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The Law and Practice of

FRIENDLY SOCIETIES

AND

TRADE UNIONS.

THE
Law and Practice
OF
FRIENDLY SOCIETIES
AND
TRADE UNIONS,
UNDER
"THE FRIENDLY SOCIETIES ACT, 1875,"
"THE TRADE UNIONS ACT, 1871,"
AND
'THE CONSPIRACY AND PROTECTION OF PROPERTY ACT, 1875;'
WITH
OFFICIAL REGULATIONS
AND
Rules and Forms.

BY

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Author of "The Law and Practice of Building and Freehold Land Societies," "A Manual of the Law relating to Industrial and Provident Societies," &c.

LONDON:

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THE
Law and Practice
OF
FRIENDLY SOCIETIES,
ETC.

BOOK I.
FRIENDLY SOCIETIES.

INTRODUCTION.

THE subject of Friendly Societies is one that cannot fail to be deeply interesting to those who study the wellbeing of the lower classes, and desire that they should be encouraged in every effort made by them to secure for themselves the benefits of the only social independence which, after all, is thoroughly honest and self-reliant— independence, namely, in a pecuniary sense—for this alone tends to foster true moral and political independence. So long as men require the assistance of others' charity, and are unable to do without aid from those upon whom they have no claim other than that of their common humanity, they will, of necessity, be deficient in self-confidence and self-respect, and will merely fill the place of dependants, fulfilling their allotted tasks without energy and without happiness. Even if, whilst health lasts and employment can be obtained, they appear to maintain a species of stolid indifference to their lot, the knowledge

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that if sickness or unforeseen misfortune should come upon them it would find them totally unprepared to meet it, will clog their lives, and press down all the highest and noblest instincts of their nature as with a weight of iron. Now it may be unhesitatingly affirmed that there is nothing which so contributes to the independence of which we are speaking as a well-managed institution which affords to each of its members the certainty that in sickness his wants will be provided for; in default of employment he will have bread; and that at death his widow and orphans will be remembered; without having recourse to any source but that which he himself has by prudence and thrift created. It is, therefore, a matter of congratulation, that in this country institutions such as these are to be found in every town, and almost in every village and hamlet, which number amongst their supporters a large proportion of those for whom they are most to be desired, those who depend for the support of themselves and their families upon the daily labour of their hands. At the same time we must regret that in some parts of England this is not the case. For notwithstanding the large increase in the number of friendly societies, savings banks, building societies, and other kindred associations, it is an unsatisfactory thing to find that there is an increasing disposition amongst the labouring classes to resort to the poor rates, and to regard "the parish" as their natural assistant and protector in time of trouble and poverty. The "*Report of the Royal Commissioners on Friendly and Benefit Building Societies*," to which we shall frequently have occasion to refer, shows that "while a feeling of independence may still, generally speaking, be said to prevail among the poor in that part of England north of the Trent, it exists but to a very slight extent in the southern half of the kingdom. It has been stated in evidence before us that in some districts, especially in the south of England, 'the labourer calls in the parish doctor on the slightest account whatever, and always looks to the poor law for

relief in old age'” (a). And during the recent strike of agricultural labourers in the eastern counties, it was stated, by more than one special correspondent of the London papers, from actual conversations with the men on strike, that the parish was considered as a kind of club, to which contributions were made in time of prosperity through the medium of the poor rates, and from which, therefore, it was only reasonable to obtain everything that it was possible to make it grant. But still when it is remembered, that according to the most reliable statistics, there are, in England and Wales alone, over thirty-two thousand friendly societies of all sorts, with over four millions and seventy-three thousand members, and nearly twelve millions of pounds sterling of funds, we may indulge the hope that as education increases, and these societies become better managed, so as more fully to carry out the objects for which they are avowedly established, their usefulness will be enlarged, and the working classes become more thrifty and provident. In the meantime, every endeavour should be made by those who really desire the prosperity of the “bread winners,” to place and preserve these institutions upon a secure and independent basis. The writer has, as stated in the Preface, for some years devoted a considerable amount of attention to the various kinds of societies which have been founded for mutual assistance and profit, and has already published works on two classes of these societies (b), with a view to assist in making their laws and principles better known. Six years ago he commenced the present work, the completion of which has from time to time been delayed, in order that the result of the Royal Commission might be known; and now these pages are issued in the

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(a) Fourth Report of Commissioners, Part I. p. clxxxviii.

