per cent. of the voters recorded their vote in Edinburgh; in Aberdeen, 15 per cent.; in Glasgow, 45 per cent.; and in Dundee, 27 per cent. I think, having regard to these figures, it is safe to say that at least as much interest is taken in the work of the Insurance Committees as in that of other Authorities in Scotland.

13,145. And that if the Insurance Committees were an elected body the figures would prove it?—I think so.

13,146. In paragraph 3 I see that you are very satisfied with the working of the Drugs Pricing Bureau at Glasgow. There was great opposition from the Insurance Committees to the institution of this Bureau, was there not? Has that now died down entirely?—The opposition to which you refer was not universal. In any event it was rather to the method adopted by the Scottish Commissioners in forcing their views upon Insurance Committees than to the Pricing Bureau itself. The only feeling to-day towards the Bureau is one of sympathetic admiration.

13,147. Do you consider that the Insurance Committees in your very wide and sparsely populated areas in the north and north-west of Scotland have successfully overcome their peculiar difficulties and made effective arrangements for medical benefit and their other duties?—All the reports obtained from the Highland Committees agree that there is a very great improvement in the medical facilities available. The Committees regard the facilities now available as effective, but they hope that as the scheme develops it will be possible to increase the facilities in the more difficult parts of the country. They find that as the younger generation comes in they are somewhat better in their habits than the doctors whom they were formerly forced to accept. There is some actual choice with regard to doctors, whereas, as you probably know, in the West Highlands especially, in the past the Parish Councils had practically to accept any medical practitioner who was willing to accept service.

13,148. In paragraph 4 you state that the conditions of the last 12 years have been so abnormal that it is doubtful whether the experience gained is yet sufficient to estimate the present and potential value of the working of the schemes of the Insurance Committees. Do you think then that there may be still a reasonable doubt as to their utility?—I do not think that any person who has experience of the working of Insurance Committees could have any doubt as to their utility. The members of the Royal Commission can hardly fail to appreciate the extraordinary conditions which have prevailed in National Insurance during the past 12 years. We believe that if the Press and Parliament would leave National Insurance alone for a few years we could greatly improve the working of the machine, and that without additional powers or additional money.

13,149. From paragraph 5 I note that although the maximum membership of any Insurance Committee in England is now 40, there are still Committees in Scotland with a higher membership, and that the Glasgow Committee has as many as 80 members. Do you think that Committees of this size are necessary or desirable?—The size of the Committee does seem formidable, but the additional expense involved is trifling, and there is an advantage in having all interests fully represented. Unless the proportions of the representation are altered the reduction in size would lead to complications and difficulty, as it has certainly done in the case of the English Committees. I may point out that the section of the 1924 Act which governs the size of Insurance Committees in England is quite unworkable. Perhaps you do not know that

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it provides that the Committee may be as small as 20, yet the provisos are such that you cannot possibly have a Committee of a less size than 30.

13,150. Mr. Llewellyn Jones has a Committee of 20?—There is something wrong about that Committee. The Act provides that three-fifths of the members should be insured persons—12 out of 20—one-fifth for the County Council, leaving four, two doctors appointed by the Panel Committee, one doctor appointed by the Local Medical Committee (or something of that description), and the remaining members appointed by the Minister (the remaining member being one) provided that of the members appointed by the Minister one shall be a fully-qualified practitioner and two shall be women.

13,151. Perhaps Mr. Llewellyn Jones will clear that up. How do you overcome that difficulty, Mr. Jones?—(Mr. Llewellyn Jones): Our present Committee was appointed three months ago. The Approved Societies appointed three-fifths, the County Council, one-fifth. There were three medical men appointed on the Committee, and I think the Welsh Board of Health only made one appointment. (Mr. Potts): Might I refer to the Regulations which have been made relating to England and Wales in regard to the number of members which, to some extent, amended the provisions of the Act referred to by Mr. Marshall. We do not concern ourselves with anything more than the number to be appointed according to the Regulations. It does lead to difficulties, as I pointed out. (Mr. Marshall): The whole expenses incurred by the 54 Insurance Committees in Scotland for travelling and subsistence allowances was only about £1,200 last year.

13,152. Many of the members, then, must attend free?—Yes, quite a large number never lodge any claim.

13,153. To what extent, if any, do you think that it can truthfully be said that the majority of the members of an Insurance Committee are representatives of insured persons? Do insured persons, in fact, take any part in the appointment of the members?—I have no knowledge as to whether insured persons take any part in the appointment of the members of Insurance Committees. That rests entirely in the hands of the societies. I am very sure, however, that the majority of the members of the Insurance Committee are representatives of insured persons. In a great many cases they are insured persons themselves, and they invariably show by their keen interest in the matter that they are watchful of the insured persons' interests.

13,154. What exactly are the essentially valuable features of this type of local administration? Could not the work be done equally well by a Committee of the Local Authority?—Yes. The work could certainly be done by a committee of the Local Authority just as the work of the Parish Council or Education Authority could equally be done by the Local Authority. It would not be done so well, because the Insurance Committee consists of people definitely appointed for a particular purpose and interested in a particular question. Further, the Insurance Committee represents the doctors, chemists and others who could not find representation on a Local Authority, and it is obvious that the work would fall into the hands of the officials and that it would become subordinated to the other important matters which are committed to the charge of the Public Health Authority. As a practical question it would be impossible to transfer the duties of the Insurance Committees to the Public Health Authorities in Scotland. There are over 300 of these Authorities, and, although the City of Glasgow is perfectly able to manage National Insurance, it would seem absurd that the 19 small Burghs in Scotland which have each a population of less than 1,000, and which in each case are separate independent Public Health Authorities, should take over the duties of National Health Insurance.

13,155. On what ground in paragraph 5 do you suggest that employers should be represented on the Insurance Committee?—There was a feeling with regard to employers that in view of their large contribution to the Fund and the desire that they should be interested in the health of the employees, it would be well if a provision were made whereby several employers should be definitely appointed to the Insurance Committee.

13,156. We are interested in your statement in paragraph 26 that in Scotland the vast majority of panel practitioners place no limit upon the service they are able to render to their insured patients. We have been told that in other places the panel doctor does not display the same readiness to go beyond the strict obligations of his contract. Can you suggest any explanation of this difference of attitude on the part of doctors in different parts of Great Britain?—I am unable to explain the difference of attitude to which you refer. I am assured, however, by my colleagues that the attitude of the Scottish doctors is common to their brethren in a very large part of England. It is only in a few quarters where feeling between the parties has been more acute that there is any disaffection to-day. At all events we are perfectly sure that in Scotland we have not rarely come across any desire to place a narrow interpretation upon the doctor's duties. In Edinburgh there are roughly about 70 general practitioners outside National Insurance. That is the only place in Scotland where there is any substantial number.

13,157. In paragraph 43 to 46 you illustrate the difficulties of the rural practitioners in the outlying parts of Scotland; but you consider, do you not that on the whole the service in these parts has been adequate as a result of the special mileage grants?—I agree that on the whole the service in rural Scotland has been adequate as a result of the special mileage grants.

13,158. You think that these mileage grants should be increased in spite of the fact that in the Lowland the grant is about £50,000 instead of the £16,000 of 1913 and that in the Highlands for the relatively small population there is a special grant of £42,000 a year?—I am quite satisfied that the grant for mileage will require to be substantially increased if the doctor is to be attracted to practise in rural Scotland. The figures look large, but one must have regard to what they actually include. The grant for Scotland this year is £46,000, and it is estimated by the Scottish Board of Health that the number of miles travelled beyond a two-mile radius for insured persons alone is approximately 1,000,000 in the course of the year. The Board estimate that this implies a payment to the doctor of approximately 10½d. for each mile travelled beyond the two-mile radius. It is admitted that the travelling expenses may be estimated at about 5d. per mile. Accordingly, the country doctor receives about 5d. per mile in respect of the extra time and responsibility involved in actually attending his patients. In some parts it is actually cheaper to hire a doctor and his car than a taxi-cab. Unless there is an improvement in these conditions, it will gradually involve a diminution in the number of doctors who are willing to practise in the rural areas of Scotland.

13,159. Do you think it possible to have a re-arrangement of the mileage grants within the fund that are at present available?—I do not think the amount would require to be very large. We do think, however, it would require to be an increase over what is paid to-day.

