

bership, the secessions gradually diminish. There is another point which should not be overlooked—namely, that a great majority of the members who secede are almost sure to be those who have not required any benefit from the lodge funds: hence the average health of the members who remain must be deteriorated. In the valuation of your lodge, the element of secessions has not been taken into account by us, as we are decidedly of opinion that this element cannot with safety be taken into account in any calculations with respect to the future. Our views on this subject have been so often and fully placed before you during the last few years, that we refrain from enlarging on it here. We may, however, state that our opinions are in entire accordance with the conclusions arrived at by the most eminent actuaries who have considered this question. The opinion held by the late Corresponding Secretary of the Unity, Mr. Ratcliffe, is no doubt known to many of you. (*See Supplementary Report, 1st July, 1872.*) So far as we are aware, he never once took this element of secession into account in the valuation of any society. Another eminent actuary, A. Scratchley, Esq., in his treatise on Friendly Societies, recently published, says, ‘In the framing of rates or in valuations, no actuary considers that this element [secessions] can be safely taken into account by anticipation with respect to the future.’ Again, ‘It should not be overlooked that these calculations [that is, including the secessions] cut both ways. If the probability of secessions is taken into account, to produce apparent prosperity, that very reputation of prosperity will tend to prevent secessions. It is impossible to calculate the probability of future events depending on the human will, where that human will has a tendency to selection against calculations in a uniform direction.’ We commend these remarks to your careful attention.”

It is true that in large institutions the profit from secession has sometimes been taken into account by first-rate actuaries—as in the case of the Royal Liver Friendly Society (numbering several hundred thousand members) by Mr. T. B. Sprague, and in the case of Government pension funds by Dr. Farr; but in such cases there was a heavy continuous stream of secessions, the rate of which was elevated by the vast numerical basis of the calculation into something like the dignity of a natural law. Were the Manchester Unity an organization all the branches of which were financially interdependent, it would doubtless be safe to assume a certain minimum secession-rate in the future, though this would have to be much smaller than that which has been found to prevail in the past; but in the case of such small bodies as individual lodges there would evidently be an appreciable chance of the secession-rate being reduced for many years to zero, or nearly to zero, as it has been in many lodges and courts, and of the calculations being thus defeated. Nothing certainly could be more deceptive than to take the *average* rate as a guide.

The reports of Messrs. Leslie and Black to the various lodges are so exceedingly instructive and valuable that the Registrar appends one of them as Schedule III. hereto. The report to the Loyal Dunedin Lodge, especially, is a model of earnest and laborious valuation work; but that to the Loyal Tuapeka Pioneer, situated in Lawrence, was thought to present more features of general interest to societies, and has accordingly been selected as the specimen.

IV.—STATISTICS FOR 1878–80.

The returns for 1878 and 1879, and to a large extent those for 1880, have been subjected to a process of careful scrutiny, and the principal items of information contained in them have been abstracted in the sixteen statistical tables appended to this report. The first seven of these tables relate to the calendar year 1878, and are almost exactly parallel to those which were issued for 1877, and appended to the Registrar's Second Annual Report. Tables VIII. to XV., both inclusive, relate to 1879. They include the novel feature of a table (No. VIII.) containing information not only respecting registered societies and branches, but also respecting unregistered bodies. One table only (No. XVI.) relates to the year 1880. The examination and tabulation of the returns for that year not being complete, and the returns themselves not having all been sent in, the Registrar is not yet in a position to publish the bulk of the statistics for that year. As, however, the returns included for the first time a statement of the ages of the members in a form readily susceptible of tabulation, it was considered desirable to push forward the tabulation of these ages as much as possible, and Table XVI. is accordingly published, notwithstanding its incompleteness, in consideration of the very great interest attaching to the information it contains. A knowledge of the distribution of members in the several age-periods of life is an indispensable preliminary to the intelligent study of the vital and financial statistics of any given group of friendly societies.

It will be convenient to commence these remarks by a survey of Table VIII., as this includes the most salient facts relating to all the societies and branches, whether registered or unregistered, from which information could be obtained. The Registrar will then pass on to Tables IX.–XV., which contain the usual detailed information respecting *registered* friendly societies and branches for the year 1879, and will compare them with the corresponding statistics for 1878 (Tables I.–VII.) and for 1877 (Tables I. to VII. appended to Second Annual Report.) Table XVI. will be dealt with last.

Table VIII. includes a complete list of all the friendly societies and branches known to have existed in the Colony of New Zealand on the 31st December, 1879. From this it will be seen that the following 16 societies were in operation:—

Manchester Unity Independent Order of Odd Fellows.	Protestant Alliance Friendly Society of Australasia.
Independent Order of Odd Fellows (American).	Otago Railways Employés' Benefit Society
Ancient Order of Foresters (including Ancient Order of Shepherds as a second or higher grade).	New Zealand Railways Employés' Benefit Society
United Ancient Order of Druids.	New Zealand Prudential Assurance Society
Loyal United Friend's Benefit Society	New Plymouth Friendly Society
Independent Order of Rechabites.	Central Volunteer Fire Brigade Sick and Accident Fund.
Sons and Daughters of Temperance.	Kaeo and Wangaroa Friendly Society
Hibernian Australasian Catholic Benefit Society	Primitive Methodist Mutual Aid Society

The first nine of these are affiliated orders having their central offices in England, America, or Australia, branches only (called “Districts,” “Grand Divisions,” &c.), and branches of branches (called