the system is wrong, but it is not a matter for our opinion, it is a matter for the actuary. Remarks are sometimes thrown out by members that they cannot take much notice of actuaries. I have looked into accounts connected with friendly societies as carefully as most people, and I am prepared to say I have great faith in the actuarial calculations of this Dominion with regard to friendly-society matters. I know an instance of one branch which, when it commenced, made money because its members were young. They thought that as they were increasing their wealth they could increase their benefits without increasing their contributions, but the time came when they got into a very bad position. We had to review their case, and to insist on them either reducing their benefits or increasing their contributions, and when the actuary looked into the matter he found that the short-paid contributions with compound interest would about have made up the amount of their deficiency. If they had done what they had set out to do they would have been all right, but they thought they could increase the benefits without increasing the contributions, and failed. The same thing will apply right throughout the whole system: you cannot get something for nothing—you must provide for it.

18. If their contribution for payment on death were collected previously, as in other lodges, would it not show them to be in a better position financially?—No. I might say that the system in vogue now is rather different from what obtained previously. Formerly, when this death-levy scheme was inaugurated, they simply collected the amount of the levy and paid it over. You can realise that there would be no deficiency then. They collected the amount like going round with the hat, and handed it over to the widow.

19. *Mr. Fisher.*] There was no fund for it?—No. But now there is a direct benefit of £100, and if the member survives for a year he is entitled to £120.

20. *Mr. Flatman.*] I suppose you know of no instance where a member has refused to pay the levy?—Rumour says there are many, but I know of none. I have heard it said there is a difficulty, but further than that I do not want to go, because I do not want to discredit them in any way.

21. Are you in favour of the branches being compelled to keep separate accounts as between the new members admitted under the adequate scale of contributions and the old members?—That is a question I am not prepared to answer, because I should deal with that according to the circumstances of the society in which it was brought into operation. I only know this, with regard to the difficulty in New South Wales, that was one of the great stumbling-blocks. We have taken these men into our societies, and I for one would be very loth to increase their contributions if it can be avoided when they get old. As far as the equity is concerned, I should have to say Yes, because if these men have been paying too little it is only right that they should have to pay for what they are getting; but as a matter of expediency I should say No.

22. When you quoted the amount per head of some of the societies were you including the management funds or benefit funds?—The benefit funds.

23. Do not funds accrue from the investments in property?—Yes, that is how they do accumulate.

24. There is nothing to prevent your society instituting a similar scheme to that of the Druids?—No.

25. But you consider it would be unsafe to do so?—We do. We have had the matter of providing an increased funeral benefit before us for some years. We have provided the most liberal scale of contributions. The Department only recently supplied us with one which is more liberal than the scale in our rules, and when we put this before our members we found that they would not accept it as against the benefit provided by the Druids. The Manchester Unity has always been to the fore in financial stability. We have suffered in the Old Country by sticking to what was required in the way of adequate contributions, and we are not prepared to go back on it.

26. Are you in favour of decreasing the funeral benefit?—No, I am in favour of increasing it.

27. *Mr. Fisher.*] You make yourself quite clear that your objection is not on account of any rivalry in connection with any of the lodges?—Yes; it is only in so far as persons are being attracted to the Druids' society who have not considered the position.

28. You consider they are attracted by a principle which is unsound, and which is likely in the long-run to affect all societies?—I do.

29. What was your basis—you must have an actuarial report?—I have seen the figures of other societies established on somewhat similar lines, but I endeavoured to bring whatever little knowledge I have to bear on this matter myself. If I create a liability of £100, and there is no fund from which that liability can be discharged, I expect to pay for my liability; and I find it would be utterly absurd to expect the promises made to be kept.

30. But have you actually had the report of the Actuary upon the Druids' scheme?—No, I cannot say we have had a report, but we have had reports from similar organizations.

31. In the Dominion?—No, not in the Dominion.

32. Then, your objection to it as being unsound financially is based on your own knowledge?—No.

33. I mean your society?—No; they base it upon information coming from similar societies outside the Dominion. I desire to emphasize this: that, seeing that the Government have introduced this section of the Bill, it devolves upon the Government to provide the actuarial advice. I can only say this, as I have already said: If I am promised a certain benefit, I want to know how it is going to be provided.

JOHN SMITH examined. (No. 9.)

1. *The Chairman.*] What society do you belong to?—The Manchester Unity, I.O.O.F.

2. Do you represent it here in any way?—I am parliamentary agent, but I have been away from the Dominion for some time, and Mr. Kershaw, the corresponding secretary, has been taking up my duties for the time being.