13,160. In the rural parts of Scotland you must have many single practice areas. Does the experience of such areas throw any light on the much disputed question of the value and importance of "free choice of doctor"?—In the opinion of the Association there is no dispute as to the value and importance attached by insured persons to free choice of doctor. It is true that in single practice areas the great

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majority of the insured persons choose the resident doctors, but there is always a proportion who prefer a more distant practitioner, and in cases where the local doctor has ceased to retain the confidence of the people the present system permits of other doctors being brought in. In my own experience in Lanarkshire this is not at all uncommon, and I believe it to be the best interests of medical practice that this element should be retained. I have gone into the question of the single practice areas throughout my own County and I have had the registers examined. In every case without exception we find there is a considerable number of insured persons in the area who have definitely chosen a doctor living five or six miles away. In some cases I have no doubt they have ample reason for preferring the other doctor. It gives an element of competition and helps an Insurance Committee to be able to provide an adequate service in all parts of the scantily-populated areas.

13,161. Do you feel that the type of doctor who can be secured for the remote parts of the Highlands has shown a marked improvement since the Insurance Scheme came into operation?—Insurance Committees in the Highlands are satisfied that the appointments to practices in the Highlands during the last few years have shown a substantial improvement. It is no longer necessary to take the medical practitioner there irrespective of his habits or morals.

13,162. I gather that your Association is against that unification of the health services in each area which has been strongly pressed upon us from other quarters? I should like to direct your attention to the picture as we see it, for example, in the County of Inverness; and perhaps you will correct me if I am wrong. In that County you have the Public Health Authorities with schemes and officers for infectious diseases, tuberculosis, venereal disease, maternity and child welfare and general public health activities; the Parish Councils with their medical service for the poor; the Education Authority with its medical service for the children; the Insurance Committee with its medical benefit for the insured population; the County Benefit Society dealing with about 1,500 persons; a number of other ordinary Societies dealing with the rest of the insured population in the County and presumably administering additional benefits under varying schemes. Does not this picture of a geographical area which has a population of only 83,000 all told give some cause for thought on the question of unification of and economy in local administration?—The question as put is a formidable one. Had the question assumed an entire reform of the Public Health Administration of Scotland it might be more difficult to answer. There are over 300 independent Public Health Authorities in Scotland apart from about 880 Parish Councils and 40 Education Authorities all dealing with the health of the people. The actual work, however, undertaken must not be overestimated, and it must not be assumed that what may be done in a populous area such as Glasgow or Edinburgh is necessarily followed out in the other Public Health areas. In Inverness there is no scheme for the treatment of venereal disease, and there is no centre for treatment. There is also no Maternity and Child Welfare Scheme except in the small Burgh of Inverness. Further, with regard to tuberculosis, there is no medical officer specially empowered to deal with this disease. There are only three whole-time Medical Officers in the County. The Chief Medical Officer, who is also District Medical Officer for six districts, and his assistant, act for the County, including the Islands. In addition to these two there is one School Medical Officer. These three Medical Officers deal with all the various Schemes which have been referred to, and it cannot be suggested that what is done by the 56 general practitioners throughout the whole County can conflict in any way with the purely preventive measures undertaken by these three doctors. The chief difficulty in talking about co-ordination is the Public Health position in Scotland. There are over

300 Public Health Authorities, each one independent, within its own area. One might instance the case of Fifeshire, where there are 32 separate and distinct Public Health Authorities, in addition to 59 Parish Councils and the Education Authority. The Association believes that it would merely make confusion worse confounded to transfer the functions of the Insurance Committees to this vast number of Public Health Authorities. On the other hand, if a selection of the Public Health Authorities were made and the Insurance Committee functions transferred to these, then one Public Authority would be interfering with health functions within the area of other Public Health Authorities. The difficulty has been met to some limited extent by combination of Public Health Authorities. In Fifeshire in dealing with Maternity and Child Welfare the number of authorities has been reduced from 32 to 13, but even this is a very great increase on the number of Insurance Committees in Fifeshire—namely 3. The Association would willingly welcome any scheme which provided for the co-ordination of all health functions, but suggests that the transference of health functions from Insurance Committees is quite impracticable unless the whole position of Public Health Authorities and Parish Councils is considered and dealt with.

13,163. In paragraph 62 you refer to the question of testing the quality of medicines and appliances supplied by chemists to insured persons. You do not say whether anything has resulted from your recommendation to the Insurance Committees on this matter. Can you tell us anything as to the results?—I am handing in, not to be printed but just for the information of the members of the Commission, copies of a report to our Association on the testing of medicines, and a paper by two of the members of the Executive Committee. On the actual question of testing of medicines there are various technical difficulties in the way which may possibly require amendment of the Regulations. Various Committees have approached the Public Health Authorities suggesting action under the Food and Drugs Act, but this matter, although it has been in train for some eighteen months, has not really reached a stage at which we can give any answer as to the actual work done under it. Indeed, it was only last week that I received a communication from the Scottish Board of Health asking my opinion upon a fresh scheme which they suggested might take the place of the methods which we have been proposing on behalf of the Association. The whole matter is still in process.

13,164. In paragraphs 63 to 65 you deal with the difficult question of the inflation of the Index Register of Insurance Committees and imply that inflation is relatively on the same basis in all the insurance areas. Do you think that this is really so?—Having regard to the Census figures and the time when these were obtained, the Association believes that the ratio of inflation does not seriously differ in the separate areas. We are, however, concerned as to inflation, and at the present moment a test scheme is in operation which it is hoped will give some guidance on this matter. The Association is quite prepared to recommend Insurance Committees to take any action which may have the effect of substantially reducing inflation in the registers.

13,165. In paragraphs 77 to 85 you deal with sanatorium benefit. Do you go so far as some Committees have done and recommend that this should be restored to Insurance Committees?—The Association believes that sanatorium benefit was of great value not merely to the insured persons in the early years but especially in pressing forward Public Health Authorities to make provision for the treatment of this disease. When the Act was passed many Public Health Authorities had made little or no provision for treatment and Insurance Committees were active in pressing Authorities to take the necessary steps to



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provide treatment. Even yet all the Authorities have not made provision to the satisfaction of the Board. Having regard to the whole circumstances the Association does not suggest that this benefit should be restored to Insurance Committees. For good or for ill the step was taken and the Association does not consider that it would be desirable to reopen the question.

13,166. Arising from paragraph 90 are the Insurance Committees in Scotland generally satisfied with the present administration allowance, which works out at about 6½d. per insured person?—On the whole the larger Committees are able to carry through their functions on the present administration allowance, but it is clear that the smaller Committees are finding grave difficulty. Certain balances were accumulated in the earlier years when the allowances were greater. These balances have in many cases disappeared. It is not likely, however, that any increase which might be necessary for the smaller Committees would amount to any substantial sum.

13,167. You do not think that any reduction in this expenditure is possible? But you would agree, would you not, that the detailed control of expenditure on staff and offices exercised by the Scottish Board of Health is desirable in the interest of economy of administration?—The Association has always been convinced of the need of economy in local as well as national affairs. While making no objection to the control of expenditure by the Board we sometimes thought that the Board has not been fully sympathetic to local conditions. A Central Authority is too apt to believe that the financial needs should be the same in areas with the same population, but there are other elements to be considered, and from time to time we have meetings with the Board upon this difficult question—as a rule harmonious meetings.

13,168. Do they result in your getting what you want?—Occasionally.

13,169. (*Mr. Jones*): You would expect in a County like Inverness-shire healthy conditions of a fairly high standard?—I am not prepared to say I should expect that of any particular area in the country.

13,170. Would you expect, for instance, in an area like that that there would be a high rate of infant mortality?—I am afraid I cannot say. I have not considered whether in any particular area the rate of infant mortality would be high or low. You have to consider all the circumstances applicable. You would naturally think the pure air of the Highlands would mean low infantile mortality, but you must have regard to the fact that in these areas the housing conditions are sometimes very much worse than they are in the cities. True we are fortunately free sometimes from schemes which have not the effect of causing any diminution in ill health while they involve the community in considerable expense.

13,171. I cannot visualise these schemes at all. Is it not the general experience, and is it not amply confirmed by returns of the actuaries under National Insurance schemes, that sickness is generally at a low rate in agricultural rural areas compared with industrial areas and cities?—Yes. If you say that is borne out by the actuaries I shall accept it.

13,172. Will you also accept it if I state that the Reports of the Scottish Board of Health and the English Ministry show similar conditions to prevail in these contrasted areas?—I should like reference to the Reports.

