

accordance with the practice of the Prudential Assurance Company in England, and may, if extreme care be not exercised by the collectors, result in much loss to the society.

Court Sir George Grey, A.O.F.—A graduated scale of contributions according to age has been adopted, instead of a uniform contribution at all ages. The new scale, however, only applies to new members, and, so far as they are concerned, is insufficient according to the Actuary's scale. No provision has been made to meet the deficiency which may have arisen from the former insufficient contributions; for, although, under the old rate of contributions, the scale of benefits was about 25 per cent. lower than the scale now established, yet the old rate was insufficient to insure continued solvency.

<i>Old Scale.</i>		<i>New Scale.</i>		<i>Actuary's Scale.</i>
6d. per week.	18 to 27 ...	7d. per week ...		7½d. to 9½d.
	27 to 33 ...	8d. „ ...		9½d. to 11d.
	33 to 37 ...	10d. „ ...		11d. to 1s. 0½d.
	37 to 40 ...	1s. 1d. „ ...		1s. 0½d. to 1s. 2½d.

Sanctuary Sir George Grey, A.O.S.—The old rate was a uniform contribution of 2s. per month, apparently for all purposes. Without altering the scale of benefits, the contributions have been graduated according to age, and increased to more satisfactory amounts for the Sick and Funeral Fund, but only for new members.

<i>Present Scale, Sick and Funeral Fund.</i>		<i>Actuary's Scale.</i>
18 to 30 ...	1s. 6d. per month ...	1s. 4d. to 1s. 10½d.
30 to 35 ...	2s. 0d. „ ...	1s. 10½d. to 2s. 2½d.
35 to 38 ...	2s. 6d. „ ...	2s. 2½d. to 2s. 5½d.
38 to 40 ...	3s. 0d. „ ...	2s. 5½d. to 2s. 8d.

Otago District, I.O.O.F., M.U.—The new rules of this society evince great care in their preparation, and are in their general provisions a model for imitation; but the scale of contributions is not sufficiently high. Formerly a uniform rate at all ages was paid. Now a graduated scale of contributions for members admitted after the 1st July, 1879, has been established. This scale is, however, too low for the promised benefits, as will be evidenced from a comparison with the Government Actuary's scale. No provision has been included for making good the accumulated deficiencies on former contributions, and, as such deficiencies must not only increase in respect of the contributions of old members, but be somewhat added to by the insufficient contributions of new members, the future prospects of this society cannot be considered as otherwise than unsatisfactory, unless the funds be largely benefited by an exceptional absence of claims for sick-pay, or by successful investments, or a very high rate of secession—gains so uncertain that they ought not to be taken into calculation.

III.—THE AMENDMENT ACT OF 1878.

Soon after “The Friendly Societies Act, 1877,” was brought into operation it became manifest that to increase its usefulness certain amendments were necessary. To meet these a Bill was introduced during the session of 1878. This Bill, which became law on the 29th October, 1878, will be found in its statutory form in Schedule III. to this report. It repeals that portion of the 12th section of the principal Act which required that amendments of rules should be published in the *Gazette*, and which, by the expense which would have attended such publication, had been found to act practically as a barrier to the registration of new sets of rules as amendments of the original rules—a course commending itself as in other respects most convenient. It provides that information as to sickness, mortality, &c., shall be rendered by societies annually instead of quinquennially, as heretofore; thus assimilating the procedure in this respect to that which obtains in Victoria, and constituting a point of departure from the precedent afforded by the Imperial Friendly Societies Statute of 1875. A provision of the Act of 1877 (section 13, 1, f), which had seemed to establish the principle that a valuer should ascertain by personal investigation the correctness of the premises tendered to him, and thus combine the duties of an auditor and an actuary, was replaced by one which served to enforce the distinction between the two duties, and to confine the valuer to the exercise of strictly actuarial functions. An absolute prohibition was enacted against the appropriation of moneys belonging to a sick and funeral fund to management and medical expenses; and rules of societies were required to incorporate a provision for the payment of the latter out of contributions distinct from those allocated to the sick and funeral fund. In all complaints on behalf of the Registrar respecting failure on the part of a society to furnish any document required by the Act to be furnished, the onus of proof is now made to lie with the society. Lastly, in view of the circumstance that the majority of the bodies with which the Friendly Societies Acts have to deal are in reality only branches of large orders, the central offices of which are in England or Australia, permission is expressly accorded to them to register rules implying subordination to governing bodies outside the colony, or to the general laws of an order. The remaining provisions of the Amendment Act are of minor importance, and are chiefly enacted with a view to the removal of ambiguities in the principal Act. It will be seen, therefore, that the effect of the Amending Act is not to alter or reverse any of the fundamental principles which lie at the basis of the Act of 1877, but simply, by means of a few additions and substitutions, to carry those principles more fully into effect.

The passing of this Bill rendered necessary a few additional regulations of a technical nature to alter the mode of procedure in the case of amendments of rules. These regulations, together with the forms for procedure which they prescribe, will be found in Schedule IV.

It was considered advisable also to issue to societies a memorandum explanatory of the provisions of the Amendment Act. This memorandum, to which is appended a list of the advantages accruing from registration, is contained in Schedule V.

The model rules were also revised to suit the provisions of the Amendment Act, and copies issued to societies.