

55. Thirty-one that failed to give any return?—Yes.

56. Now, with regard to this death-levy system which is practised by one of the orders, certain American societies have been repeatedly quoted: what has induced you to suppose that they were on all-fours with this particular order?—I did not say they were, except that they practised the levy system.

57. Is there evidence to show that the American system is practically the same as it is here?—I believe in America they began on the same principle—that is, actual payments at each death. Then I believe the movement took different steps, which the Actuary will describe.

58. One can understand that, if societies of that kind had a fixed contribution for the payment at death, the increase in membership would soon make the contribution intolerable; but there is evidence before the Committee that that is not the practice in New Zealand?—It has not had time yet to operate here. If you take the Druids, for instance, you will find that they have a very low death-rate indeed—I think about 5·2; but the average for all societies was 7·5, and one society had an average death-rate of 9·4. I should say all societies have to reach the same stage some time.

59. Was not your illustration rather grotesque where you said 10,000 people had to meet in sixty years a certain liability of £900,000?—I know it is excessively favourable to the assets. I gave the illustration to point out the huge gap between assumed assets and liabilities. My conditions or assumptions were most favourable to the scheme, and if the assumptions are fulfilled the liability is there.

60. Suppose we take 10,000 adult male citizens from eighteen to fifty (which would represent the friendly societies' position, would it not?) and we took them at the ages in the same proportion as these ages bear to the general population of the Dominion, and then subject them to the ordinary laws of mortality, would not that be favourable?—It must be less favourable if you take men at thirty, who have not as long to live as men taken in at twenty.

61. Take the whole 10,000 picked out as an average sample of the population of the Dominion?—You could take men at fifty on the equal-levy system, but how long are they going to continue their levies—only for a few years, whereas I have actually assumed them to pay for sixty years.

62. I do not think any claim has been made that payments from members will be in any sense equal?—I do not know about that. I think it is contended that levies will not greatly increase, but they must inevitably do so.

63. Would it be possible to separate this levy arrangement which brings in the £100 at death absolutely from the other benefits?—In what way?

64. In this way: I suppose you know that in one order—the Foresters—a man may be a Forester simply, but he may in addition join an inner order called the Shepherds; he cannot be a Shepherd without being a Forester, but he might be a Forester without being a Shepherd?—That is a question for the order itself. As a matter of fact, I insist upon all the accounts in connection with the special-levy system being separated from the ordinary Sick and Funeral Fund. There are in some instances small balances held by lodges on account of this.

65. Can you give us in plain, simple language the reason why you speak of the death-levy system as unsound, and refer to it as a fallacious system?—The fallacies are that all men are asked to pay the same amount annually, no matter what age they may be; no fund is accumulated, and no interest is earned.

66. You have just pointed out that they cannot pay the same amount: who supposes that they pay an equal amount?—I mean an equal amount per annum.

67. *Mr. Jennings.*] The age-limit is fixed, and a man of fifty would be excluded, while the man who joins the Druids at forty would pay more?—The man at forty pays the same rate for this levy as the man aged twenty.

68. *Mr. Tanner.*] The total he pays up to the time of his death is nothing like what is paid by the man at twenty?—That is so, although his risk is very much greater.

69. Have you any statistics of fallen societies?—I should hardly like to say that. It is not a matter that we have investigated altogether. Some societies do not do so well as others—we know that—but I would not like to draw comparisons in that respect between any of the orders.

70. I am speaking of the unit—the society: have you any knowledge of societies that have closed their doors absolutely?—No society has that I know of in New Zealand. Do you mean lodges?

71. Yes?—We have lodges that have had a very bad experience. Lodges that have had very heavy and unfavourable experience have come under our notice, and investigation has shown that a very serious position of affairs has been arrived at. There is a lodge now in the Wellington District where during the last two or three years they have had several men over the age of sixty who have drawn large sums of money out of the lodge, but fortunately the lodge in the past has been very sound, and has been able to pay for the unusual experience.

72. You gave us to understand that there was a Wellington society whose contributions were heavily in excess of what was necessary, and which had had a very good experience?—Yes.

73. Is not that society in receipt of a very good income from land?—I do not think that affects the income at all. I am not aware that the Widow and Orphans Society gets anything from that source.

74. Suppose we pass clauses 15 and 16, will they not have the effect of increasing the number of societies which prefer to keep themselves outside?—Lodges or branches will have to be registered.

75. Registration is not to be achieved unless the scale of contributions is one which every new entrant knows he will have absolutely to pay, and which will be unvarying?—It is not unvarying. What I mean is, the contributions may vary according to the benefit, but, once fixed, should not increase.