(b) *A Manual of the Law relating to Industrial and Provident Societies*, 1869; *The Law and*

Practice of Building Societies in England, Scotland and Ireland, 2nd ed. 1874. London: Henry Sweet.

INTROD. — hope that they may, in some degree, be useful to the thousands who, in various ways, are connected with, and interested in, the welfare and efficiency of friendly societies.

Early friendly societies. It would be beside our purpose to enter into any inquiry as to the origin and early history of friendly societies. They, doubtless, owe their existence to the knowledge that strength is gained by aggregation, even though the units be weak—

*Ἦν μὲν ἀλλήλοις
ὁμοφρονῆτε πάντες, οὐδ' ἂν εἰς ὑμᾶς
βλάψαι δύναίτο, κἂν μέγιστον ἰσχύη
ἦν δ' ἄλλος ἄλλου χωρὶς ἦτε τὴν γνῶμην,
πέισσθ' ἕκαστος ταῦτα.

—said the ancient moralist in the fable of the bundle of sticks; and there is an inherent consciousness in most men of the accuracy of the moral intended. The Royal Commissioners allude to the connection of friendly societies with the guilds of the middle ages, but do no more than this. From the documents published with their reports, we learn that in 1860 a society was in existence (the “Friendly Society or Incorporation of Carters,” Leith), which was said to have existed for 300 years; and that instances are still extant in the seaport of Borrowstounness, in the Frith of Forth, of societies which originated in the earlier half of the 17th century.

Early Friendly Societies' Acts. Since the year 1793, friendly societies have frequently demanded the attention of the legislature. In that year was passed the statute which first provided for them a distinct legal status, afterwards known as “Rose’s Act” (c). During the eighty-two years which have elapsed twenty acts (d) have been passed on the subject, and four com-

(c) 33 Geo. 3, c. 54. See App. 3, c. 128; 49 Geo. 3, c. 58; 49 Geo. 3, c. 125; 59 Geo. 3, c. 128; 10 Geo. 4, c. 56; 2 Will. 4, c. 37; 4 & 5 Will. 4, c. 40; 3 & 4 Vict. c. 73; 9 & 10 Vict. c. 27; 13 & 14 Vict. c. 115;

(d) 33 Geo. 3, c. 54; 35 Geo. 3, c. 111; 36 Geo. 3, c. 63 (I.); 43 Geo.

mittees of the House of Commons, and one of the House of Lords, have reported thereon (*e*). The Act of 1793, although long since repealed, has to a great extent formed the basis upon which all the subsequent statutes have been framed. Certain exemptions from the then heavy stamp duties were granted; summary legal remedies against officers, or amongst the members, were allowed; and a preferential right for the societies' claims against the estates of deceased officers; power to refer disputes to a binding arbitration, and, finally, to relieve the societies from the difficulties then attending all litigation involving the interests of a large number of persons not united as a corporation, the right of suing and being sued through their officers, in whom the property of the societies was to be deemed vested, was conferred upon them.

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Under this fostering legislation, a great number of friendly societies were instituted. In 1802, no fewer than 9,672 appear to have been returned to Parliament; and in 1815 the members of friendly societies were enumerated at 925,429. Until 1829, the system of registration was purely local, the rules being deposited with the clerk of the peace of the county in which the society was established, and entered upon the rolls of the sessions. In that year, however, by the 10 Geo. 4, c. 56, the rules were required first of all to be laid before the barrister appointed to certify the rules of saving banks, and then enrolled at the sessions. This marks the transition from a system of local to one of central registration. In 1846 an act was passed (*f*) by which it was enacted that the "barrister or advocate appointed to certify the rules of friendly societies" was to be "styled the registrar of friendly societies," and enrolment at the sessions was rendered unnecessary. In 1855, in consequence of a report of a select committee

Growth of
friendly
societies.

15 & 16 Vict. c. 65; 16 & 17 Vict.
c. 123; 17 & 18 Vict. c. 101; 18 &
19 Vict. c. 63; 21 & 22 Vict. c. 101;
23 & 24 Vict. c. 58; 38 & 39 Vict.

c. 60.

(*e*) Fourth Report of Commis-
sioners, App. I.(*f*) 9 & 10 Vict. c. 27.

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of the House of Commons in the previous session, the statute 18 & 19 Vict. c. 63 was passed, and with some slight modifications has continued to be the code governing friendly societies until the recent Act of 1875. An abstract of its provisions may be found in the first Appendix to the Fourth Report of the Royal Commissioners, from which this historical notice is compressed.

Royal Commission of 1870.

