6. Do we understand that what you contend with regard to clause 15 is that an adequate scale—that is, a scale actuarially sound—should be formulated and allowed to apply to all societies both as to their present and future members?—Undoubtedly. As an exemplification of what I am endeavouring to say, a remit to the Conference asked the Government to make provision for the ceasing of contributions when a member became sixty-five years of age, or obtained payment of an annuity, when payment should cease. It is a coincident matter that the Bill circulated by the right honourable gentleman made this provision, but the friendly societies' delegates thought their honour was a little wounded by such a proposal, and did not like to approve of it without further consideration. They thought it was pauperism. Any scheme must be unsound which renders it necessary for a lapse of time to take place before the members are strong enough to carry the load.

7. Do you consider now that the time has arrived when the Government should formulate a scale—an adequate scale—of payments, and that the law should provide that that scale should apply to all the lodges in existence now and which may come into existence in future?—With the proviso that restrospection should be added.

8. With regard to clause 16, I would like you to make clear to the Committee the *modus operandi* of your society: You pay £20 for sick-pay, is that so?—A member will be initiated to-night in my lodge. He is provided with a doctor and medicine for himself, his wife, and family. When six months in the lodge he gets half sick-pay, and if he or his wife dies they get the funeral benefit. After twelve months they get full benefits. But if a member dies (after being initiated) to-night in the ordinary way or through accident on a tram-car, or otherwise, £100 is given to his widow. We pay £100 out of the North Island Grand Lodge Special Levy Fund. Two pounds sixteen shillings a year is about the amount a man age thirty-six has to pay to an insurance company for an ordinary insurance of £100, payable at death. For the last twenty-five years, if every member of our society had been insured, £100 would have been paid at death for an expenditure of slightly under 15s. per annum.

9. How much do you pay for the benefits you have enumerated?—A graduated scale from 1s. 2d. to 1s. 8d. per week, and an additional levy to pay to the Special Death Fund from which the £100 is paid. That is the scale of pay since the graduated scale came in. The man who comes in to-day pays more than those who joined previous to a graduated scale of contributions being brought into operation.

10. Will you explain how you raise this extra money for the £100 benefit?—Say a death occurs in my lodge to-night, and the representative of the member puts in a claim to the lodge for the death levy and funeral allowances. The papers are filled up, and the lodge passes the claim. It is sent on to the grand secretary of the North Island Grand Lodge, and within twenty-four hours £120 comes along. At the end of the quarter the grand secretary sends out a circular stating how many members have died, and calling up 6d. from each member—in our lodges, although 6d. is called in, it is in reality only 3d. for the death levy—and £100 is put into the banking account. Four thousand members at 6d. is equal to £100. There is a levy of 6d. for each death, and the account is kept separate and distinct. The members have to pay this contribution of 6d. in addition to their ordinary contributions.

11. If the number of deaths increased, the levy would increase?—Of course, if there were more deaths. I worked out a table a few years ago from the Registrar's figures, and found that during the last twenty-five years the deaths had been slightly under 7 per thousand per annum.

12. *Right Hon. Sir J. G. Ward.*] Regarding this levy system, I want to try and find out a little about it, because the Committee should be cognisant of the whole position, and it is equally important to the future beneficiaries that we should know how you assess the levy on the basis of 6d. Other countries have tried that system. Take America, for instance: the levy system has been carried out there for a long period of years, and, unfortunately, the results have not been satisfactory. The system has proved disastrous to those concerned, and very pernicious in its effects. What steps have the Druids taken to prevent the disasters which have come about in America?—We anticipate an enormous influx of members, and I might, in reply, quote your own statements as given in *Hansard*, 29th August, 1905, when speaking on an Imprest Supply Bill, in which you dealt with friendly societies: "Now, I wish particularly to direct honourable members—for it is the kernel of the whole scheme placed before them now—to the point on which every one is anxious to try and satisfy himself that the scheme is sound; because if it is not sound then it is not desirable to have it in operation, and so delude either the country or the members of the service in connection with the fund. After a period of forty-five years the summing-up of the entire outgoings, making provision for debts, retirements, accidents of various kinds, and all expenses, of the London and North-western Railway Company was £336,880. Cash paid to representatives of deceased persons amounted to £55,874; cash returned to members on leaving the service, £61,680; cash paid to members superannuated, £190,927; cash paid to representatives of deceased superannuated persons, £10,770; cash paid to members in lieu of superannuation, £6,439; expenses of management, £8,368; expenses of actuaries and medical fees, £2,577 10s.; and auditors' fees, £241 10s.; and there was a balance in hand at the date referred to of £997,382; and on the 30th June, 1900, that amount had increased to £1,114,288. Now, if, as will doubtless be suggested, you are going to ask for a superannuation scheme to be established in this colony, or in any country, upon what may be termed from an actuarial point of view a sound basis, you would never get a scheme at all. *If you take the position of some of the great friendly societies, such as the Manchester Unity of Odd Fellows, for instance, which has an accumulation of about ten millions sterling, if judged from an actuarial standpoint that society is not regarded to be in what is termed a sound position. Yet I have no hesitation in saying that it is a thoroughly sound one, and meets all the praiseworthy intentions of its promoters.* Then, take the North-western