

32. For the information of societies the following paragraph is copied from the *Otago Daily Times* of the 18th October, 1890 :—

A point of considerable importance to those concerned in friendly societies has recently been determined by the full Court in New South Wales. The interests of the societies and of their members depend very much on the interpretation put upon their rules, and, when light is thrown on their meaning by legal decisions, it is desirable that the effect of the new readings should be clearly appreciated. The issue in the case under notice was the true significance of the word "financial." Under the rules of most friendly societies the benefits are confined to "financial" members—that is to say, to those who have paid up all contributions. In this instance a member of the Grand United Order of Oddfellows died, and his widow, thinking that she had a claim against the society in respect of his ten years' membership, applied for the £30 as provided in the rules. The society objected to the claim on the ground that the deceased member was not "financial," inasmuch as he had not strictly complied with the rules. The circumstances were peculiar. The man, after belonging to the lodge for ten years, had fallen into arrears, but he had paid up the back contributions fourteen days before he died. By a rule of the society, however, an "unfinancial" member is not entitled to receive any benefits until eight weeks after he shall again become "financial," except only as regards medical attendance and medicine; and under this provision the society maintained that, the member having died before he regained his "financial" position, the widow was debarred from her otherwise legal claim. The Judge of the District Court, before whom the case was first heard, did not coincide with this view. He drew a distinction between the position of the member himself and the position of the widow, and held that the rules did not preclude the latter from claiming the benefits mentioned in the rules. The society, dissatisfied with this decision, sought the opinion of the full Court, whose finding was of a similar nature. Giving a strict construction to the rules, the Court held that the rule relating to membership provided simply for certain benefits personal to the individual during his lifetime; but that in the rules relating to death the benefit was to be received, not by the member personally, but by his widow or his other representatives after his death. The second sub-clause affirmed that it should be imperative that the member should be "financial" at the time of his decease, not that eight weeks should elapse after he had become "financial;" and if he was "financial" his widow was entitled to the benefits which the rules provided. This is an important ruling, and should receive the attention of all affected thereby.

Some societies have protected themselves against the liability above referred to by explicit provision in their rules, and now that attention has been drawn to the possibility of such a claim, it would be well for all others to amend their rules if they wish to leave no opening for dispute in reference to the point that has been raised.

33. The report of the New Zealand Friendly Societies' Mutual Guarantee Association for the year 1890 shows a satisfactory balance-sheet. The Committee invite attention to the advantages offered to societies and branches whose officers are otherwise than mutually assured.

34. It will be both interesting and instructive to take a brief review of the progress of the Friendly Society movement in New Zealand since the passing of the Act of 1877, which was modelled closely on the lines of the English Act of 1875, and to show to what extent the facilities afforded by the legislation then inaugurated have been availed of. In the amending Act of 1878, the consolidating Act of 1882, and the amending Act of 1886, no change has been made in the principles on which the Act of 1877 was based. Although registration is voluntary, very few societies exist which are not registered, and, if the members of these were aware of the disadvantages under which they labour, they would doubtless take steps to secure for themselves a legal status. A quotation from the valuer's recent report on the Wanganui Lodge, M.U., may here be appropriate,—

I may be allowed to express my surprise and regret that, in this year of grace, there are any lodges, and, above all, a district of the Manchester Unity in this colony outside the benefits of the Friendly Societies Act. To get the protection of the law was what the leaders of the Unity struggled for year after year till they won it, and, until it was again brought under my notice recently, it had escaped my memory that any lodges in this colony so lightly esteemed that security which their fathers in Oddfellowship prized so highly.

Not only is the absence of legal recognition fraught with danger to the members of unregistered societies, but also the good name of the Order is thereby at stake; for in an unregistered society there are possibilities of fraud and injustice such as do not exist in regard to a registered society.

35. Dealing, in the first place, exclusively with benefit societies, there were, at the beginning of the year 1878, on the register twenty districts having ninety branches, and fourteen single societies. During the following thirteen years ending 31st December, 1890, there were registered eleven districts, 365 branches, and fifty-four single societies, while during the same period 109 branches and eighteen single societies either ceased to exist or were merged into others; the number on the register at the end of the year 1890 being thirty-one districts, 346 branches, and fifty single societies.

36. The membership, which on the 1st January, 1878, was returned as 8,560, had increased by the 31st December, 1889, to 26,013.

37. The amount of accumulations in hand at the beginning of 1878 was £109,983, of which £101,188 belonged to the sick and funeral funds. The total value at the end of 1889 was £430,544, of which £380,971 belonged to the sick and funeral funds.

38. During the years 1878–89 there were registered ninety-five complete amendments of rules and 151 partial amendments.

39. The number of valuations made are shown in the following table :—

	Number of Districts.	Number of Single Societies.
First valuation	29	40
Second valuation	25	6
Third valuation	2	...

40. There have also been registered under the Act working-men's clubs and specially-authorized societies, of the former of which there were thirteen, and of the latter twenty-three (including one with branches) on the Register as at the 31st December, 1890.