

32. You mentioned that the Registrar never gives you credit for the dropping-out of members?—I say that in building up the tables of contributions they debit us with the maximum liability for every member, and we say the amount is too high as the maximum liability never eventuates, owing to the percentage of lapses.

33. *Mr. Seddon.*] You mentioned a Conference at which one society exercised twenty votes representing 17,000 members, while another society exercised five votes representing 10,000: under what rule do they get that representation?—I believe it was decided by the Friendly Societies' Council which called the Conference together. They fixed the representation at one member for each district. Some of the districts had only a few hundred members, while our district had over five thousand members. At the Conference, owing to a protest, an additional vote was given to each delegate representing over 2,000 members, which gave the Druids five votes instead of four. At a former Conference a fairer system of representation was decided upon, but the council ignored it. At the Conference the year before the basis recommended was one representative for each friendly society council, one for each registered friendly society, and one additional representative for each complete 1,000 members of each registered society.

34. Of your own knowledge, are any societies in favour of clauses 15 and 16?—I can only speak with regard to clause 15, which was before the Conference. Clause 16 was never before the Conference at all.

35. What was the result in regard to clause 15?—The motion was carried by thirty-four votes to thirteen. The motion with regard to the contributions was, "Provided that no society or branch shall be registered until the actuary is satisfied that the tables of contributions are adequate to the benefits offered."

36. *Mr. Flatman.*] I think you said that at the present time you cannot sue for overdue subscriptions?—That is so.

37. Would you like to be placed in a position to do so?—That provision was in our rules, but the Registrar made us take it out because it was against the law. I think we had sued in one or two cases. We have a Benefit Fund by which we often make an unfinancial member financial.

38. *Mr. Tanner.*] Has any hostility been shown towards your death-levy scheme by any insurance society?—I have not heard of any.

39. Why did the American societies which were quoted fail?—The reason given was that after a while the numbers of deaths became too heavy, and the contributions increased in amount to such an extent that the members dropped out. They had nothing, so far as I can understand, to hold them together. A very large majority of the people who join a friendly society do so to get the benefits of doctor and medicine, and regard them as worth the whole of their contributions. We have that hold over the members, and if they do not pay their contributions they lose those benefits; and an additional hold is that if a member runs out of our society after he reaches the age of forty he cannot rejoin again on any conditions. This in itself makes a man think twice before giving up his membership.

40. But if your members ran up to a thousand, would not the contributions be too heavy for your members to bear?—Not necessarily, so long as we do not have to provide more than £100. With 24,000 members the levy would only work out at 1d. per death.

41. The calls would come more frequently?—Yes, but the amount would drop.

42. You would not favour limiting the application of this principle?—I think the wider you spread it the less fluctuating it would become. I have advocated making it general all over New Zealand.

43. Would you not get greater risks?—Not so long as you limited the amount to £100.

44. Supposing you had a million members in your society, how much would you require to pay up?—The average friendly societies death-rate is seven per thousand—that would be £700,000. The only difficulty would be where the percentage of deaths increased very largely. If the amount were based on the average mortality shown in the Registrar's return, the requirement would be 14s. per member per year. The average death-rate is seven per thousand, and we reach our individual limit of liability when we get 4,000 members. Seven times four are twenty-eight, so that on the average mortality-rate there would be twenty-eight deaths to provide for in the year. Unless the death-rate became very high, the contributions would not increase. The maximum has been 8s. per year per member. There is a certain amount of risk, and I am prepared for an occasional heavy quarter.

45. *Mr. Fisher.*] You have an equal chance of having a light quarter?—Yes. Only about two quarters ago we had no levy at all. The last quarter it was 3s. We had twelve deaths for that quarter.

46. Do you know anything about the causes which led to the collapse of the American societies?—I have heard of them.

47. To what do you attribute it: we have had no reason given?—I think the principal reason was because they had nothing tangible to bind them together. One reason given by Mr. Alexander is that "some of these enterprises were fraudulent; many honest, but ignorant." I myself have said I wished I could get a similar thing that would give me £1,000.

48. Supposing by any chance your society became unfinancial in twelve months' time and was unable to pay its liabilities, would the losses be very high individually?—The loss to every individual member would be that he would simply have to find some other means of getting a doctor and medicine and other benefits. If members refused to pay their contributions they would lose their membership and their claim. But the failure of the death-levy scheme would not affect our other benefit funds, as they are worked on quite as sound a basis as any friendly society in the Dominion.