

them. Well, we have no objection to the Manchester Unity carrying on their business in any way they like, but we consider it a piece of impudence for them to endeavour to compel other societies to carry on their business in any way that does not suit them. They also forwarded to the Conference the amendment which forms the basis of the two clauses in the Bill which I have referred to. But that was not the only Conference that has been held in New Zealand. One was held the year before, when the same question came up and was thrown out. I give the Manchester Unity credit for carrying their point at the second Conference, but an analysis shows that the Conference was arranged on anything but a fair basis of representation. The chairman said the council had fixed the representation in a rough-and-ready way, and no doubt he is right, for it was very much to the detriment of the Druids. The Manchester Unity gave a block vote of twenty, and their delegates, according to the Registrar's annual report, represented 17,000 members, while the Druids, representing 10,000, had only five votes; and we cannot admit the right of the friendly societies' council or Conference to legislate how any separate order should carry on its business. There is no need for an Act of Parliament to enable any society to make its own rules as strict and as actuarially sound as it likes.

6. *The Chairman.*] You quite understand that in considering the evidence, the Committee will consider the influence it has in connection with the Bill?—Yes. I may state that there is the solid weight of over 13,000 Druids behind the evidence I am giving. I might also say that a Friendly Societies Bill was circulated last year, and we assumed it to represent the Government's conclusions after considering the representations submitted by the Conference, and the clauses which we specially object to are not in that Bill. We concluded that the Government had come to the same conclusion as the Imperial Government—that is, that they were not going to place compulsory restrictions on any society. However, the new Bill comes down this session, and we find these two clauses in it. I might say that we do not wish it to be understood that the Druids are opposed to solvency in friendly societies; but there is certainly room, to our mind, for serious consideration as to what is solvency and what is not, and we think the standard set up by the actuaries is too high, and of a more stringent nature than is what is required in the particular circumstances under which the friendly societies are carried on. From such information as I have been able to gather as to how the actuaries construct their tables for friendly societies I find that, rightly enough, they debit the societies with the maximum liability for each benefit, but where I quarrel with them is this: that they do not give the societies credit for all the points in the societies' experience that tell in their favour, so that the result is not fair to the societies. That is one explanation why societies declared to have been unfinancial by the actuaries still go on and meet their obligations. One actuary states, "It is incredible that a society which was founded in the year 1843 should after sixty years be still dispensing benefits to its members in return for contributions which are inadequate and uniform for all ages." I think the explanation is that the actuary's conclusions were a little bit out. I might mention one or two points showing where we venture to differ from the actuaries in the way they build up their scale. An actuary assumes that every member who joins a society will become a claim upon it for the death benefit, and requires provision to be made accordingly; but the facts show that every member does not die while a member of the society. In fact, statistics show that the percentage of members who do not so die is quite as steady and level as the mortality statistics. Seven per cent. of them allow their membership to lapse without becoming a claim for the death benefit.

7. *Mr. Tanner.*] Are you giving us to understand that many members drop out of the societies and die afterwards, getting no benefits?—Yes. Taking the 60,000 who at the beginning of this year were members, the later statistics will show that at the end of the year 7 per cent. have dropped out without becoming a claim. The average over a good many years is 7 per cent.

8. And that percentage equals the annual deaths in the Dominion?—Seven per cent. in one case and seven per thousand in the other.

9. *The Chairman.*] Do you say that the experts do not take that into account?—They refuse to take that into account. The percentage of lapses is shown to be as steady as the death-rate, and should be fully allowed for in constructing the tables for the contributions for benefits before any compulsion is attempted in regard to the adoption of such tables.

10. *Mr. Fisher.*] And, roughly speaking, that disposes of half your liabilities?—I have not compared them like that. That discounts the accuracy of the deficit shown in the Registrar's returns. The actuary in connection with his table of contributions would require that you must pay as if every man must die while he is a member of the society, and we say that every man does not so die, and therefore the rate is too high to compel members to pay. That is one point. Another one is in connection with the benefit payment of £10 on the death of a member's wife: the actuary says you must provide for the £10 liability on account of the wife of every member, whilst, as a matter of fact, a great proportion of the members never marry, and where a member predeceases his wife it is very seldom that the latter continues her membership. The experience is that the proportion of deaths in the case of wives is only one-third of those of the members, and yet the actuary says you must pay as if every one were sure to claim the benefit. We say that the tables in this respect are too high. In an article I wrote in the *Friendly Societies' Gazette* about four years ago—and I do not think the position has altered since—I showed that in the construction of the tables the actuaries used the mortality experience of the whole colony, and not the mortality experience of friendly societies. We say that that practice is against us. The members of friendly societies are picked lives. They have to pass a medical examination, and the statistics show that the mortality of members of friendly societies is much lighter than that of the general community, and yet we are debited for the heavier liability. The valuations completed in 1907 by the Friendly Societies' Office, covering 131 lodges, representing a membership of 13,151, shows that the actual number of deaths were 466, as against the 594 deaths expected under the New