

49. Would that be ruination?—It would take nothing from anybody. A good many people join insurance societies and then do not pay up their premiums; in consequence they lose all they have paid in.

50. Then, the present proposition is practically equivalent to the National Mutual Life Association coming to Parliament and saying that "the Australian Mutual Provident Society have a better table than we have, and we want them to work on our table"?—That is so. Mr. Alexander says that there are other fallacies in the insurance world besides assessment societies: he shows that the surrender-value system is an absolute fallacy, yet other societies took it up.

51. *Mr. Izard.*] Are you in favour of the principle in the Act which enables a branch society which has fallen below a certain number to divide its funds amongst the existing members?—No.

52. I know of an instance where there was a somewhat large sum of money in the hands of a branch, and they applied to have the accumulated funds divided amongst the existing members: do you approve of that?—Certainly not.

53. You would approve of a clause being put in the Bill to prevent that?—Yes. I have read of cases where they tried to drive out as many members as they could, so as to divide the funds amongst the remainder.

54. *Right Hon. Sir J. G. Ward.*] I understood you to say that the annual premium to secure £100 in the industrial branch of an insurance society is £3 5s.?—Yes, at the age of thirty.

55. And the premium in the Druids is 6d.?—No, it has been 8s. a year.

56. But the contribution which takes the place of a premium to secure £100 to the successors of a deceased member is 6d.?—It is 6d. each death, but so many deaths have occurred that it amounts to 8s. a year.

57. But in the A.M.P. the insurers have to provide £3 5s. as against 6d.?—No, as against 8s. If a person is over forty we cannot take him in. I take it that the large proportion of the £3 5s. goes in working-expenses. I have read lately that last year's working of the A.M.P. Industrial Insurance Branch showed that over 88 per cent. of the total premium income was swallowed up in canvassing, collection, and management expenses, whilst our death-levy scheme does not even bear the expense of a penny stamp.

58. Do you have any difficulty in getting the 6d. from the members?—During all the years I was secretary I never had a single complaint.

59. To whom do they pay the contribution?—To the secretary of the lodge, along with their ordinary subscriptions.

60. It is such a small amount that there is no trouble about it?—Yes. Members have to clear themselves of all levies and fines each quarter.

DAVID LARNACH examined. (No. 3.)

1. *The Chairman.*] What are you?—Grand secretary for the Otago and Southland District Grand Lodge of Druids.

2. Will you make your statement with regard to the Bill before the Committee?—In reference to section 15, I think at the Conference it was agreed that if the Legislature of New Zealand thought fit to raise the amount of the contributions in connection with friendly societies they were quite agreeable to submit to it, but if that is their opinion I submit that a minimum scale of the contributions ought to be drawn up and submitted by the Registrar to the different lodges or bodies, so that they may be considered. With regard to section 16 I am inclined to speak a great deal more strongly than Mr. Bold has done. If you, gentlemen, only knew how this special death levy has been received by the widows and orphans of deceased members I am sure you would not for a moment hesitate about striking the clause out of the Bill. I am not speaking from mere sentiment, but from experience. The wives of deceased members have come to us, and asked to be allowed to advertise the fact that they were given £70 on the death of their husbands. It gives them time to look round and see what they are going to do. The contribution is very small, and where it is going to be a hardship to members I cannot see. The membership increases more rapidly than the deaths, while the amount is becoming less burdensome. My district started in 1897, and the fund was then £6,568 2s. 5d. To-day it is £21,747 11s. 1d. The membership was 630 when we started, and to-day it is 2,500 financial members. The membership when we started the death levy was 999, and to-day it is 2,500, so you will see by this increase whether the scheme is appreciated or not. As to this matter being before the Conference, I deny it. I was there, and it was never brought up. The matter of the contribution certainly was, and an agreement arrived at, but this was not before the Conference. With regard to the matter of making up the returns at the end of the financial year, I would impress very strongly upon you the desirability of providing in the Bill that we be allowed to close our year in November. This would be of very great benefit to us, because at the present time a great many of our members are young men, and go away for their holidays in December, just before quarter-night, without making any provision for the payment of their subscriptions. On returning again the amount possibly runs into two quarters, and is perhaps too much for them at the time, and they say they cannot pay it and will drop out of the society. It is during the holidays when the falling-out of members generally takes place. I desire to impress upon you very strongly the desirability of striking out section 16, because the death levy has been a blessing to many. I might state that in my district, with a membership of 2,500, the most we have paid for any one year was 6s., and that only once. The amount of the levy is £60, but our death benefit is limited to £50. That is £10 over and above, which enables us to levy for five deaths and give one free. We do not levy for the sixth. Tables have been made out by the Manchester Unity quoting the increases in the different societies for the years 1901, 1902, 1903. The increases in the Druids in 1901 was 0.66, as against 0.38 for the Man-