

the distance which many of them have to travel, and the consequent expense. Yet it is most desirable that thorough organization, united action, complete co-operation, and full development should be attained in each order, and these results cannot be looked for without periodical discussion.

11. One of the greatest difficulties which the M.U.I.O.O.F. in England has encountered it is face to face with now. The equal funeral levy system, part of the original unscientific method of friendly-society finance, which has been reformed in many other respects, still remains to tax the wisdom of the order. The solution of the question is by no means easy. It is not necessary here to discuss the subject at length, but there is one point which New Zealand societies, whose rules have perpetuated this fundamental error, will do well to consider, namely, that the difficulty of reform in this direction is greatly increased by delay. Already there is awakened a desire on the part of some members to get rid of this source of weakness, but unfortunately it does not appear that the majority are sufficiently far-seeing to recognize how great a hindrance the system, if continued, will prove to the advance of those societies which have adopted it. The importance of this question is so great that quotations from the remarks of two recognized authorities who have recently referred to it are introduced here, and in Appendix II. is an extract from an essay written from a member's point of view.

Addressing himself to the M.U.I.O.O.F. Mr. W. Sutton, the Actuary attached to the Friendly Societies' Registry Office, England, says, "The system of levies is radically wrong in principle, and it should be the endeavour of the lodges of your order to abolish it and, if necessary, substitute for it in all cases a proper insurance system, where each member pays for his own benefits according to his status on entry. So long as such levy system prevails the lodges are, in a considerable measure, undoing the good arising from the now general plan of graduated scales of payment." And Mr. R. Watson, the actuary to the M.U.I.O.O.F., in his report on the valuation of the order as at 31st December, 1880, writes as follows: "The system of equal levies to district funeral funds has exercised a very retarding and baneful influence in many districts. Instances are not wanting of older lodges having surplus funds at the cost of younger ones which are themselves in deficiency. . . . If a young lodge is levied upon at the same rate as older ones for the funeral expenses as they occur, the younger lodge must have deficiency, because it is contributing to the funeral expenses of others, and cannot possibly accumulate funds for its own future funeral expenditure."

In the absence of an adequate scale of contributions to meet the *total* liabilities it is perfectly useless to consider any proposal for the establishment of a funeral fund upon scientific principles. Indeed, unless a society is likely to meet its engagements, it would be better not to make any separation of the benefit funds. The very fact of putting the funeral fund on a safe footing would in such a case diminish the already insufficient sick fund, and therefore the adoption of a graduated and adequate scale of contributions is a primary necessity in any efficient reform of friendly-society finance.

At the formation of a new district, in which all the branches are also new, there seems to be no better method for the provision of the funeral benefit than to establish a district fund, to which all members contribute according to age at entry. If, however, the branches of a district which at its formation did not establish a common funeral fund, but now wishes to remedy the evils attending the equal-levy system, desire to retain the management of their respective funeral funds, the simplest method of spreading the funeral liability over the district, without the accumulation of funds under the direct control of the central body, is by the annual assignment of such a portion of the funds of each branch, but retained by the branch, as is equivalent to the total yearly premiums adequate to provide the funeral benefits, such premiums to be calculated for existing members as at their present age, and for future entrants as at their age of entry. Out of this fund, increased by interest at the rate per cent. employed in calculating the said premiums, the contribution of each branch towards the expenditure of the district for funeral benefits should be made *pro rata according to the respective values from year to year of the several branch funeral funds*.

12. Appendix II. contains two quotations from "The Jackson Prize Essays, 1885." The extract on "The Weakness of the System of Equal Levy" is from the essay by Mr. R. W. Moffrey, M.U.I.O.O.F., and that on "Cheapness" by Mr. W. C. Eaton, A.O.F. As in most respects the rocks ahead in the course of New Zealand societies are just such as exist in England, those who wish to acquaint themselves with the opinions of some of the most thoughtful members of friendly societies at Home on important questions of friendly-society organization will find this small volume well worth perusal.

13. In Appendix VI. the advantages of registration are enumerated, there being still some societies which are unregistered, whose members, if fully informed, may perhaps change their views on the subject as others have done.

14. The names and addresses of the Public Valuers appointed under the Friendly Societies Act are given in Appendix XI.

15. Information as to the forms kept in the registry office for the convenience of societies, and sent free on application, is to be found in Appendix VIII.

16. The amount paid during the year to secretaries for furnishing statistical returns was £174 10s., and the cost of the valuations was £900 15s.

17. The Registrar has much pleasure in testifying to the care which secretaries generally have taken in making out the annual returns, and to the promptness and courtesy with which they have complied with his request for necessary information. With those few who cannot include themselves in this reference, that is, in respect of care and promptness (there has been no lack of courtesy), the Registrar hopes that these remarks will have sufficient influence, so that in future years it may not be necessary for him to qualify his acknowledgment of accuracy and punctuality.