13,173. Perhaps Mr. Potts will be able to tell you whether Sir George Newman ever made a report on the conditions of infantile mortality in the County of Durham?—(*Mr. Potts*): Yes.

13,174. Did these contrast favourably or unfavourably with agricultural rural areas in other parts of the country?—I am afraid they contrasted unfavourably with every part of the country except the adjoining County.

13,175. Would it be reasonable to presume in Inverness-shire the same favourable conditions prevail as prevail in agricultural areas elsewhere?—(*Mr. Marshall*): It would.

13,176. If you have not the facts I think we might make that presumption?—Yes, it is reasonable to assume.

13,177. In that event would it be unsound of the County Council of Inverness to make concentrated schemes involving expense of no advantage as you suggest?—If you say the need is not there it certainly would be unwise to incur the expenditure.

13,178. Are you right in saying that they have made no provision whatever for Maternity and Child Welfare?—So I am informed.

13,179. Have they not a staff of nurses?—I am informed there is no scheme for Maternity and Child Welfare except in the Burgh of Inverness. If you wish the authority I can give it. I made these statements on the authority of the Scottish Board of Health to whom I applied for the requisite information. I assume they are correct.

13,180. I suggest to you that the County Council of Inverness has made an arrangement with the County District Nursing Association to carry through its duties on its behalf?—Then the Scottish Board of Health must be wrong.

13,181. It is not infallible. I think you will remember a few years ago we had a very large number of School Boards in Scotland?—Yes.

13,182. A number approximating to the number of Parish Councils we have now?—Yes.

13,183. These were superseded by Education Authorities?—That is so.

13,184. These Educational Authorities concentrated in their hands the work of medical inspection of school children which was perhaps neglected by these smaller Authorities?—Quite.

13,185. Do you not think it would be feasible to reconstruct these small Health Authorities to which you have referred, particularly in Fifeshire, in the same manner as the Education Authorities were reconstructed?—It is quite possible.

13,186. So that if we managed to do that with the same relative ease as the Education Authorities were reconstructed, it would go a long way towards removing your many objections?—I am afraid you will need another War to do that.

13,187. (*Professor Gray*): Mr. Marshall, have you any observations to offer about the very small Insurance Committees in Scotland?—On the whole, I think they do their work with remarkable efficiency. It is quite true they are small, but after all the actual expense involved in connection with a small Insurance Committee is not much. I presume the suggestion is that a number of these smaller Committees might be dispensed with and their duties put on to the larger Committees. I do not think on the whole there would be any saving, and there might be some slight disadvantage.

13,188. Of course in Scotland they go very much lower than in England. You have some quite small burghs in Scotland?—Yes, 19 with less than 1,000 population.

13,189. These are not Insurance Committees?—No, 20,000 is the minimum.

13,190. But you have one or two at least with a population of just over 20,000?—Yes.

13,191. I suppose in England the minimum is about 50,000?—Yes.

13,192. You would not recommend the absorption of these small burghs into the corresponding County areas?—I do not think there would really be any advantage.

13,193. Can you tell me how throughout Scotland the limitation of lists has worked. Have Insurance Committees in most cases limited the number of insured persons that a doctor may take?—In a number of cases they have. For example, in my area the number is 2,000. I think I can say that in all the large areas there is restrictions. In the

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other areas, where perhaps the need has never arisen, I do not think much has been done in the way of limitation of lists.

13,194. I suppose in a rural area you can hardly limit the number?—Not in rural areas. The majority of doctors in rural Scotland, the great majority of them, have not 500 on their list.

13,195. It is largely a question of four or five big towns?—Yes, very busy industrial districts.

13,196. You think in these cases they have fixed a limit of 2,000 or 2,500?—In one case 1,500. 2,000 is quite the usual thing.

13,197. Have they never tried to go above that in those places?—As I said, in the majority of areas every doctor without exception is on the panel.

13,198. You make a suggestion which was put forward earlier in the day, with regard to a possible power of restricting the right of a doctor to go on the panel. What kind of idea have you behind that?—The restriction which I proposed was that a doctor should not be admitted to the panel till he had had one or two years' clinical experience.

13,199. Your suggestion is rather different from the corresponding general suggestion?—Yes.

13,200. Do you feel that a doctor who is just newly qualified ought to gain experience before being allowed to go on the panel?—We do. We would refer you to the Public Health Diploma. No doctor can sit for that until he has been qualified for two years. Similarly the British Medical Association for some time held the view that a doctor should not be appointed a School Medical Officer till he had had I think three years' clinical experience. We believe it would be very much to the advantage of the Service and of the doctors themselves if a young doctor newly qualified had to serve as an assistant for a year or two. I think every clerk in a large area must have had experience of young doctors coming a week after they have qualified, as they have come to my office, asking me whether they could purchase a practice in the neighbourhood. That obviously is a case where, while the doctor is entitled to go on the panel and purchase a practice, it is not in the interests of the people that he should straightway take charge of a practice with entire responsibility.

13,201. As far as private practice is concerned a doctor may practise a week after he qualifies?—He can.

13,202. You are really trying to obtain for the insured population a certain measure of protection which the rest of the population do not have?—It is twelve years since the Act was passed. The Act permitted every doctor without exception who applied to be placed on the panel. We think the time has arrived when we can to some extent use some restriction, when we can say:—"Well, we want to be sure before we place you on the panel list that you have some experience." Take the case of a sea captain. I do not think a captain who has received his certificate would be given charge of an ocean liner straightway; he would have to serve his time holding his captain's certificate in his pocket till he was qualified to undertake it. In Scotland, as the Chairman knows, an advocate has to work for a year after he is supposed to be qualified before he can practise as an advocate.

13,203. Have you in mind this kind of idea, that if you open the panel to all and sundry, to everybody who has the required qualification, there may be a suggestion that the efficiency tails down to that of the least efficient?—There is undoubtedly a danger of that.

13,204. Whether or not, that might be suggested?—Yes. We think the panel service nowadays should not be regarded as the lowest type of service, a type of practice that anybody can take up without experience. We are perfectly satisfied that the great mass of doctors are doing their work without considering the financial emoluments at all, but we do not like the idea provided by the Act that any person who has a medical qualification can immediately go on the

panel list and be regarded as to some extent guaranteed by the Insurance Committee as a doctor fit to take charge of a practice. He is on the panel list and is understood to be under the supervision of the Insurance Committee, and we think the time has come when we should be able to say we know at least that every doctor on the list has had experience before we place him there.

13,205. An incompetent person may still be incompetent after two years?—After twenty years.

13,206. With regard to mileage, have you any observations to offer as to the basis on which it is determined?—The basis I think is on the whole fair. The local distribution is undoubtedly better done not on a bare return of actual miles run or anything of that kind; it is better done, as it is done in most areas, by consultation between the Insurance Committee and the Panel Committee. In the early years of the Act the mileage was, as you know, very much less. In my county the industrial doctors voluntarily agreed to a deduction per head which was applied to supplement the mileage paid to country doctors, and then the sum was gathered together and pooled, and a sub-committee of the Insurance Committee and Panel Committee framed a scheme under which definite amounts were allotted to different doctors, having regard to the type of practice, the way in which insured persons were scattered, the general type of the roads in the district, and other considerations of that kind. We carry out that scheme now. Although the voluntary grant is dropped, it is still carried on now with regard to the other grant. We have the same scheme in operation, I may say, in the Colliery Medical Service Scheme to which I referred: we pay the colliery doctors on a mileage basis where every consideration of that kind is given its due weight.

13,207. Is the ultimate basis the distance of the insured person from his doctor or the nearest doctor?—In most areas, I think in the great majority of areas, it is the doctor of choice. In one or two areas recently they have gone back to the nearest doctor.

13,208. In certain parts of the Highlands if you do not take the nearest doctor the next doctor might be a very long way off?—That is so, and, of course, the next doctor may not be willing to take you.

(Chairman): Thank you.

13,209. Mr. Llewellyn Jones, you are now giving evidence on behalf of the Welsh Insurance Committees, and your Statement, which has been read with interest, is to be taken as supplementary to the Evidence of the Federation Committee?—(Mr. Llewellyn Jones): That is so.

