lation is made: Mr Larsen's age was thirty-nine. The policy at that time had been thirteen years in force. We do not publish loan values for each individual age, but we take them for quinquennial ages. Consequently you turn to the table, and you take age 35 The loan value is shown as £116 on a 1,000-pound policy You then turn to age 40, and you find that the loan value at 40 is £137 You can then easily arrive at the rate for age 39, which comes to £132 That is the loan value on a policy of £1,000. The loan value again represents 90 per cent. of the surrender value; therefore the surrender value is £147 10s. This is the table that I have mentioned. [Produced.]

38. *The Chairman.*] You admit, Mr. Leslie, that this leaflet which I hold in my hand is one of the company's papers?—Yes, it was.

39 It says here, in the example at the end, 'A person aged 25 next birthday may secure a policy for £1,000, payable at death, by an annual payment of £21 8s. 4d., and in the event of death occurring within twenty years the whole of the premiums received will be returned as well. Thus, should death occur during the twentieth year the amount which would be paid by the society is £1,428 6s. 8d., or, in the event of the assured surviving the twenty years, the policy will participate fully in the tontine profits." You hold that that has been done in Mr Larsen's case?—Absolutely

40. And it goes on to say, ' and thereafter would also share in the ordinary quinquennial bonuses "?—That is so.

41 Is that going on still?—It is going on.

42. *Mr Laurenson.*] Do you accept this as a document from the company [Leaflet handed to witness]?—I do not think there is any doubt about it. This must have been issued by the society

43. It says here, "The representatives of those who die while the policy is in force, and before the termination of the tontine period, will receive the full amount assured and named on the face of the policy " That would have happened?—Yes.

44. Had Mr Larsen died during the time this policy was in force, he would have received the full amount?—Of course, and not only the full amount of the policy, but the whole of the premiums as well if he had died within the tontine period.

45. But he lived over the tontine period, and all he is offered is a paid-up policy for £177?—No, there were various other options.

46. But if he took that he could get none of the other options?—That is so.

47 I want to draw your attention to this Here is a document, which you admit was issued by the society, giving an illustration of what happened to a man who insured himself under the tontine system for ten years. That offers in a case such as Mr Larsen's a paid-up policy for £500 at the termination of the tontine period. That is, it tells him that that would be the result of his investment. Yet Mr Larsen gets an offer of £177 In the example he is shown a case of a man getting 103 per cent. of the total amount paid in. Mr Larsen is offered £104 after paying in £333. I am comparing the circular which tempted him, I assume, to join, with what really did happen after he had joined and when his tontine period expired?—As I explained yesterday, when this document was presented, the example given here is not similar to that of Mr Larsen's.

48. *Mr Hogan.*] Why was it used as an illustration?—That I cannot tell you. I do not know that the agent presented it to Mr Larsen. Possibly he did. I do not know anything about it. The only evidence that the office has is his proposal.

49. *Mr Laurenson.*] You are manager of a society which induced the petitioner in this case to insure with it. He produces a circular which you admit has been issued by your society, and that circular gives illustrations of the benefits he will receive?—Under a policy different from his.

50. He insures under a policy to all intents and purposes similar to that, only it is for a longer period?—Pardon me, it is a different policy Under the policy referred to in this circular there would be no refund of premiums in the event of death as well as payment of the sum assured, as would have been the case under Mr Larsen's policy Consequently you are comparing two policies which are unlike.

51 At any rate, the discrepancy between the inducements offered there and the actual result is, to my mind, enormous, and you say to-day that the chief reason why this discrepancy has arisen, and why the people who have been induced to insure in your society have experienced such bitter disappointment, is on account of the fact that during the period interest has fallen 1½ per cent.—that is, from 6 to 4½ per cent.?—Fully 1½ per cent.—nearer 2 per cent.

52. One and a half per cent. on an annual payment of £22 5s. 10d. for fifteen years! You do not ask us to believe that that 1½ per cent. would cause such an enormous difference as the difference that we find between the prospectus and the actual result?—I explained that in addition to the drop in the rate of interest the society lost money in connection with the realization of properties.

53 Then these people who joined under this tontine system, although they apparently would not know it from the circular, rendered themselves liable to the fluctuations that might happen to the group in the tontine, and also liable to the whole financial operations of the society outside that?—Undoubtedly

54. You say that the losses experienced by the society in the realization of properties on which it had advanced money, and the difference in the rate of interest earned, are the reasons why this thing has been of such a disappointing nature?—Yes.

55. *The Chairman.*] In this circular (Exhibit No. 7) there is one paragraph that I want to draw your attention to. After setting out the advantages to those who die it sets out the advantages to those who live, and it says, "The advantages to survivors will be very great, for the whole surplus, being divided among a diminished number, will, of course, afford a large amount to each person." Does that paragraph refer to such cases as Mr Larsen's?—Yes, that would apply to Mr Larsen's policy, because at the expiry of the tontine period he is in exactly the same