

possible to pay. The following are a few examples of societies run on the assessment principle, taken from the *Spectator* (18th July, 1901):—

	Estab- lished.	Membership.			Deaths per 1,000.		
		1890.	1895.	1900.	1890.	1895.	1900.
Albany Masonic Relief	1870	900	533	245	19.87	25.50	25.31
Knights of Honour	1873	135,212	115,212	59,933	14.39	17.94	29.77
American Legion of Honour	1878	62,574	53,210	11,160	13.06	18.91	51.34
Modern Woodmen	1883	42,694	158,781	537,858	5.06	4.43	4.25
Knights of the Maccabees	1883	16,903	101,869	203,832	5.44	4.85	6.13

The first three societies are evidently rapidly approaching final dissolution, for the assessments have become so heavy that new members would be extremely difficult to obtain and impossible to keep, and old members who can assure elsewhere are joining other societies, leaving the old and infirm to carry on the business. The only two societies mentioned in this table which have been able to keep their rate at anything like normal figures are the Modern Woodmen and the Knights of the Maccabees. In the case of the latter there has been an enormous increase of membership from 1890 to 1900—an increase which could never take place in this Dominion—and there the death-rate has increased 1 per cent. Nevertheless, they are working on impossible lines, and it is really only a matter of time when they will be in the same condition as the older companies.

10. *Mr. Wood.*] Are these lodges or insurance companies?—They are what they call assessment companies.

11. Are they worked on the same basis as a lodge?—Supposing the Druids were to separate their other benefits from the death-levy scheme, then their benefits would be identical with those of the companies I am quoting. Mr. Muter, actuary to the Southern Cross Lodge, concludes his report by saying, “I would urge that premiums corresponding to the different ages be charged. Any attempt to do business on the assessment plan, however successful at first, cannot be permanent, and must sooner or later lead to trouble and disappointment.” From the *New York Spectator* of the 30th September, 1897, I find that thirty-one assessment companies failed or retired from 1889 to 1897. The insurances in force at winding-up were \$286,500,000, and the claims due and unpaid at winding-up were \$2,500,000. The *Spectator* says, “Allowing for the desertion of members prior to the winding-up, it is probable that these thirty-one companies deprived nearly a hundred thousand persons of insurance at a time when they most needed it, and were unable to replace it.” That is from one of the most reliable insurance journals in the world. Here is another extract from the *New York Spectator* of the 26th October, 1905: “A few years ago the experiment of providing cheap insurance was tried by certain misguided men, who proposed to insure people on the assessment plan at half the cost of the old life insurance. They offered to sell insurance at a low rate, not to be increased with the advancing age of the insured, and to collect the assessments as deaths occurred. A wave of assessmentism swept over the country, and the assessment companies sprang up on all sides like mushrooms in a night. These companies were officered by men without any knowledge of the insurance business, wholly ignorant of the fundamental principles that must govern if success is to be achieved, often merely speculators or worse, whose only desire was to get the people’s money without giving an equivalent for it. For a time the assessmentism or cheap insurance flourished, and thousands upon thousands paid their money to the companies. It was not long, however, before it was discovered that the whole system was a fallacy, that the death claims on the companies exceeded their incomes, and there was no hope of their salvation. Some companies struggled along for a few years, their deluded members hoping that matters would take a favourable turn, but finally they all succumbed, till at the present time there is scarcely one left to mourn the fate of the many hundreds that fell by the wayside. The failure of these assessment concerns was most disastrous to their members, many being uninsured, and they found themselves minus their money and their insurance.” Clause 16 brings into line one of the very rottenest schemes that was ever introduced into friendly societies’ work. One cannot get “something for nothing,” and if a man of sixty or sixty-five puts 6d. or 1s. into a funeral levy or pool, such as is run by the Druids, and dies in a few years, some one must eventually pay for his funeral donation. It is the young man who does so—the young man, who, after paying in for a lifetime, will find that when his turn comes he will have paid very dear for the benefit—that is, if the scheme survives until the time comes when by natural process his life would fall in. My opinion, however, is that it will not exist so long; the young men will get tired of contributing and it will fizzle out. It is rather a fascinating scheme for the unthinking mind, but it is a lottery.

12. *Mr. Jennings.*] Is that your opinion?—It is the opinion of my executive. We rely more particularly upon the fact that this clause was put in not by the societies, but by the Government for good and sufficient reason, and we hope it will remain there. In connection with clause 24, Mr. Jessen mentioned an amendment which I would like to point out has not been considered by the executive of the parliamentary agents. They considered the clause, but, in common with others, passed it over as satisfactory. In clause 33 there is a provision that the annual return shall be sent in before the 1st day of March. Hitherto it has been the 31st day of March. We ask that the word “thirty-first” should be reinserted, because there is not sufficient time for the returns to come in from the lodges to headquarters. If the clause is passed, the societies will send in incomplete returns, and consequently the value of them will be very largely impaired. The secretary of my order, who is one of the most businesslike of men, says it is impossible to complete