

SCHEDULE I.

REPORT BY PUBLIC VALUER ON THE AFFAIRS OF THE WELLINGTON DISTRICT, I.O.O.F., M.U.

To the Grand Master, and other District Officers.

GENTLEMEN,—

In pursuance of instructions received from your Corresponding Secretary, in a letter dated the 10th July last, I have made a valuation of the lodges in your district, the particulars for such valuation having been furnished me as at the 31st December, 1882.

From the particulars thus furnished I find that there were in the district, at the date of valuation, 834 members, distributed among eleven lodges. This is exclusive of two lodges from which no returns have been received, viz., the Masterton and Petone Lodges. The latter, I am informed, has been formed so lately that at the date of valuation it had no members entitled to benefits. Of these 834 members, 532 were married, and 302 single. Their average age was 34 years and 9 months, and the total contributions to benefit funds, or net premium income of the lodges, amounted to £900 15s. 1d. per annum. In Table A, appended to this report, you will find these and other particulars of the various lodges tabulated.

With regard to the benefits promised, I find that they vary in different lodges. Six of the lodges allow 20s. per week during the first six months' sickness, and £20 on the death of a member; while in the remaining five the benefits in these cases are respectively 15s. per week and £15. In nine lodges the rate of sick pay for the second six months is 10s. per week, in one it is 15s., and in another 7s. 6d. Nine of the lodges pay 7s. 6d., after twelve months' continuous sickness, for the remainder of sickness; one pays 10s.; and the other divides the periods, and pays 5s. per week during the third six months, and 2s. 6d. thereafter.

The contributions vary considerably. The District Rules prescribe a graduated scale of contributions for the following benefits: £1 per week sick benefit during the first six months, 10s. per week during the next six months, and 7s. 6d. during remainder of illness; £20 on death of member, and £10 on death of member's wife. These contributions vary from 2s. 7d. per lunar month for members entering at age eighteen, to 5s. 1d. for those entering at forty. An entrance fee varying from 20s. to £4 10s. is also prescribed. I regret to find, however, that only two lodges (the Combination and Kainapoura) have adopted this scale. In other lodges the contributions vary from 13s. per annum at all ages to 26s. at all ages. In some of these lodges the inequality of these uniform contributions has been somewhat mitigated by the imposition of an annual additional rate varying with age from 2s. to 7s. 6d. In others, half the rates prescribed in the district rule appears to be charged. At present I am merely recounting the statements of fact on which this valuation was based. Any comments which it may be necessary to make on these circumstances I reserve for a later period of this report, and for my reports to the individual lodges.

Before laying the valuation balance-sheet before you, it may be well, seeing that a great amount of misconception appears to prevail on the subject, to explain briefly what the valuation of a friendly society is, and why it is a necessity for every society which desires to be in a position to meet its engagements. A valuation of a friendly society, then, is exactly equivalent to the periodical stock-taking which every prudent man of business takes care to have made of his property and liabilities. The merchant who should neglect this precaution would rightly be held guilty of a grave neglect of duty, and if, in consequence of this neglect, he went on trading in a manner which brought him to the Insolvency Court, and involved others in disaster, he would lay himself open to the gravest censure. But all the considerations which affect the trader apply with even greater force to the case of a friendly society, for the latter receives money saved by the thrifty and self-denying of the wage-earning class; those payments may often be continued for a long term of years, and frequently are made at the cost of great temporary inconvenience. In return the society promises help when that help is most sorely needed—when the bread-winner is stricken down by sickness, or laid low by the inevitable hand of death. How great is the responsibility, therefore, of those who direct the operations of the society! A harder case cannot well be conceived than that of a man who, during the best portion of his life, has made payments into a society, and in the evening of his days finds that the assistance on which he had relied, and which was his by right, is not forthcoming. Some over-sanguine members of societies appear to think such a supposition imaginary and impossible; but those who choose to acquaint themselves with the facts are aware that such cases have been only too frequent. In the inaugural address of the Grand Master of your own noble order, delivered at the Grand Annual Movable Committee, held in Nottingham on May 1st, the Grand Master, quoting from a return which had been laid before Parliament, said: "It appears that 647 Unions made returns, containing 11,304 adult male paupers who had been members of friendly societies, of which number 7,391 had ceased to be members from non-payment of contributions, &c., and 3,913 from the breaking-up of the societies." Now, how are such disastrous results to be rendered all but impossible for the future? Various provisos are necessary, on which I hope to touch briefly before concluding this report; but, however sound the basis and however good the management of a society, I have no hesitation in affirming that a periodical investigation into the state of its affairs is *absolutely essential* to its stability. Mr. Charles Hardwick, Past Grand Master of your order, and the author of a manual which is an acknowledged authority on friendly society matters, enumerates among the conditions which are "*indispensably necessary* to insure stability" the following: "A quinquennial or other periodical revision or investigation into the state of the assets and liabilities, with the view to the adjustment of any irregularity which the preceding conditions may have failed to provide for." And, commenting on this periodical revision, he further says: "Even if all-powerful necessity did not demand it, a proper sense of equity and honour would suggest the adoption of some such provision, in order that the errors or imperfections of the passing years of any society should not be exclusively visited upon the heads of those who may join the club long after they were committed. On the other hand, if any particular institution, owing to the