In the year 1870, great discontent being felt with the existing state of the law, and it being considered desirable to institute a searching inquiry into the condition and prospects of friendly societies generally, a Royal Commission was issued on the 29th of October, appointing Sir Stafford Henry Northcote, Sir Michael Edward Hicks Beach, Sir Sydney Hedley Waterlow, John Bonham Carter, Esq., Evan Matthew Richards, Esq., Charles Saville Roundell, Esq., Francis Thomas Bircham, Esq., and William Pollard Pattison, Esq., commissioners to inquire into the state of the law relating to friendly societies, and to inquire into and report upon the operation of the acts relating to friendly societies and benefit building societies, and the organization or general condition of societies established under such acts respectively, and upon the office and duties of the registrar of friendly societies, with power to suggest any improvements to be made in the law with respect to such matters. This Commission was in 1871 revoked, and a new one granted with similar objects, in pursuance of which the commissioners instituted an exhaustive inquiry into the whole subject of building and friendly societies, taking an immense amount of evidence, and presenting four reports to her Majesty thereon. In summing up their recommendations in their fourth report they advised:—

New Commission of 1871.

1. That the registration of friendly societies should continue.
2. That whilst registration should, if practicable, be rendered more easy for the societies, the requirements of the law should be more strictly enforced

upon them, by penalties on officers or otherwise, than they have been hitherto.

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3. That in this view a system of local registration under the control of a central office be adopted, the country being divided into a certain number of registration districts (either co-extensive with counties or not), with a deputy registrar in each.
4. That the central authority consist of a chief registrar in London, with one or more assistant registrars in London.
5. That there should be assistant registrars in Scotland and Ireland, subordinate to the central authority.
6. That the chief registrar should be immediately subordinate to the head of some government department responsible to Parliament.
7. That a competent actuarial staff be attached to the registrar's office.
8. That there should be an appeal to the chief registrar from the refusal of a deputy registrar to register a society, or from that of an assistant-registrar for Scotland or Ireland (except on points of Scotch or Irish law, when the appeal should be to some competent legal tribunal); and from the chief registrar himself, on legal points, to a court of law.
9. That whilst it should be the duty of the registrar to refuse registration to societies which he considers to be formed for illegal purposes, the certificate or acknowledgment of registration should only purport to testify to the fact of compliance with statutory requirements, and not to general conformity of the rules with law.
10. That the registrar should, at his discretion, give advice to the promoters and managers of friendly societies.
11. That tables of premiums for sickness and death-

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- claims should be prepared and published from time to time by the government for general information, but that the use of such tables should not be compulsory.
12. That every registered friendly society should be required to submit its affairs to valuation once at least in every five years.
 13. That the forms of such valuations should be issued by the government.
 14. That the first valuation of a society should be made, if desired, without charge to the society by some valuer named by the government; and subsequent valuations at a small fee.
 15. That every valuer's report should be accompanied by an abstract in a form to be prescribed by the government.
 16. That such valuer's report and abstract should be registered locally with the documents relating to the society, and with such explanatory or additional matters as the central authority may from time to time think fit.
 17. That the law should enforce the keeping of accounts in a proper form.
 18. That an efficient system of audit should be enforced.
 19. That competent public auditors should be appointed and in part paid by the government, whose services should be available on fixed and moderate terms, but whose employment should not be compulsory.
 20. That annual and quinquennial returns in an improved form or improved forms should be enforced, with penalties for wilful misstatements.
 21. That the existing quinquennial returns should be examined with a view to the sifting out of any useful data which they may afford towards the construction of model tables.

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22. That it should be the duty of the registrars from time to time to collect from the returns and from other authentic sources, and to popularize and publish information on the statistics of life and sickness in their application to the business of friendly societies.
 23. That it should be the duty of the registrars from time to time to publish in the respective local districts such particulars, founded on the returns and valuations of societies, as they may deem fit.
 24. That societies for friendly purposes be not excluded from registration merely on account of their dividing any part of their funds, if their rules contain satisfactory provision for meeting existing claims before division.
 25. That the power to hold land should be extended, so as to enable the societies to acquire local offices.
 26. That the membership of minors be limited to commence with the age of sixteen.
 27. That provision be made for bringing orphan children within the scope of friendly societies legislation.
 28. That the central office should have power to grant a certificate conferring incorporation in such cases as it may deem it advisable.
 29. That in societies composed of a central body with branches, rules giving control to the central body over the branches be allowed to be registered.
 30. That the registrars or deputy registrars be empowered to arbitrate in disputes, on request of both parties.
 31. That the power of the registrars to prosecute be made more effective.
 32. That individual members, on behalf of their societies, be enabled to prosecute officers with the authority of the central office.