13,210. Are there any special points in the Welsh procedure or Welsh recommendations to which you desire particularly to draw our attention?—I do not think that there is anything which I desire to add to the Statement which has been submitted on behalf of the Federation and the Welsh Association, and the replies already given by my colleagues to the various questions put by you, and other members of the Commission. I think I have also dealt in the course of the inquiry with certain questions as far as Wales is concerned. The problems in Wales are very similar to the problems of England and Scotland, subject, of course, to the observation that I believe there is a strong demand in Wales for the very fullest national control of the Health services of the country. There is one point to which I should like to draw particular attention, which has also been referred to by the other witnesses, namely, the desirability of the Welsh Board of Health conferring with representatives of Welsh Insurance Committees in connection with any negotiations with the medical profession as to terms and conditions of service. There have been cases where the Ministry in London have conferred with representatives of the Association of English Insurance Committees on various points, but a similar opportunity has not been afforded for conference between representatives of Welsh Insurance Committees and the Welsh Board of Health. You have

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asked me, Sir, as to any special points. I should like to emphasise the point to which you drew attention in Mr. Marshall's evidence, that is as to the scope of medical service. I might say, as far as Wales is concerned, I do not think any difference has arisen in this way. Medical practitioners have always been ready to give the very fullest attendance to the persons on their panels. In many cases probably they were rendering a service which might strictly be regarded as beyond the scope of the work of the general medical practitioner.

13,211. We shall be interested to hear your views as to the abolition of sanatorium benefit in 1921 and the present treatment of tuberculosis under the Public Health Authorities, because I understand that this is a very special problem in Wales?—I think, Sir, that we in Wales can congratulate ourselves upon the very effective measures which have been taken to deal with tuberculosis. We refer with pride to the fact that we have probably led the way in this connection. The excellent work of the King Edward VII. Memorial Association is well known to all who are interested in the campaign against tuberculosis. It is, however, generally conceded by members of Insurance Committees, who are also members of County Councils, that the abolition of sanatorium benefit and the withdrawal from the Insurance Committee of the control of tuberculosis treatment of insured persons has been a mistake. The Insurance Committees and the Sanatorium Benefit Sub-Committees devoted a considerable amount of time and attention to the duties imposed upon them in this connection. The already over-worked County Councils are not able to give the same attention to this part of their work. At the same time I quite agree with Mr. Marshall; we would not suggest now that the administration of sanatorium benefit should be restored to Insurance Committees.

13,212. In paragraph 5 you refer to the need for making adequate funds available for the purpose of propaganda on health. Has much been done by the Insurance Committees of Wales in this direction already?—This matter has already been referred to. Most of our Committees, as I have said, deal with a comparatively small population, and the funds at their disposal are very limited. It has needed the greatest care on the part of many of our Committees to carry on their work with the available income which they receive from the Ministry. At the same time, I think this is an aspect of health work which could very well be developed by Insurance Committees.

13,213. In paragraph 10 you suggest that domiciliary nursing should become an integral part of the medical benefit of insured persons. You have not, I suppose, made any estimate of what this would cost?—No. I fear my answer to this must be similar to the answer which has been given on other points by my colleagues.

13,214. In paragraph 11 you refer to dental treatment. May I take it that you desire this to be a uniform benefit applicable to the whole insured population?—That is so, on the same basis.

13,215. Here again, I suppose, you have no figures as to cost?—No.

13,216. You are against the present arrangement under which dental benefit is administered as an additional benefit by the Approved Societies?—In common with most of the members of our Committees in Wales, I am of opinion that dental benefit is of such great importance that it should be available to all insured persons from the very moment that they enter into insurance. The dental benefit now given by certain Approved Societies is of a very varied character. Some societies confine themselves to making money grants for dentures. But it appears to me to be equally, if not more important, to secure conservative dental treatment from the very outset, particularly having regard to the fact that entrants into insurance now to a large extent have been receiving a certain amount of dental treatment as school children.

13,217. In paragraph 15 you refer to the need for making funds available for the testing and analysis of drugs. Have you any reason to think that the drugs supplied by the chemists to insured persons are unsatisfactory in quality?—I have no reason to believe that there are many cases in which chemists do not perform their duty of supplying fully satisfactory drugs. At the same time this is a matter of such importance to the insured person that every effort should be made to ensure the satisfactory quality of the drugs supplied.

13,218. In paragraph 19 you suggest that Insurance Committees be asked to report on excessive prescribing. You have a Pricing Bureau in Wales. Perhaps you might tell us how it is organised, and what sort of results it has achieved?—There has for some time been considerable discussion among the Welsh Insurance Committees as to the constitution of a Pricing Bureau for Wales. For a very long period the various Insurance Committees entered into contracts with the Cardiff Insurance Committee for the work to be done by a Bureau set up by the Cardiff Committee, but within the past few months a Pricing Bureau has been set up under the direct control of representatives of the Welsh Insurance Committees. I fear that I am not in a position to give much information as to the result of the work of the Pricing Bureau which was under the control of the Cardiff Committee. I may, however, say that generally speaking the Welsh Insurance Committees were perfectly satisfied with the way the work was done, but that there was a feeling that the Bureau should be under the control of the bodies responsible for the cost of its maintenance.

13,219. From paragraph 26 I see that you are, like the Federation, against any health functions being transferred from the Insurance Committees to the Public Health Authorities. The reason you give, namely, that such bodies are already overburdened with work, hardly seems to me to cover the whole ground, as no doubt with an additional staff they could face the problem. Perhaps you would care to amplify your views a little?—This matter has been dealt with very fully by my colleagues who have already given evidence. I am rather disposed to think there is part of the question which you have put to me which indicates the objection. It is not that an additional staff could not cope with the work, but I am disposed to think that if the health functions which are now exercised by Insurance Committees were transferred to County Councils or Committees of County Councils, the bodies to which they are transferred would not be able to cope with the work. They are already overburdened, and there are difficulties in some parts of the country in inducing public men to sit upon County Councils or to devote the time they should do to the increased work which devolves upon them, and the fact that additional staff could cope with the work does not clear up the problem. I think most of us are agreed that it is not desirable that the bureaucratic element should be increased in connection with local government, and that I think would be the distinct danger of transferring any further powers to County Councils or Committees established by County Councils.

13,220. Is there anything in the suggestion that you can get public spirited persons who shy of elections to undertake work on these Insurance Committees on nomination by the Minister who would not care to undertake it under County Councils?—I think you will always find a certain number of persons who are not prepared to devote the time which has to be devoted I think, in most elections, to canvassing the electors. Of course in connection with County Councils that is to a certain extent met by the fact that a proportion of the Council consists of Aldermen who can be selected by the Councillors from men who are highly qualified for public work but who do not care to face elections from time to time.

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13,221. (*Sir John Anderson*): Mr. Llewellyn Jones, you refer in your written evidence to the desirability of Insurance Committees undertaking health lectures and educational work?—Yes.

13,222. Have the Insurance Committees in Wales done much in that respect hitherto?—Some of them have done a little, but the great work done in Wales, the two years prior to the War, in conjunction with the King Edward VII Memorial Association, was done by means of lectures delivered and exhibitions held in various parts of the country.

13,223. Was that with reference to tuberculosis particularly?—Tuberculosis alone.

13,224. Are you thinking only of tuberculosis?—No. I think the work might be very largely extended, but at the present moment the funds at our disposal are so limited that it is hopeless for us to embark upon it.

13,225. What funds are available for this purpose? From what source are they derived?—It is the General Purposes Fund.

13,226. How is that fed?—It is received from the Ministry.

13,227. I do not want the actual amount, I want some indication of the source?—There is no income from that source now. In the case of most Committees, if not all, I think it has been exhausted.

13,228. Is it a question of interest on current balances nowadays?—(*Mr. Potts*): That has almost gone now. The only interest that could accrue to it now is the interest on the amount invested in the General Purposes Fund itself. The Fund was derived from the money that would have been paid to persons in sanatoria or other institutions who had no dependants because it was suspended while they were under treatment.

13,229. Under the original Act that money was paid to the institution, now it goes to the insured person when he leaves the institution?—Yes.

13,230. There is no money now?—There was a promise given—and the Ryan Committee recommended it—that money should be made available and we were told that it would be considered by the Government.

13,231. Do not the Public Health Authorities do any work of this kind?—(*Mr. Llewellyn Jones*): The Local Education Authorities do a fair amount of work through the schools, and some of the Health Authorities have done education work in connection with health work; there have been exhibitions from time to time in connection with maternity and child welfare.

