Railway Company, and submit their position to an actuary, and ask whether, upon an actuarial basis, their scheme is a sound one. He will tell you immediately it is not; and yet for forty-seven years, after making full contributions for every claim upon it, it has over a million pounds sterling of accumulated funds, which, invested, largely meets the annual outgoings in every direction. I refer to these cases, among other things, to call attention to the fact that it is not so much upon the amount of accumulated capital they have to draw upon that such schemes should be judged as to their soundness, as on what is at the back of them. In the matter I have just read to honourable members, you will find that, notwithstanding the fact that the actuaries said it was unsound, and that the basis of the payment both of the company and the employees was a lower one than provided in my Bill, yet the London and North-western Railway had over a million sterling accumulated at the end of forty-seven years. *In the light of the experience of that company, and of the experience of the Manchester Unity Society of Odd Fellows, and of other institutions of that kind, which upon the basis of the actuarial calculation ought to have been worse than insolvent many years ago—they are still going on in a flourishing way, and adding enormously to their reserve funds.*" Our organization has increased 100 per cent. during the last three years. Our numbers—4,000—have developed into 8,000 in the North Island.

13. I am not quite clear in my own mind that, if you had 100 deaths, you would be able to meet them with a levy of 6d.?—We could never, under ordinary circumstances, have 100 deaths. As the membership increases the deaths must increase, but the ratio cannot increase except in the case of a catastrophe. During the last twenty-five years the actual deaths of friendly-society members have averaged about seven per 1,000 per annum, and in the parliamentary paper issued in 1907 the total deaths in all friendly societies during the last eleven years have averaged 7·3. A few years ago I worked out a calculation for the preceding twenty-five years, and the result showed a death-rate of 6·88.

14. Do you know the proportion of deaths in other societies?—No; but Mr. Bold will probably be able to tell you. The death-rate I have given is for all the societies in New Zealand.

15. What about clause 34, with regard to auditing: what do you suggest—because it is important that friendly societies should be maintained in a financial position?—The present Registrar of Friendly Societies, I may state, has made himself agreeable to the members of friendly societies, and is most obliging, but he may pass away, and I am contemplating the possibility of an officer occupying the position who, if you went to him for information, might say, "There is the Act: interpret it for yourself." We want to provide for auditing, but we say, let it be once in three months or six months. Although the chief executive officer of a society may have his accounts financially square, yet on many occasions his books may not be fit to produce through not being posted up to date. He might be quite right so far as his funds were concerned, and yet not be in a position to hand over his books.

16. You have no objection to the auditing except that it is mandatory?—I court it, sir.

17. To whom do you suggest an appeal could be made except the Supreme Court?—I would submit that some one should represent the Government, and one or two others represent the friendly societies, and that they should form a tribunal which would meet the case.

18. Do you think the friendly society ought to have the right to appeal to a Magistrate?—Yes. It is the limit of expense which actuates us in asking for the modification of appeal.

19. Do you suggest a Magistrate?—Yes.

20. How many unfinancial societies do you say there were in 1906?—In the return for 1907 there are 431 societies, the financial position of which is shown as at valuation; but I calculated the thing hurriedly. Four hundred and thirty-one have been valued, and there are others that have not been in existence long enough to become valued; 333 were unfinancial, and 98 financial—I mean actuarially financial and unfinancial.

21. Will you give me your opinion regarding the 333 unfinancial societies, irrespective of the question of actuarial soundness: do you think they are safe for the members who are in them, or for those who may go into them in the future?—The broad answer will appeal to any business man. My own lodge started in 1879, and since then we have paid thousands of pounds away in sickness and funeral benefits. We have to-day nearly £6,000 in cash and securities, and our funds are increasing every year. We clear off all our liabilities every quarter, and have a credit balance as particularised by me.

22. Your society is not in a financial position actuarially, but actually you are all right?—Personally I say we are in a sound business position.

23. With regard to clause 37, do you say the word "balance-sheet" should be substituted for the word "return"? Would that give the necessary information?—The balance-sheet discloses all the operations for the year. There are two half-yearly balance-sheets—one in May and the other in November—in our society. Some have a quarterly balance-sheet, and some half-yearly, and an annual return is presented to the Government by each lodge, in which respectively all these balance-sheets are incorporated.

24. You are of opinion that they would give all the information that is required?—Yes.

25. Where a number of friendly societies outside the number you represent are strongly urging that clause 15 should remain in the Bill, is there any reason why their position should not be met if your position is met? A number of them have communicated with me since the deputation, and asked that the clause should be inserted?—I would be quite willing if it is made retrospective.

26. With regard to the matter of trustees dealing with the amount of £100, you suggest that the amount should be increased to £150?—The present Act provides machinery in the case of a member dying without leaving a will, and if the amount payable at death does not exceed £50, then the trustees can pay to the people who in their opinion have the best right. It is proposed by this Bill to make the amount £100, and we are asking that it be made £150. In my own lodge