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33. That the central office be empowered, on the request of a given number or prescribed proportion of members, to appoint inspectors of accounts, and to call special meetings of societies.
34. That the amalgamation of societies, not being branches of the same body, be subjected to special provisions.
35. That the mode of transforming societies into joint stock companies be regulated.
36. That the proportion of members who may apply for a dissolution by award of the chief registrar be reduced.
37. That in addition to his power of dissolving the society the chief registrar should have authority, on the application of a certain number or prescribed proportion of members, to make an award binding on a society for the adjustment of contributions and benefits.
38. That special provisions be enacted for societies receiving contributions in more than one district, otherwise than through other societies or branches of societies as their agents.
39. That the insurance of the lives of infants under a given age (say three years) be prohibited, and that additional precautions be taken with reference to the certificates of their deaths.
40. That the privileges attached to the deposit of rules be withdrawn, but that existing societies which have deposited their rules should retain their privileges for a period of not exceeding two years.
41. That societies for charitable purposes, taking advantage of the Friendly Societies Act, should be required to make returns.
42. That friendly or charitable societies, depositing with the National Debt Commissioners, be empowered to make any special returns that may

be required through the registrar, and that the form of such returns be simplified.

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43. That the existing system of government insurance through the Post Office for death and deferred annuities be extended, so as to cover the whole ground now occupied by what is termed industrial assurance.
44. That the law be amended, so as to enable companies to carry on legally the business of industrial assurance within the same limits and subject to the same restrictions as friendly societies.
45. That the functions of the registrar of friendly societies and of the barrister to certify the rules of savings banks be consolidated.
46. That a new Friendly Societies Act be passed, consolidating and amending the law in conformity with these recommendations.

The foregoing report was published in 1874, and early in the session of 1875 a bill was introduced by the Chancellor of the Exchequer, Sir Stafford Northcote, who had been the chairman of the commission. This bill with some modifications passed into law, and is now known as "The Friendly Societies Act, 1875" (*g*). The act came into operation as to sections ten, thirty-seven and thirty-eight, which relate to the constitution, practice and fees of the new registry office, on the 11th of August, 1875, and as to the remainder of the act on the 1st of January, 1876, which day is thereafter referred to as the commencement of the act (*h*). The act extends to Great Britain and Ireland, the Channel Islands, and the Isle of Man (*i*). Throughout the act, if not inconsistent with the context, the following terms have the meanings respectively assigned to them as under:—

The new act.

Commencement of act.

Extent of act.

Definitions.

"The Treasury" means the Lords Commissioners of her Majesty's Treasury :

(*g*) 38 & 39 Vict. c. 60. See sect. 1.

(*h*) Sect. 2.

(*i*) Sect. 3.

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- “England” includes the Channel Islands and the Isle of Man (except as after provided):
- “The registrar” means for England the central office, and for Scotland or Ireland the assistant registrar for either country respectively:
- “Country” means England, Scotland, or Ireland, as the case may be:
- The several ridings of the county of York, the several Channel Islands, and the Isle of Man respectively, shall be deemed to be counties:
- “Land” includes hereditaments, and in Scotland heritable subjects, of whatever description, and chattels real:
- “Property” means all real and personal estate (including books and papers):
- “Registered society” means a society registered or deemed to be registered under the act:
- “Industrial assurance company” means any company, as defined by “The Life Assurance Companies Act, 1870” (*k*), which grants assurances on any one life for a less sum than twenty pounds, and which receives premiums or contributions in Great Britain or Ireland, by means of collectors, at less periodical intervals than two months:
- “Amendment of rule” includes a new rule, and a resolution rescinding a rule:
- “Rules” means rules for the time being:
- “Branch” means any number of the members of a society, under the control of a central body, having a separate fund, administered by themselves or by a committee or officers appointed by themselves:
- “Persons claiming through a member” includes the heirs, executors, administrators, and assigns of a member, and also his nominees where nomination is allowed:
- “Collector” includes every paid officer, agent, or person,

(*k*) 33 & 34 Vict. c. 61, s. 2.

howsoever remunerated, who, by himself or by any deputy or substitute, collects contributions for a society, or holds any interest in a collecting book of the same, but does not include—