13,232. Do you think it would be possible for Insurance Committees to do it and not overlap with the work of Local Authorities?—I think the type of work that Insurance Committees could undertake would not in any way overlap with the work of other Authorities. Of course it should be done naturally in co-operation with other Authorities.

13,233. You refer to the desirability of giving Insurance Committees funds to enable them to undertake the testing and analysis of drugs dispensed to insured persons?—Yes.

13,234. What is the present position? Is the case not fully met by the provisions of the Food and Drugs Act?—No, Sir. I am afraid the present arrangement made by the Food and Drugs Act Inspectors is not exactly as it should be. I believe there is a scheme under consideration at the present moment circulated by the Welsh Board of Health to the Insurance Committees of Wales.

13,235. Is it not under the existing law the business of the Local Authority to look after that matter?—With regard to drugs it is the constitution of the bottle that is prescribed, but that does not refer to appliances.

13,236. Is it only with regard to appliances that you think something further is required?—No, in respect to both.

13,237. Would not you have then two Authorities dealing with the same matter—the Insurance Com-

mittee and the Local Authority?—As far as we are informed, the Inspectors of Food and Drugs have done little in this connection. I think in some Committees a request has gone to the County Authority to see that they do undertake the work.

13,238. Is there any difficulty of a technical character arising from a doubt as to whether the supply of drugs under an insurance prescription is a sale within the meaning of the Food and Drugs Act?—You are getting to a point on which I am not qualified to give an opinion, but I think that is the real point which urged some of the medical men on our Committees to press forward this matter.

13,239. If that technical difficulty, which I will assume for the purposes of my question still exists, could be got over, would it not be better that the duty should be entrusted to the Authority whose business it now is, the Local Authority?—Having regard to the fact that this is a matter so largely for medical men who have knowledge of this department, it is very much better that it should be dealt with under the supervision of Insurance Committees rather than by the Inspectors of Local Authorities who are out for a somewhat different purpose.

13,240. Is the purpose not the same, viz., to ensure that the drugs supplied are of good quality?—(*Mr. Potts*): The Insurance Committee is concerned with the quality of dispensing apart from the questions which would be considered worthy of consideration by an Inspector under the Food and Drugs Department; also, the machinery for inflicting penalties under the Food and Drugs Act is not regarded as quite appropriate for dealing with inaccuracy of dispensing a prescription which would come to the notice of the Insurance Committee. We are also advised by the Ministry that the analysis of medicine is rather a specialised work and a scheme has been issued now to Insurance Committees under which five centres will be arranged in different parts of the country for all prescriptions to be sent to them from all districts for analysis, and one particular place where we would have a standard of comparison for all appliances.

13,241. (*Mr. Evans*): I notice in paragraph 2 you say there are 17 Insurance Committees in Wales, including Monmouthshire?—(*Mr. Llewellyn Jones*): Yes.

13,242. Breconshire has withdrawn from your Association. Can you tell me why?—I do not think it is any opposition to the Association. I believe there were certain matters in Breconshire which resulted in an inquiry being made by the Welsh Board of Health.

13,243. It is a domestic matter, is it?—I think there was difficulty with one or two of their officials. They overstepped the mark with regard to expenditure, and they then decided purely on grounds of economy to withdraw. I think their subscription would only be four or five guineas. Every effort has been made to induce Breconshire to come into the Association again, but for reasons we do not know they have not so far acquiesced in the suggestion that has come from our Association.

13,244. With regard to the Welsh National Memorial, that Association is subsidised to some extent by the rates of the counties?—That is so.

13,245. Each county in Wales makes a contribution from County Rates?—That is so.

13,246. Could you tell us how they have carried out this work. Are you a member of the Association?—No, I am not a member of the Association. I think there can be no doubt that the Association has carried out the work in a very efficient manner. They have prided themselves in the last few years on being able to say there is always a bed available for every person who is recommended for sanatorium or hospital treatment.

13,247. Do they follow it up afterwards? Supposing a patient is discharged from one of the sanatoria, is there any machinery by which he is followed up?—Yes. In most counties there are After-care Com-

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mittees, and they endeavour to keep in touch with persons who return from a sanatorium with a view to seeing that they are carrying out at home the treatment and course of life recommended to them when they were staying at the sanatorium.

13,248. You could not give us any statistics as to how things have been done and whether any improvement has been effected as a result of the activities of the Welsh National Memorial Association?—I could not. I have from time to time perused the reports of the Association and there can be no doubt that in a very large number of cases tuberculosis has been arrested, and the persons who have received treatment have been able to return to their employment, and so far as one can know the arrest has been maintained.

13,249. In answer to the Chairman you said it was a mistake to take this work from Insurance Committees and to hand it over to the Public Health Authorities. You did say that, did you not?—Yes, and that is the view adopted by practically all the members of the Associations, many of whom are also members of County Councils. The work of the Sanatorium Benefit Committee was regarded as very important work by the members of the Committee. In my own Committee, for instance, at our Quarterly Meeting we had a complete list of all insured persons who had been examined by the Tuberculosis Officer. An attempt was made by approaching one member or other of the Committee to get into touch with these people, to get information as to their occupation, and so on, and also we got into touch with the Sanitary Authorities and their officials, with a view to enquiring as to the housing conditions. That involved, of course, a good deal of time. I have been for some time a member of the Tuberculosis Subcommittee of my County Council, but I find that owing to the fact that this Committee is one of a series of perhaps six, seven or eight committees of the County Council held on the same day that only a very small period of time could be devoted to the work, and the list of persons who had been examined by the Tuberculosis Officer could not be examined in the same detail as was done when it came before a Committee of the Insurance Committee. In addition to that, on the Insurance Committee you had a very large number of representatives of insured persons who were more closely in touch with these people than the average member of a County Council would be.

13,250. You are speaking for Flintshire now?—Yes.

13,251. Not for Glamorganshire?—I cannot speak for Glamorganshire. I think the same thing holds to a great extent in other parts of Wales.

13,252. The Public Health Committee usually meets quarterly, does it not?—That is so.

13,253. You do not suggest that the Public Health Committee of the County might not be able to devote very considerable time to this question if the work was handed over to it?—I do not say it could not, but when you bear in mind the fact that a member of the County Council is now a member of the Main Roads Committee, is probably a member of the Education Committee, and there are other sub-committees upon which he has to serve, he cannot be expected to devote the same amount of time to one comparatively small branch of county administration that a member of a committee which dealt with one aspect of health only would be able to do.

13,254. I was wondering whether it was not a mistake to sever this work and hand it over to a separate committee. I am not suggesting that the work of the King Edward VII Memorial Association has not been done well, but is it not a mistake to hand over the work to a separate body rather than to co-ordinate the various Public Health Authorities?—The campaign has been conducted on national lines. This body was created with a view to carrying on the campaign on national lines. Unless this body had been created there would have had to be some organisation or federation of Local Authorities to do

the same work. I am rather disposed to think that the large amount of voluntary work which has been put in by persons who are not members of Local Authorities but who have devoted a considerable amount of time—and it has meant a considerable amount of expense because the expenses are borne personally by the members of the Association—has meant that the campaign in Wales has been carried on in a very efficient manner.

13,255. But still you agree that there should be some sort of linking up between the various Health Authorities; there should not be this complete water-tight compartment in the treatment of tuberculosis?—You mean linking up with other health activities?

13,256. Yes?—Of course you cannot divorce public activity with regard to one disease from the Public Health administration generally.

13,257. Exactly. To what extent do you think the sanitary conditions of the whole County of Glamorgan—I speak of Glamorgan because I know it better than any other County—themselves contribute to the swelling of the army of tuberculous patients?—I presume that the conditions of Glamorgan are not in any material respects different from the conditions of other parts of Wales.

13,258. The area is very densely populated?—Yes, but curiously, so far as North Wales is concerned, and possibly so far as South Wales is concerned, the incidence of tuberculosis is sometimes greater in more thinly populated areas where the housing conditions are deplorable than it is in the more thickly populated areas where better houses have been built within the last quarter or half century. Parts of Carnarvonshire came out very badly in this respect.

13,259. And Cardiganshire?—Yes.

13,260. With regard to the propaganda work, you say Insurance Committees cannot carry out this because of lack of funds. Would the same thing apply to the Welsh National Memorial Association? They have access to County funds?—Of course in addition to the County funds which they receive, a very large amount was subscribed in the early days of the Association, and I think that money was very well spent in the early years by means of exhibitions and health lectures in various parts of Wales.

