

their business methods by means of their society's machinery was, moreover, a reversal of the established practice in friendly-society legislation, which has studiously adhered to a policy of non-interference with the internal constitutions of these organizations.

It was therefore clearly the duty of the State to relieve itself of a responsibility it never intended to undertake, and the question of freeing the Act from such an obstacle as section 40 was interpreted to be, had to be carefully considered. It was decided to repeal the section, thus putting our law in conformity with the English Act (which has no counterpart to this section), and to make due provision for the validation of rules already passed or registered. This was embodied in the Friendly Societies Amendment Act of 1915, which thus conserves for societies the fundamental right to control their own affairs. It should be added that section 40 was originally enacted in 1877 for the express purpose of imposing an extra check on bad administrative practices, at that time very common in friendly societies, but which, it is pleasing to report, are to-day almost non-existent.

It would be as well, in view of this case, that societies carefully consider the effect of any reference in their rules expressing or implying conformity or subordination to the rules of the parent body in Great Britain.

REPEAL OF SECTION 40 OF 1909 ACT.

The amending Act of last year repealed this section, as already pointed out. The statement was made that the repeal removed an important administrative safeguard and weakened the powers of the Act in regard to irregular transfers of benefit-fund moneys. In order, therefore, to place the legal position beyond doubt and reassure those who feared ill effects from the repeal, the following opinion was furnished by the Revising Barrister of the Crown Law Office :—

"I am of opinion that the repeal of section 40 of the Friendly Societies Act, 1909, has not removed any safeguard against the misapplication of the benefit or other funds of a friendly society. The same provision as that set out in subsection (1) of section 40 is still contained in the Act in another way. In fact, section 40 contained a duplicate provision.

"Section 12 (2) provides that the rules of a society *shall* contain provisions in respect of the several matters mentioned in the Second Schedule. Paragraph 17 of that schedule requires in the case of friendly societies 'the keeping of separate accounts of all moneys received or paid in respect of every particular fund for which a separate table of contributions payable has been adopted.' Then paragraph 18 requires 'the establishment of a separate fund for the payment of all expenses of management and of all expenses on account of medical and surgical attendance, including medicine and medical and surgical requisites, and the keeping of separate accounts of such expenses and of all contributions on account thereof.' Similar provisions are set out in the Third Schedule with respect to branches. As these requirements are mandatory, no rules can be registered which do not contain these provisions.

"Any person who wilfully applies any part of the funds to purposes other than those directed in the rules is liable under section 81 of the Act to a fine of £50.

"Our provisions on this subject are now the same as those contained in the English Friendly Societies Act, 1896, and should be amply sufficient to safeguard benefit funds.

"E. Y. REDWARD,

"Revising Barrister.

"Crown Law Office, 20th October, 1915."

OTHER PROVISIONS OF AMENDING ACT, 1915.

This Act, besides dealing with the important policy question referred to in the preceding paragraphs, also provided for the following matters: The legalizing of the "officer" status of members of advisory or controlling bodies appointed by a society or branch to assist in the investment of funds; the furnishing of evidence of assets, &c., on valuation as required and when required by the Registrar; the limiting of the protection of the rights of soldier members to service *in New Zealand*; the reinstatement of provisions relative to "specially authorized societies," making their rules binding and giving the right to sue for subscriptions.

OPERATIONS OF NEW ZEALAND SOCIETIES.

REGISTRATIONS.

There were registered during the past year 13 new societies and branches, distributed among the various orders as follows: M.U.I.O.O.F., 1 lodge; I.O.O.F., 3 lodges; A.O.F., 5 courts; I.O.R., 1 tent; isolated friendly societies, 3.

The following registrations were cancelled :—

By request: M.U.I.O.O.F. Tamahine Lodge (North Canterbury District); I.O.R. Pride of Manukau (New Zealand District).

The following amalgamation was registered: M.U.I.O.O.F. Sisters of Friendship with Ponsonby (Auckland District).

Court Enterprise seceded from United Otago District A.O.F., and the Fountain of Friendship Lodge seceded from the Auckland District M.U.I.O.O.F.

The following changes of name were registered: M.U.I.O.O.F. Waimangaroa to Denniston (United Westland District); I.O.O.F. Star of Ohacawai to Star of Kaikohe (I.O.O.F. of New Zealand).