48. *Mr. Stallworthy.*] On young and old alike?—Yes.

49. *The Chairman.*] It has been suggested that candidates have joined the Druids in ignorance of this levy, and after initiation have suddenly become aware that they have an obligation they previously had not anticipated?—If such a case as that has occurred it has not, as far as I know, come within the knowledge of any Druid in the North Island. The thing is set out with the utmost distinctness. It is clearly made known to every member that 6d. has to be paid on the death of a member, and that by paying this 6d. he becomes entitled to the benefit of this £100.

EDWIN BOLD examined. (No. 2.)

1. *The Chairman.*] You have had some experience with friendly societies?—I am a member of the North Island District Grand Lodge of Druids. I have been a friendly-society member for fourteen years, and was secretary of one of the large lodges for seven years. I have been asked to speak here on behalf of the Grand Lodge of the North Island in regard to clauses 15 and 16 of the Bill now before the Committee.

2. Are you an expert in any one department of friendly-society work?—When a man has been secretary of a lodge for seven years he has a pretty good idea of the work, and I have taken great interest in it.

3. Will you make a statement?—There are two points on which I have been asked to speak, particularly having reference to what we consider a drastic alteration in the policy of the law as it at present stands.

4. *Right Hon. Sir J. G. Ward.*] The one reason for uneasiness with regard to the system of levy, and one of the principal causes for having a provision in the Bill dealing with that—a matter which I think you want to keep in mind, even with the suggestion of exempting the Druids from the operations of the Bill—is the fact that they have had the same system in America. There the system failed, and left a hundred thousand people crying out against what is suggested here. That is underlying the whole trouble. Those lodges or societies were working exactly on the levy system as you have it here?—They were assessment societies absolutely.

5. That is so?—I do not understand that they were friendly societies. I understand they were solely life-insurance societies worked on the fraternalism system. A friendly society, with its multifarious benefits and advantages, has more to hold the members together than such one-legged institutions. I have read about those societies, and have here a pamphlet written by James W. Alexander, President of the Equitable Life Assurance Society of the United States. He goes through all the various phases of life insurance, and mentions the assessment principle. He sets out that in a great number of instances this assessment system has been an absolute failure. I think he says in his pamphlet that two thousand of such organizations have failed in the United States. I assume that these societies were for life-insurance purposes only, and that they do not combine other benefits such as the friendly societies do. Mr. Alexander says, in the course of his statement, that the assessment principle could be worked; he also says it has been worked successfully, and mentions as an instance an assessment which was adopted some years ago on the New York Stock Exchange, where the member's seat was security for the permanence of it. He considers that if an assessment company could be so formed that the members, once enrolled, are bound to continue to pay, and security given to that effect, the plan could be worked. We think that in connection with our friendly societies the condition exists in which he says it has and can be done —we say the condition is present in our case. Mr. Alexander says the seat on the Stock Exchange was a guarantee for the payment of the premium, and we think we have a similar guarantee in so far that, if during any quarter the deaths became so heavy that a member might want to throw the system up, he could not do so without throwing up all the other benefits connected with the society; and we think there is reason to believe that members will keep up their membership and pay the levies. I would like also to say that this system is not what you might call an absolute insurance contract. It was started about fourteen or fifteen years ago, and the method of starting it was this: As in the case of many other societies, very often a hat was sent round to collect funds in cases of hardship, and some of the members thought that they could devise some means by which they could avoid going round with the hat. The £20 which is paid out under the ordinary system when a member dies was found to be of no use, because it all went in funeral expenses and left the widow and children with practically nothing. In a fraternal spirit, and with a view of giving further assistance, it was resolved that each member should levy himself 6d. in the event of death in the case of any of the members. In those days the membership of the lodges was not very big, and the amount this levy produced was not very large, but the system has been continued ever since, and has been a continually growing one. It was allowed to grow until the levy of 6d. was capable of producing £100, and it was then thought that was as large an amount of benevolence as could reasonably be expected by anybody, and probably as much as members could keep going for any length of time. It was therefore decided by the society five or six years ago not to pay over the whole of the proceeds of the levy, but to limit it to the £100. Now, however, as has already been explained, this sixpenny levy is large enough to pay for two deaths, for, as the membership rises, the cost of the extra deaths by reason of the larger membership is met by the larger membership upon which the levy is made. We look upon it as a form of benevolence, and if the society found it was becoming a hardship on the members to carry on the system I have no doubt an adjustment would be made. But, instead of reducing the amount of the levy, members have told me that they would be quite willing to double it; though probably if we doubled it it might become a hardship to some members, and we do not want to do that. The limitation just mentioned shows that the society was not inclined to go on in a reckless manner, and we all hold that £100 is a handsome amount to give to any one who has lost the mainstay. If the levy became too heavy there is nothing to prevent the order from reducing it. I might say that practically