13,261. That work does not seem to be carried on now, does it?—No, it has not been carried on.

13,262. Is there any reason why that work has not been carried on?—I am afraid I am not in a position to answer as to why the policy of the National Memorial Association has changed to some extent.

13,263. (Mr. Jones): Has the administration of the tuberculosis scheme in Wales become less efficient under the new regime?—I am rather disposed to put it in this way, that the same attention has not been paid to the individual insured person as was paid in the past when it was administered by the Insurance Committee.

13,264. Who has succeeded the Insurance Committee?—At the present moment the work is done either by the Public Health Committee of the County Council—

13,265. I am thinking of the individual. Who has succeeded him, is it not the doctor and the nurse?—That is so, as far as the official element is concerned.

13,266. In the case of a sick person, would you not think that the expert advice and assistance of a doctor and nurse are much more beneficial than the sentimental advice of any lay person?—I think both are very necessary. It is very helpful in the case of a disease like tuberculosis to have the psychological effect of the sympathy of a person who does not come to the sick person in a professional capacity, but who approaches him as an acquaintance and urges him—and this is very often the difficulty, I believe, with tuberculous patients—to undertake fully the course of treatment recommended by the medical man and by the nurse.

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The Reverend W. D. YOWARD, Mr. EDWIN POTTS,  
Mr. W. M. MARSHALL, and Mr. F. LLEWELLYN JONES.

[Continued.]

13,267. Do you not think the doctor and nurse are capable of extending a little bit of human help as well?—They are, but the influence of an acquaintance who is on the Local Authority is very helpful in these matters.

13,268. With regard to the testing of drugs, you're quite in sympathy with the suggestion for co-ordination between Insurance Committees and Local Authorities on matters in general?—That is so.

13,269. Have you tried to co-operate with them on this matter?—I do not think that much has been done in that connection. I instance my own Committee: we passed a resolution asking the Inspector of Food and Drugs to deal with this question.

13,270. Would it surprise you to hear that one Committee perhaps 10 years ago co-operated with the Local Authority and carried through quite a successful series of tests without having had a model scheme or anything else laid down?—No.

(The Witnesses withdrew.)

Mr. EYNON LEWIS, called and examined. (See Appendix XXXIX.)

13,271. (Chairman): Mr. Lewis, we are to take your evidence as evidence given on behalf of the Glamorganshire Insurance Committee?—(Mr. Lewis): Yes.

13,272. Perhaps you would describe to us a little in detail the constitution, organisation and management of a typical institution?—Institutions under section 15 (4) of the National Insurance Act, 1911, are approved by the Insurance Committee and the Minister on application received from a committee appointed by a body of insured persons employed at a colliery or other work or works where the poundage system prevailed previous to the passing of the 1911 Act. The form of application containing a lengthy series of questions has to be filled up and signed by a person acting on behalf of the committee. The committee on whose behalf the application is made has to furnish copies of the proposed rules and to give an undertaking to furnish such accounts and returns as the Insurance Committee may require them to furnish from time to time. It is usual for such institutions to be registered as Friendly Societies under the Friendly Societies Act, 1896. The institution is managed by a committee elected annually by the subscribing members. One institution for example appoints one committeeman for every 200 members or part thereof. Appointment of assistant medical staff is made by the general committee in consultation with the chief surgeon. I have a copy of the rules of that institution which shows how it is governed. (Document handed in.)

13,273. What is your position in National Health Insurance, Mr. Lewis? Are you a member of the Insurance Committee in Glamorgan?—I am the clerk, and have been since 1912.

13,274. To what circumstances do you attribute the institution of these systems in that part of Wales?—I understand that originally it was the custom in some parts of Glamorgan when colliery developments took place and people came to live in a district for the owners of the colliery to appoint a medical practitioner for the workmen employed at the colliery and their dependants. For some reason or reasons it appears that this system was not always satisfactory to the workmen, with the result that the workmen at many, if not at most collieries, exercised their right to appoint the practitioner or practitioners and pay by means of poundage. This system is in existence to-day in the County of Glamorgan in colliery districts where no institution approved under the section hereinabove referred to exists. The remuneration of the practitioner is made up of what is known as poundage or earnings which is deducted at the colliery office. This system was in vogue in many of the industrial centres in the county before the passing of the 1911 Act.

13,275. Are the doctors employed full time?—Usually.

13,276. Can you indicate to us what is the average amount of salary paid in these institutions?—The practitioners are usually engaged as full timers and are paid by receiving the whole of the treatment fees payable by the Insurance Committee and a percentage of the poundage deducted at the colliery or works—a small portion of the latter being retained by the

managing committee for the provision of drugs, appliances and additional benefits.

13,277. Has there been any feeling shown that these salaried doctors in institutions are, by accepting such positions, falling short of the general professional standards; in other words are they looked upon as blacklegs?—Practitioners employed by organisations approved under section 15 (3) of the 1911 Act are, I understand, ostracised by their fellow practitioners. This does not apply to practitioners in connection with institutions approved under section 15 (4).

13,278. You recommend, do you not, that the existing Institutions should be continued?—That is the resolution of the Glamorgan Insurance Committee.

13,279. Does the Welsh Association of Insurance Committees definitely recommend this change in the Statute?—The Association of Welsh Insurance Committees not having had any experience of the administration of medical benefit through institutions except in the cases of Glamorgan and Monmouthshire are not in a position to express a definite opinion as to amending section 15 (4) of the 1911 Act.

13,280. What, in your opinion, are the real advantages of such institutions over the ordinary benefit arrangements?—A Clerk to an insurance Committee is not supposed to have an opinion of his own in such matters, and if he dared to have it would be risking considerably to give an expression to the same. If, however, the Glamorgan Insurance Committee were asked to give their opinion they would probably say that one of the real advantages of such Institutions over the ordinary benefit arrangements is the provision of additional benefits.

13,281. If we allow new Institutions to be set up would that not be to go back to the old Friendly Society control over doctors which was definitely abandoned in 1911?—My Committee would probably not think so as the capitation fee is fixed by the National Health Insurance Act. There would be no bargaining on the question.

13,282. What is gained by interposing the Institution management and the Insurance Committee contract between the patient and the doctor? Surely one link, namely, the Insurance Committee, is enough?—The framers of the National Insurance Act, 1911, must have had in mind that there was something likely to be gained in making provision for medical benefit under the Act to be administered through Institutions, and there appears to be no great difference of principle in interposing an Institution and interposing a panel chemist between the patient and the practitioner.

13,283. Was the continuance of these Institutions not rather just a concession to the Institutions which then existed?—I am not able to form an opinion as to what was in the mind of the then existing Government in inserting section 15 (4) in the Act.

13,284. Do you lay any stress on the principle of free choice of doctor to which both the medical profession and many Approved Societies attach so great importance?—My Committee attaches importance to the principle of free choice of practitioner.

13,285. Is there in these Institutions any free choice of doctor?—Five practitioners are employed by an Institution I have in mind, and according to

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Mr. EYNON LEWIS.

[Continued.]

the rules a patient if he so requests shall be attended by the practitioner he desires. In another Institution one practitioner is employed but insured persons may elect to obtain attendance and treatment from at least two other practitioners in the district: that is, they are not obliged to have the doctor employed by the institution as their panel doctor.

13,286. Are there only two in the district?—In that district, that is the adjoining valley. There are other doctors in all these districts.

13,287. What is your opinion of the relative merits of a salaried medical service as contrasted with a service in which the remuneration of the doctor is determined by the free choice of his patients?—The freedom of choice in the selection of a practitioner applies to insured persons who may elect to obtain medical benefit through an Institution approved under section 15 (4) or through an Organisation approved under section 15 (3) in a similar manner to insured persons who elect to obtain medical benefit through an insurance practitioner, with only the limitation in the time for transfers in connection with the former.

13,288. In these Institutions do you find that the doctor's skill, care and sympathy are at all lessened by the fact that he is paid by salary, and that, therefore, his remuneration is not dependent upon the patient's opinion of the value of his treatment?—This does not apply to Institutions approved under section 15 (4).

13,289. Why should it not apply to them if it applies to any others?—There may be a difference in the quality of the service of a practitioner which an organisation approved under section 15 (3) may obtain as compared with an Institution approved under section 15 (4), because of the ban of the British Medical Association.

13,290. Have you any indication that among insured persons themselves there is any feeling, either of like or dislike, for the system which you are advocating?—All Institutions approved by the Glamorgan Insurance Committee owe their existence to applications received from insured persons.

