

not be some provision for appeal from the dictum of the Actuary as there is provision for appeal from the Revising Barrister and the Registrar? There is the possibility of the Actuary acting on such stringent and exaggerated lines as to make it desirable that his conclusions should be checked by some competent authority." The amendment to the second subsection of this clause was agreed to by the executive. With regard to the Second Schedule, paragraph 13, I am instructed not to support the alterations made in that. My executive wish it to remain as printed.

5. *The Chairman.*] That is to say, they do not agree with the amendment suggested?—Yes. With regard to the savings-bank proposal, I hope some means will be found by which we shall be able to make use of the Post-Office Savings-Bank for our ordinary accounts. The contributions are based upon 4 per cent. interest being realised. In the district I belong to there is over £3,000 returning no interest according to the 1906 report, and I believe there is about £44,000 in the Dominion not bearing one iota of interest. Most of these branches are in the country, where the officers do not appear to know the value of interest, and allow their money to lie in the bank without getting anything. If this money were allowed to lie in the Post-Office Savings-Bank it would return 3½ per cent., which would materially add to the stability of the societies. There is no necessity for our cheques being paid directly they are presented. The objection Sir Joseph Ward had to the proposal was that he did not know how it could be done, because it would mean keeping a large sum of money in the banks in country districts; but that could be obviated by the cheques being made payable when the cash was received from the head office. From what I can hear, there is not the slightest difficulty about it.

6. *Mr. Jennings.*] You said the management of your district had been so successful that you were in a good position; but did the Manchester Order receive any grants from the Government in the early days that would add to the stability of your order?—Not a single solitary sixpence by the Otago District. My lodge is going to hold its diamond jubilee this year, and its total value at the end of 1907 was over £30,000.

WEDNESDAY, 16TH SEPTEMBER, 1908.

ROBERT EDWARD HAYES examined. (No. 11.)

1. *The Chairman.*] What are you?—Registrar of Friendly Societies.

2. Can you tell us how many friendly societies there are in the Dominion—societies, not lodges?—There are eleven orders. These are cut up into different districts. There are thirty-eight central societies or bodies.

3. About how many lodges are there?—About 560.

4. And the membership?—The membership, in my return which was presented to Parliament yesterday, is 56,817—that is up to the 31st December last. Of course, that does not comprise the returns of lodges which have not furnished them according to the Act.

5. *Mr. Jennings.*] That shows an increase on the previous term?—Yes, the increase for 1907 was 7·6 per cent., compared with 6·01 per cent. in the previous year.

6. *The Chairman.*] And if the full returns were in there would be a still larger increase?—I would say there would be somewhere about sixty thousand members. That is taking a conservative estimate that the outstanding returns would be about the same as last year.

7. Can you give us the amount of the aggregate funds?—£1,118,217, to be exact.

8. *Mr. Flatman.*] That is the accumulated funds?—Yes, the reserve funds.

9. *The Chairman.*] What does that represent per head?—The average capital per head represents £19 13s. 7d.

10. You have heard the evidence that has been given by the representatives of the various societies?—Yes.

11. The chief evidence surrounded clauses 15 and 16: do you mind telling us where those clauses originated?—

*Witness:* Well, sir, a good deal has been said by several of the witnesses about the influences of some of the orders in this matter, and I have even seen it stated that clause 16 is the work of insurance companies. Now, I think it is to be regretted that distinctions and comparisons between the orders were so largely introduced into this question, which after all rests on its merits or demerits. The clauses were, after consideration, left out of the first Bill circulated in 1906, although the Friendly Societies Conference recommended their inclusion. A report was subsequently furnished by the Department's Actuary without influence or pressure from any order. Extensive investigations into the workings of the societies were made, and a mass of information was collected, with the result that, as requests were made to reinsert the clauses in accordance with resolution of the Conference, the conclusion was arrived at that the Department would be wanting in its duty and without a proper conception of its functions if the question of adequacy of contributions was provided for and no attention was directed to the equal-levy scheme. In the Australian Acts the system is dealt with in one section—that is, the adequate-contribution section—but it was made a separate clause here in order that the intentions and extent of legislation should be clearly understood. The clause was so drafted that the rates chargeable at the various ages might be shown should any society desire to adopt such a scheme, the object being to insure that members might clearly understand what the system means and how the levies will increase. As to the influences of insurance companies, the best refutation I can offer is a reference to my annual report for the current year, where it is demonstrated to societies by a special table prepared in the Department that societies can offer to members a high benefit at a much lower rate than industrial insurance companies are quoting. For a £50 benefit at the lowest ages in those tables the contribution for friendly societies is 8s. 11d. per annum, compared with £1 0s. 4d. and £1 1s. 8d.