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- (a.) The secretary or other officer of a branch of a society who receives contributions on behalf of such society, or of any other branch of the same ;
- (b.) Any officer appointed to superintend and receive moneys from collectors within a specified area, and not being himself a collector as hereinbefore defined ;
- (c.) Any agent appointed and remunerated by members, and not under the control of the society, or of any officer thereof :

“ Officer ” extends to any trustee, treasurer, secretary, or member of the committee of management of a society, or person appointed by the society to sue and be sued on its behalf :

“ Meeting ” includes (where the rules of a society so allow) a meeting of delegates appointed by members :
For Scotland, “ court of summary jurisdiction ” means the sheriff court of the county :

“ County court ” means for Scotland the sheriff court of the county, and for Ireland the civil bill court ;
for Scotland, “ administration ” means confirmation, and “ misdemeanor ” a crime and offence :

“ Summary Jurisdiction Acts ” means—

As to England, the act 11 & 12 Vict. c. 43, and any acts amending the same :

As to Ireland, within the police district of Dublin metropolis, the acts regulating the powers and duties of justices of the peace for such district, and of the police of such district ; elsewhere in Ireland, the “ Petty Sessions (Ireland) Act, 1851,” and any act amending the same :

“ Gazette ” means the London Gazette for England, the

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Edinburgh Gazette for Scotland, and the Dublin Gazette for Ireland (*l*).

Application of
act to Isle of
Man.

With respect to the Isle of Man, the provisions of the act are varied as follows:—

(1.) The terms “Supreme Court of Judicature” and “County Court” respectively, mean the Court of Chancery of the said Isle, in which court the proceedings under the act may be regulated by rules and orders to be made in that behalf by the court, and, until otherwise provided, are to be regulated according to the ordinary practice of such court:

(2.) The terms “The Companies Acts” and “The Companies Act, 1862,” respectively, mean the law for the time being in force in the said Isle for the regulating and winding up of companies:

(3.) The term “Summary Jurisdiction Acts” means the law for the time being in force in the said Isle for the regulating the exercise of summary jurisdiction by justices of the peace:

(4.) All offences and penalties under the act are to be prosecuted and recovered summarily before a high bailiff or two justices of the peace at the suit or instance of a registrar or head constable:

(5.) All penalties recovered under the act are to be paid to the treasurer of the said Isle, and be added to the general revenue of the said Isle:

(6.) Any person may appeal from any order or conviction to be made in a case of summary jurisdiction under the act in the manner prescribed by the law in force in the said Isle as to appeals in cases of summary jurisdiction (*m*).

Application of
act to Channel
Islands.

With respect to the Channel Islands the act is varied as follows:—

(1.) As respects the Island of Jersey, the following provisions take effect:—

(*a*.) The term “county court” means the court for the

(*l*) 38 & 39 Vict. c. 60, s. 4.

(*m*) Sect. 40.

recovery of petty debts, in all cases in which the claim or demand shall not exceed the sum of ten pounds sterling, and in all other cases it means the inferior number of the royal court of the said Island, composed of the bailiff and two jurats of the said court :

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- (b.) The term " court of summary jurisdiction " has in civil cases the same meaning as the term county court :
- (c.) All misdemeanors under the act are to be prosecuted, tried and punished in the form and manner prescribed by the law and custom of the said Island with respect to crimes and offences (crimes et délits):
- (d.) All other offences and all penalties under the act are to be prosecuted and recovered summarily before the magistrate of the court for the repression of minor offences, in all cases of his competency, at the suit or instance of the bailiff of the parish in which the offence or other unlawful act shall have been committed, and in all other cases before the bailiff and two jurats of the royal court, at the suit or instance of her Majesty's procurator general for the said Island:
- (e.) All penalties recovered under the act are to be paid to the officers who by the law and practice of the said Island are entitled to receive fines levied by order of the said courts respectively, and shall by such officers be accounted for and paid to her Majesty's receiver general in the said Island on behalf of the crown :
- (f.) The powers conferred under the act on two justices are to be exercised by the inferior number of the royal court of the said Island:
- (g.) Clause thirty-three of the act, and the term " Summary Jurisdiction Acts," do not apply to the said Island, but all proceedings under the act in