13,291. Would you be prepared, then, to see the whole insured population served by a network of these Institutions and the ordinary general practitioner disappear altogether?—I would refer you to the resolution of the Glamorgan Insurance Committee on the matter, and would state that I do not think it would be practicable to form Institutions otherwise than in connection with collieries and other works in populous industrial districts.

13,292. (Sir John Anderson): Mr. Lewis, according to paragraph 14 of your evidence the number of Institutions approved under section 15 (4) has fallen off since the early days of the Insurance Act?—That is so.

13,293. How has that come about?—For various reasons. Some did not apply for renewal, quite a number of them. The Post Office Medical System was discontinued at the request of the Post Office authorities themselves. Some of these were only in existence for one year, or a part of a year.

13,294. They must all have been in existence when the Act came into force, I suppose?—That is so.

13,295. Are we to assume that the reduction means that some of the Institutions did not commend themselves to the insured persons under the new conditions brought about by the introduction of the Insurance Act?—No, I think it was more a question of management.

13,296. In what way?—The Committee were not as efficient perhaps as they should be.

13,297. The Committee of Management of the Institution?—Yes.

13,298. It would be a lay committee, I suppose?—Yes, and it requires a good deal of ability to control these and make them pay their way unless they are very large Institutions.

13,299. Have you had any evidence of disputes or disagreements between the medical men employed by

these Institutions and the committees of management?—Indirectly.

13,300. Does the Insurance Committee not take cognisance of these matters?—Not unless they receive a complaint.

13,301. Have the doctors, to your knowledge, complained in any cases of control by the committee of management being unduly restrictive?—I do not remember a case at the moment.

13,302. Or being applied in regard to professional matters?—No.

13,303. You have told us how the remuneration of these doctors is derived. Can you give us any idea of the income which these whole-time medical men employed by the Institutions receive?—Yes. The one I have in view has five medical practitioners, a chief surgeon and four assistants. They received in 1924 in salaries nearly £4,000, with house accommodation, rent and rates free. The chief medical officer received about £1,400.

13,304. They were all whole-time, were they?—Yes. That is a big Institution and they are generally well paid.

13,305. There was one chief medical officer and four assistants, and the chief medical officer received £1,400 out of £4,000?—Yes, that is an Institution under section 15 (4).

13,306. The assistants received on an average just over £600 per annum each. Does the chief medical officer in such a case exercise any large oversight over the work of the other medical officers?—Yes, that is contained in their rules. The method of government is complete.

13,307. Taking that case of a large Institution to which you have referred?—May I refer to an organisation under section 15 (3) for the same year?

13,308. Let us deal first, if you please, with this one, the Institution employing a chief medical officer and four assistants. You have told us that the remuneration of these five medical men was about £4,000 a year in addition to houses rent free. Was the whole of that money derived from Health Insurance Funds?—A portion; a large amount would be from poundage.

13,309. From poundage under the colliery medical system?—Yes.

13,310. Drugs and appliances, I suppose, were provided for separately?—Out of the same fund.

13,311. Not out of the £4,000?—No, that is net.

13,312. How many insured persons received medical attendance and treatment from these five medical men?—The mean number for 1924 was 3,640.

13,313. Have you any idea of the number of non-insured persons?—We generally multiply them by 3.

13,314. You multiply the number of insured by 3 to get the number of non-insured or to get the total number?—To get the total number.

13,315. So we might assume there were 3,640 insured persons and 7,280 non-insured persons?—Yes, that is about it. It may be a little more or a little less.

13,316. So that, roughly speaking, there were 11,000 persons in all who received treatment. Is that right?—Roughly it would be.

13,317. At a cost of £4,000?—As far as the medical practitioners engaged are concerned it would be over £4,000, more like £4,200. It would include rent and rates.

13,318. The amount expended on actual doctoring per head would appear to be substantially less than under the ordinary panel system?—I do not think so, Sir. They all work out at more.

13,319. Where does the money come from?—From the poundage and Insurance.

13,320. How does it work out at more per insured person or per person under this system than under the panel system. Surely if 11,000 persons were treated for £4,000 plus the value of the residences that are provided, that represents something less on the average than what is available under the panel system, does it not?—What we find from the accounts which these Institutions have to render annually is that the amount expended per insured person is considerably in excess of the full capitation fee.

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Mr. EYNON LEWIS.

[Continued.]

13,321. The amount expended per insured person. I was dealing for the moment with the amount that goes to the professional men who are responsible for medical attendance and treatment?—You must take into account the additional benefits provided.

13,322. I am coming to that. So far as ordinary medical attendance and treatment is concerned, the amount paid to the doctors is, according to the figures you have given, substantially less than is paid to medical practitioners on the panel?—That may be, I do not know; I have not worked it out.

13,323. What about the cost of administration by the Institute, how does that work out?—It is given in their accounts. I could furnish you with a copy of the last audited statement.

13,324. You have given me the remuneration of the doctors, you have given me the number of persons for whose treatment the doctors were responsible. Cannot you give me in a round figure the administration cost of running the Institute?—No, not at the moment. I could furnish you with a copy of the account. They will be under the consideration of the Committee in the coming weeks for 1924.

13,325. Can you give me the amount that was spent in 1924 on what you call additional benefits?—I could not.

13,326. On supplementary services?—No; but their annual statement of account would give it all.

13,327. (Chairman): We shall be obliged if you will let us have it?—Yes.

(The Statement promised in answer to Question 13,327 is here inserted for convenience of reference.)

GARW VALLEY MEDICAL AID SOCIETY.

Statement of Accounts for the year ended 31st December, 1924.

CASH ACCOUNT.

RECEIPTS.

	£	s.	d.	£	s.	d.
To Contributions:—						
Ffaldau Colliery ...	2,386	12	1			
Glenavon Colliery ...	906	4	6			
International Colliery ...	493	13	0			
Duchy Colliery ...	37	4	1			
No. 3 Braich-y-Cymmer Colliery ...	23	18	11			
New Braich-y-Cymmer Colliery ...	179	16	7			
Llest Colliery ...	60	9	0			
Ocean Colliery ...	203	8	10			
Cedfyw Colliery ...	6	15	5			
Celtic Cedfyw Colliery ...	7	15	10			
Gellihir Colliery ...	1	15	5			
New Braich-y-Cymmer Check-weigher ...	0	8	3			
Outside Members ...	332	15	1			
				4,640	17	0
„ Health Insurance Grant				2,181	8	7
„ Rents ...				53	3	4
„ Donation towards Presentation ...				2	2	6
„ Sale of Appliances ...				5	0	6
„ Sale of Rules ...				0	8	9
„ Sale of Motor Car ...				6	0	0
„ Sale of Table and Old Iron ...				1	2	0
				6,890	2	8
„ Cash in hand at 31st Dec., 1923 ...				0	0	0½
„ Bank Overdraft at 31st Dec., 1924 ...				340	14	4
				£7,230	17	0½

PAYMENTS.

	£	s.	d.
By Drugs and Appliances ...	763	9	9
„ Subscription to Motor Ambulance Committee ...	300	0	0
„ Repairs to Buildings ...	74	1	7
„ Subscription to Bristol Royal Infirmary ...	15	0	0
„ Management Expenses ...	5,220	2	6
	6,372	13	10
„ Bank Overdraft at 31st Dec., 1923 ...	857	13	2
„ Cash in hand at 31st Dec., 1924 ...	0	10	0½
	£7,230	17	0½

MANAGEMENT EXPENSES ACCOUNT.

EXPENDITURE.

	£	s.	d.	£	s.	d.
To Salaries ...	4,440	17	2			
„ Committee Fees ...	7	0	0			
„ Caretakers ...	73	8	0			
„ Audit Fee and Accountancy Charges ...	5	16	6			
				4,527	1	9
„ Rents ...	126	7	2			
„ Ground Rents ...	16	6	9			
„ Rates and Taxes ...	117	6	3			
„ Insurances ...	9	2	9			
				269	2	11
„ Train Fares and Delegations ...	8	0	11			
„ Subscription to Motor Ambulance Committee ...	300	0	0			
„ Fares of Members to Hospital ...	161	4	4			
„ Repairs to Buildings ...	74	1	7			
„ Light, Heat and Water ...	39	11	4			
„ Printing, Stationery, Postages and Advertising ...	24	2	2			
„ Telephone ...	70	2	10			
„ Bank Charges ...	42	12	3			
„ Poundage Commission ...	55	5	8			
„ Cleaning Materials and Renewals ...	12	0	11			
„ Compiling List of Members ...	2	2	0			
„ Nurse's Uniforms ...	10	0	0			
„ National Insurance Stamps ...	0	12	6			
				799	16	6
				£5,596	1	1

INCOME.

