

quoted for outside insurance. It can hardly be said that this indicates a susceptibility to the influence of insurance companies.

I have listened carefully to the evidence given by the various orders, and there appears to be very little doubt that the greater majority favour legislation providing for an adequate scale of contributions, and I do not think any evidence has been given to prove that the system affected by clause 16 is sound or safe. The objectors to these adequacy-of-contributions clauses take up the stand that, as the British legislation studiously disregards the question, the Legislature in New Zealand should also leave it alone. Now, to be consistent on this ground it would be fair to say that no legislation on important matters affecting large bodies in the community should have been passed in New Zealand during the last twenty years, because there was no precedent in the English Acts. I have only to mention the land laws and old-age pensions to illustrate my point; and as regards the latter we now see the British Government adopting the New Zealand plan almost wholly in principle. All students of friendly-society administration are aware that some sixty years ago many societies in England were in a very bad way, and the reforms which were taken in hand at that time are just about bearing fruit in a broad sense. In these new lands to which the friendly-society movement has been transplanted the first thing that naturally appeals to Governments is how to avoid the evils that have caused so much trouble, distress, and disappointment in the Old Land. Certainly only by improving if possible on the original legislation. And it is now a fact that all of the States in the Commonwealth have provided in their legislation for an adequate rate except Queensland and South Australia; and in the latter State I believe a Reform Bill is now before the House. I will read the sections from these Acts as applying to adequacy of contributions, covering also the equal-levy system:—

*Victoria* (10th July, 1890).—No society shall be entitled to registry unless the tables of contributions, certified by some actuary, approved by the Governor in Council, who has exercised the profession of actuary for at least five years, be sent to the Registrar with the application for registry.

*New South Wales* (5th December, 1899).—A society assuring to any member thereof a certain annuity or certain superannuation, deferred or immediate, or any sum or sums payable as endowment, or in case of sickness or death, or in pursuance of any other object authorised by this Act, which is susceptible of calculation by way of average, shall not be entitled to registry unless the tables of contributions payable for such kind of assurance, certified under the hand of an actuary who has exercised his profession for at least five years, are transmitted to the Registrar, together with the copies of the rules aforesaid.

*Western Australia* (23rd November, 1894).—No society shall be entitled to registry unless the tables of contributions, certified by the Registrar or by some actuary, approved by the Governor in Council, who has exercised the profession of actuary for at least five years, be lodged with the Registrar with the application for registry.

*Tasmania* (6th December, 1887).—No society or branch shall be entitled to registry unless the tables of contributions, certified to by some actuary or other person approved by the Governor in Council, be sent to the Registrar with the application for registry.

Let us further apply this policy of adherence to the British Act to other branches of friendly societies legislation, as, for instance, actuarial valuations and audit. The British Act and the practice of the office there as regards valuations is to-day what it has been for over thirty years—that is, valuations are conducted outside the Department by such persons as the societies choose, and at their own charge; whereas the New Zealand practice for sixteen years has been to carry out the work in the Registrar's office free of cost; and it is safe to say that the high degree of soundness the New Zealand societies enjoy compared with those elsewhere, but particularly in England, is largely due to this wise and helpful policy. The New Zealand practice has of late years been adopted in some of the Australian States with apparent advantage. Take the audit question: the English Act to-day lays down the same procedure as in 1875, but is it to be held that in Australia or New Zealand no steps are to be taken to effect reform in this most important matter? Several Australian States have variations from the English model in the direction of enlarging the powers of the Department and central bodies to insure an independent audit, and very few will be found, I think, to question the powers in that direction which this measure proposes.

It has been urged that this proposed reform hits at the voluntary nature of the conditions under which members join societies; but in what way it is difficult to see. No one is compelled to join a friendly society any more than I am compelled to join an insurance society. If this legislation can have that effect, then why make any compulsory legislation at all dealing with societies? For a very long time societies have been compelled to comply with statutory requirements in respect of their rules, valuations, audits, annual returns, and in other matters, all of which are for the protection of members, and in nowise interfere with the free right of people to join or leave a society.

There is another important point in this adequacy-of-contributions question which I think should be brought out. At the time I referred to, in England some fifty years ago, many reforms in the rates of contributions were adopted by friendly societies, and I would like to emphasize the fact that these reforms were not imposed on societies by outside professional men such as insurance actuaries, but that the movement sprang from the members of the orders themselves. These men found by hard practical experience that their system of charging inadequate rates such as an equal contribution for all ages would not work, and they studied the subject for themselves, and educated themselves in order to scientifically deal with it, and by their instrumentality the fullest statistics and information were collected from the lodges.

12. *Mr. Tanner.*] Was not that the result largely of employing their own actuaries?

*Witness:* I have only to mention the names of Ratcliffe, Reuben Watson, and Niesen, whom all friendly-society authorities will recognise as members of the orders who have led the way in