60. Do you not know that some societies have closed their doors practically to new entrants with a view to the subdivision of the funds?—I know that some branches have done that, and we want to prevent the distribution of the funds.

61. If the death-levy system of the Druids had been in existence in other societies, would it not have acted as a preventive to a branch closing its doors? You have suggested to us that it is only the enrolling of new members that can make it possible for the Druids' scheme to pay?—That is so.

62. And, therefore, the scheme would act as a preventive to the closing of a branch for the benefit of the old members?—We think it would be rather a dangerous remedy. The most advisable course is to prevent the branch disposing of its funds.

63. You do not think the older men, who are nearer death, should pay the same death levy as the younger men?—We think they should pay more. We are not in sympathy with the scheme at all, but if it should exist we think the old men should pay more.

64. *Mr. Aitken.*] I think you made it perfectly clear that clause 16 was not put in the Bill at the instigation of the Conference of 1906?—I might say that I was present at that Conference, and have been chairman of most of the gatherings since in connection with the Bill, and I have never heard any suggestion whatever in connection with clause 16.

65. That is to say, it was not from the combination of friendly societies you represent that the suggestion arose that clause 16 should be put in the Bill?—No, we have discussed the injustice of the levy system in our lodge, but it has never been brought up at any Conference I have been at.

66. You do not know the origin of it?—No.

67. *Mr. Fisher.*] I understand your membership has actually increased since the death-levy scheme was started?—Yes, notwithstanding that our rates are higher.

68. Your objection is only based on the fact that you regard it as actuarially unsound?—Yes, we think it is a very unsafe element.

69. You do not think you are in the position of an insurance company coming to Parliament and objecting to the tables of a rival company because it is doing more business?—No.

70. Have you ever heard of the representative of an insurance company regarding the tables of another company as unsound?—I suppose I have.

71. You referred to the fact that it may be possible some of these days for the widows to come along and find that there was no death benefit for them?—That has been the experience of the American scheme.

72. The American companies were, in some cases, frauds?—Not frauds; they simply broke down.

73. Were they giving the same benefits as the Druids?—It was on the same basis. They levied a certain sum, and undertook to pay a certain sum on death.

74. But there is something given in addition here: the American societies did not provide doctors and medicine?—Not in connection with most of them.

75. Are you in a position to state emphatically, in connection with the failures in the United States, that some of them were not due to fraud, while others were overweighted with the benefits?—The largest number of them failed simply because the scheme was unstable.

76. And actuarially unsound?—Yes.

JOHN KERSHAW examined. (No. 8.)

1. *The Chairman.*] What position do you fill in friendly societies?—I am corresponding secretary of the New Zealand Branch of the Manchester Unity Independent Order of Odd Fellows, and have been acting as parliamentary agent during the whole of the consideration of this Bill, in the absence of my friend Mr. Smith, who has been on a visit to Rarotonga.

2. Has your society branches right through the Dominion?—The New Zealand Branch has the whole of the branches in the North Island under its jurisdiction and four districts in the South Island.

3. Can you give us the number of your membership?—The membership of the New Zealand Branch is 11,738, but in addition I was requested to represent the Southland District, which has 1,547 members.

4. What would be the total for the whole of the Dominion?—21,228—that is, including the whole of the Manchester Unity, not under our immediate jurisdiction, but the whole of the order.

5. And practically your evidence will represent the views of the whole society?—Yes, there has been no objection raised to what has been done.

6. Will you make your own statement?—Mr. Hunt has so fully covered the ground that there is very little left for me to say. There is one matter, however, I wish to refer to, with regard to what was said by the deputation of the Druids to the Premier. When they were pleading they said there was no necessity for interfering with present arrangements; and the reason given was that the position of the friendly societies in this Dominion was so much superior to that in the Australian Colonies—that is, in New South Wales—and that the amount of funds per member in this Dominion averaged about £19 10s. Now, I wish to draw your attention to the fact that the societies which are favouring sections 15 and 16 comprise those which are in the best financial position. They are supporting section 15, which provides for adequate contributions for all the benefits offered, and clause 16 necessarily follows. I will give you particulars of the funds relating to the respective societies. The Manchester Unity funds stand at £25·7 per member; Independent Order of Rechabites, £25·2; Ancient Order of Foresters, £19·8; Independent Order of Odd Fellows, distinguished as the American Constitution, and differing from the Manchester Unity, £19·3; while the United Ancient Order of Druids is only £9·75, or not half of the least of the other societies. So that we make a strong point for the retention of clause 15 of the Bill particularly—viz., that the societies ought if possible to be brought up to what is considered to be a proper financial standard. That is all I have to say with regard to section 15. With reference to section 16