	£	s.	d.
By Rents ...	53	9	4
„ Sale of Rules ...	0	8	9
„ Sale of Old Iron ...	0	2	0
„ Donation towards Presentation ...	2	2	6
	55	16	7
„ Balance carried to General Account ...	5,540	4	6
	£5,596	1	1

13,328. (Sir John Anderson): You have given us as the main argument which you think might be advanced in favour of the institutional system as compared with the panel system, the provision of these supplementary benefits?—I am venturing that opinion on behalf of the Committee. I may be right; I may be wrong.

13,329. You are of opinion that it might be advanced?—Yes.

13,330. Do you think the provision of those additional benefits operates substantially to attract insured persons to the institutional method of providing medical benefit?—I could not say; they generally work at the colliery and they pay their poundage to a doctor, and usually the doctor to whom they pay poundage is also their panel doctor; not always.



26 March, 1925.]

Mr. EYNON LEWIS.

[Continued.]

13,331. Where the doctor to whom they pay poundage is not their panel doctor, for what is the poundage paid? What return is received by the insured person for the poundage payment?—Benefit to dependants.

13,332. Merely medical attendance and treatment of dependants?—Yes.

13,333. Is the payment less where another doctor is chosen for the purposes of the Insurance Act?—No.

13,334. So that in such a case the insured person has to pay twice over?—No, he pays one doctor as the Insurance doctor, and for his family or other dependants he pays another doctor.

13,335. You have told us he pays just the same in poundage whether he gets his treatment under the Insurance Act from that doctor or from an outside doctor?—Yes. When the Insurance Act came into force I understand there was a reduction in the rate of poundage, a penny or something like that, because the Insurance Act provided medical attendance and treatment of the insured free.

13,336. Has the number of insured persons who have taken advantage of the facilities afforded by these Institutions tended to increase or decrease since the Insurance Act came into force?—I have in my mind one organisation under section 15 (3) in the Rhondda Valley, which is a very populous district, in the centre of the valley, where it has considerably increased, and the Institution now in view is about the same; it is a strong Institution. The industrial conditions have something to do with it. When collieries stop in a district you find quite a number of people leaving for other districts; this usually causes a reduction in the number.

13,337. Do these doctors who are employed by the colliery institutions attend at the colliery for the purpose of attending cases there?—Yes.

13,338. Do they do that at the expense of the employer? Does the employer make any payment to the funds of the Institution for such attendance?—Not that I know of; they attend to all accidents wherever they occur.

13,339. It is covered by the poundage and the capitation payment?—That is so.

13,340. Is the procedure for dealing with complaints by insured persons receiving treatment from an institution similar to that set up under the regulations in the case of a panel doctor?—No. There is a recommendation to that effect in the evidence in paragraph 16 (2) that the Medical Regulations should provide for investigation by Insurance Committees of complaints made by insured persons on the list of Institutions, and that the rules of Institutions be amended accordingly. They are now dealt with by the Committee of the Institution.

13,341. What is your reason for recommending that change? Has there been dissatisfaction with the existing system?—No, but we think the same thing should apply to these Institutions as apply to the panel doctor. Complaints against panel doctors are dealt with by the Medical Service Sub-Committee. My Committee was of opinion that complaints by insured persons receiving benefit from one of these Institutions should be dealt with in the same way.

13,342. Do you know what view the Institutions take of that suggestion?—I could not say.

13,343. Are not the Institutions supposed to be under the control of the members?—A committee appointed by the members annually.

13,344. The committee is appointed by the members receiving treatment through the Institution?—Yes.

13,345. Might it not be considered to be inconsistent with the position and responsibility of the Committee of Management if complaints by members against doctors employed by the Institution were taken out of their purview?—I could not say.

13,346. No steps have been taken as far as you know to ascertain the views of committees of management of Institutions of that kind?—No. There was a person closely connected with one of these large Institutions on the Insurance Committee when this

matter was considered and he raised no objection to the resolution. He is the secretary of one of the Institutions, in fact he is the Vice-Chairman of the Committee.

13,347. Is the payment of poundage compulsory on all persons employed at the colliery in connection with one of these Institutions?—I do not know what the law is on the matter, but the custom is that they all pay, married and single.

13,348. Are there no cases of insured persons who desire not only themselves but also their dependants to obtain treatment from the outside practitioner?—They can do so.

13,349. Are they then excused from payment of poundage?—I do not think so. I have always understood that the poundage is deducted for some doctor, institution or organisation at the colliery in respect of every employee.

13,350. Does not it cut into the principle of free choice?—Not at all.

13,351. Choice is not entirely free if you have to pay anyhow?—It used not to be so, but generally throughout the county there is freedom of choice of any doctor in the district.

13,352. For the purpose of treatment at the Institution?—Yes, any doctor in most districts in Glamorgan can get his name at the colliery.

13,353. Does he want to?—They generally do if they can. The fight has been the other way. There was a time when the doctors were appointed by the employers; now the doctor is usually appointed by the men.

13,354. And you tell us there is competition on the part of the doctors to be put on the list of the Institution?—I have always understood they are very desirous to get their names at the colliery so that they can accept any insured person working at the colliery who wishes to be placed on their lists.

13,355. Why should the doctor have to put his name on the books of the Institution in order to be able to treat an insured person working at the colliery?—It is for the purpose of poundage; it has nothing to do with Insurance.

13,356. For the purpose of insurance you say there is nothing to prevent the insured person going to any doctor he likes?—No, and there are usually in all districts where these institutions exist other doctors whom they may select for the purposes of insurance.

13,357. The insured person would ordinarily wish to have one and the same doctor treating himself and his dependants, would he not?—I have heard of cases where people are very shrewd. If they have an idea that one doctor is a good practitioner and another is a good surgeon, they will sometimes select the surgeon as their panel doctor, or the other way about, and yet the other doctor may be the doctor for the family, so they can obtain the services of both. There are such cases, I do not say they are numerous.

13,358. They must be very far-sighted?—They are sometimes.

13,359. Did you want to say something with regard to Institutions or systems approved under section 15 (3)?—No, I do not, unless you wish to ask.

13,360. You were on the point of saying something and I said we would deal first with the section 15 (4) case. You were going to tell us something about the remuneration of the doctors?—Yes. You asked me about the amount paid to various doctors. I thought I would give you a list of the amounts paid to an organisation under section 15 (3), which is a big organisation. The list is written by the secretary of the Committee. The chief medical officer received for 1924 £1,000 and £250 car allowance.

13,361. Was he a whole-time man?—Yes, these are all whole-time men. The next one received £750 and £250 car allowance; the next £750; the next £700; the next £700; dispenser £5 a week; chemist £4 10s.; surgical nurse £3; dentist £25 per annum.

13,362. (Mr. Jones): These doctors are not required to pay any part of the administration expenses of the Institution?—No.

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Mr. EYKON LEWIS.

[Continued.]

13,363. The men in private practice have to maintain their surgeries and their cars?—That is so.

13,364. So that if one is making a comparison of the finances of the two groups one would require to deduct from the panel capitation fee the expenses that the panel doctor has to incur?—It depends on the area they cover. In the Institutions I have in mind, it is only in a percentage of cases that a car would be required because the greater part of the population would be within a radius of half a mile.

13,365. In any event the panel practitioner would require to make some provision out of his capitation fee for these expenses?—Yes.

13,366. He would necessarily have a surgery. Have you heard medical practitioners estimate the amount of their expenses in relation to the total capitation

fee?—No. We have a certain number of doctors who used to keep an account of their mileage and send a return every month to the Insurance Committee.

13,367. You do not know what they cost? You have never heard them talk about it for Income Tax purposes?—No. The only thing we do for income tax is to furnish the amount we pay during the year or the previous year.

13,368. You never heard them put it as high as 50 per cent.?—I know nothing of it.

13,369. In any event a substantial sum has to come off the capitation fee before you can get a straight comparison between the remuneration of the two men?—Yes, it depends on the nature of the district.

(Chairman) We are obliged to you.

(The Witness withdrew.)

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