

A complete list of societies and branches on the register as at the end of 1912 is given in Appendix I.

RULES.

The rules of 40 societies and branches came under revision in one form or another for amendment during 1912.

Complete amendments were registered during the year, viz. :—

- M.U.I.O.O.F.—Hastings, Tavistock, and Forest Home Lodges (Hawke's Bay District); North Canterbury District; Alexandra and Dunedin Lodges (Otago District).
- I.O.O.F.—Alma Lodge.
- A.O.F.—Court Taranaki (Taranaki District); Court Woodford (Canterbury United District).
- U.A.O.D.—Grand Lodge of Otago and Southland.
- I.F.S.—Millerton Collieries Medical and Accident Relief Association.
- W.M.C.—Christchurch Working-men's Club and Mutual School of Arts.
- S.A.S.—Dunedin United Friendly Societies' Dispensary; Waimate Brass Band.

PARTIAL AMENDMENT OF RULES REGISTERED.

Partial amendments for the following were made :—

- M.U.I.O.O.F.—New Zealand Branch (2); Heart of Oak Lodge (Wellington District); Nelson District; Auckland District; Ashburton District; Makikihi Lodge (South Canterbury District).
- I.O.O.F.—Grand Lodge of New Zealand; Alma, Star of Eden, and Star of Papakura Lodges.
- A.O.F.—Court Robin Hood (Nelson District).
- U.A.O.D.—Grand Lodge of the North Island of New Zealand; Grand Lodge of Canterbury; Timaru Lodge (Grand Lodge of Canterbury).
- I.O.R.—New Zealand District.
- I.F.S.—Denniston Collieries Medical and Accident Relief Association; Waikato Medical and Accident Society; Auckland United Friendly Societies' Dispensary; Waihi United Friendly Societies' Hospital Conference; Eden Temperance Benefit Friendly Society; Wellington Corporation Tramways and Electric Lighting Friendly Society; Waihi Workers' Accident Relief Association.
- W.M.C.—Napier Working-men's Club.
- S.A.S.—Hawke's Bay United Friendly Societies' Dispensary; Christchurch and St. Albans Co-operative Money Club.

ANNUAL RETURNS.

In order to enable the Office to comply with the instructions given by the Hon. the Minister, that the annual report be ready in time for the opening of Parliament, I have been compelled to use additional measures to obtain the yearly returns of receipt and expenditure promptly from societies. In a number of cases summonses have been issued, requiring the delinquent lodge officials to appear in Court and account for the delay. In any case, no payment for the returns furnished will be made in respect of those received after the 31st March, the statutory date.

CONSOLIDATION DIFFICULTIES.

Several societies have during the past year taken the important step of consolidating their various branch funds into a centralized fund. In some instances the decision of a society to make this change has been sharply challenged by dissenting minorities, even to the extent of branches seceding and withdrawing themselves and funds, with the object of registering as a separate and independent society. It is opportune to make clear the standing of these branches, who, through ignorance of their legal position, are inclined to test their attitude by litigation.

Any society is legally entitled, by amending its rules, to bring together into a central fund all the detached and branch funds held for the purposes of providing the benefits for which the members are insured, and for which the centralized fund will in future be liable. No plea of "injustice" or "unwarranted interference" can hope to succeed against the weight of law which has settled emphatically that these societies are self-governing bodies in the widest sense, and are themselves the judges of the *fairness* or otherwise of their own rules. This is the natural outcome of association, the benefits of which are modified by this curtailment of free individual action. All such amending rules adopted in accordance with the society's procedure and duly registered are enforceable, and a branch has either to comply therewith or secede from the society. In contemplating the latter course there are several important points to be considered by the branch, particularly in view of the Friendly Societies Amendment Act of 1911.

The branch that proposes to secede will lose its registration on secession and must re-register as a new society, thus coming within the purview of the above-mentioned Act, which requires all societies or branches seeking registration to adopt a contribution scale actuarially adequate for the benefits offered. If the branch is in actuarial deficiency or its original society's scale has been inadequate in the past, this means either that a reduction in benefits or an increased contribution scale must be adopted in order to qualify for re-registration. In short, re-registration after secession is not now in New Zealand the simple matter it was prior to the 1911 Amending Act, a fact that should not be overlooked.

In most societies the rules dealing with secession usually impose onerous conditions on branches so acting, in order, and rightly so, to discourage the disintegration of the affiliated orders. In other societies the very deficiency of the rules often results in leaving the seceding branches quite dependent on the goodwill of the central body for any participation in the district funds, the loss of which will be a serious disability to the future separate career of a branch having old members.