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- any of the courts of the said Island are to be regulated according to the ordinary practice of such courts respectively, and all penalties are, in default of payment, to be enforced in the same manner as fines payable to the crown in the said Island:
- (h.) The rules prescribed by the law of the said Island with respect to appeals in civil and criminal cases will be followed as to appeals from any orders, judgments, or convictions made in cases of summary jurisdiction under the act:
 - (i.) The terms "the Companies Acts," and "the Companies Act, 1862," are to be taken to mean the law which from time to time may be in force in the said Island for the formation, regulation, and winding up of companies.
- (2.) As respects the bailiwick of the Island of Guernsey:
- (a.) The court of primary instance within the bailiwick is to have all such powers and authorities as are by the act conferred either on justices of the peace or on judges of county courts in England: provided that a sentence may be appealed from if the case admits of an appeal, under the orders in council now in force within the bailiwick, but that the decision of the royal court when sitting in a body as a court of appeal shall be final:
 - (b.) When any sum of money becomes payable on the death of a member, such sum of money must, in default of any direction or nomination such as is contemplated by the act, be paid to the deceased member's legal representative, according to the law of Guernsey:
 - (c.) All friendly societies within the bailiwick are authorized to invest any part of their funds in the States bonds, either of Guernsey or of Alderney:
 - (d.) The term "the Companies Act" means the law for the time being in force in the said bailiwick for the regulation and winding up of companies:

- (*e.*) All offences and penalties under this act shall be prosecuted and recovered summarily before the court of primary jurisdiction at the suit or instance of the law officers of the crown or of a constable of the parish.
- (*f.*) All penalties recovered under this act shall be paid to the receiver general, to be by him carried to the account of the crown revenue.

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The chief provisions of the act may be briefly summarized as follows:—After various preliminary matters, and providing that all existing societies duly certified, are to be deemed to be societies under the act (*n*), the section of the previous act (*o*) giving certain protections to societies whose rules have been deposited with the registrar is continued until December 31st, 1878. Then follows a definition of the various kinds of societies which may obtain registration, including cattle insurance and benevolent societies, and working mens' clubs (*p*). A new office for registry is established, with a central office, having jurisdiction over the whole United Kingdom, including the Isle of Man and the Channel Islands. Attached to this office are a chief registrar and two assistant registrars, whilst assistant registrars are to be appointed to execute, in the first instance, all the powers of the chief registrar in Scotland and Ireland respectively. The central office is charged with the preparation and circulation for the use of societies, of model forms of accounts, balance sheets and valuations, and with the collection of various vital statistics, upon which are to be constructed tables of contribution and benefits which may, if desired, be adopted by societies, and generally with the giving of such information as may be necessary or useful to those who manage or found friendly societies. Every year the chief registrar is to lay before parliament a report of the proceed-

Summary of
the new act.(*n*) 38 & 39 Vict. c. 60, s. 6.(*p*) 38 & 39 Vict. c. 60, s. 8.(*o*) 18 & 19 Vict. c. 63, s. 44.

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ings of the office, and of the valuations returned to or caused to be made by him during the preceding year (*q*). The regulations as to registry are somewhat improved. An application for registry must be signed by seven members and the secretary, and written or printed copies of the rules (presumably two copies) must accompany the application. Identity or deceptive similarity of the name with that of any other registered society is forbidden. Societies doing business in more than one country must register their rules with the assistant registrar of each country, or they will be disentitled to the privileges of the act in the country where they have failed to do so. In the event of a refusal of registry an appeal can be made, instead of, as formerly, having to apply for a *mandamus* to register (*r*). A new feature is introduced, in order to give the registrar an authority over societies which shall effectually restrain violations of the act. Under certain circumstances, and after a reasonable notice, the acknowledgment of registry may be suspended for a time, or in extreme cases, cancelled with the approval of the treasury (*s*). There are various matters specified as to which the rules of all registered societies must provide, and all amendments of rules must be registered before they can acquire any validity. Copies of the rules must be delivered to any one who applies for them on payment of a sum not exceeding one shilling per copy, and a penalty is incurred by circulating an untrue copy (*t*). Every society under the act is to have a registered office ; must appoint a trustee or trustees ; must have an audit at least once a year ; must make certain annual returns to the registrar, and also a quinquennial return of the sickness and mortality experienced by the society ; must have a valuation of assets and liabilities ; must allow every person having an interest in the society to inspect the books of the society ; must supply to every person interested in the society a copy of the last annual return gratuitously, and keep a copy of every last return

(*q*) 38 & 39 Vict. c. 60, s. 10.(*s*) Sect. 12.(*r*) Sect. 11.(*t*) Sect. 13.

and balance sheet hung up in a conspicuous place in its office. In every case where money is to be paid on the death of any person, a legal death certificate must first be produced to the officers of the society. It is an offence under the act if any registered society refuses to send returns, or give information as required by the act, or makes a false return or wilfully furnishes false or insufficient information. Offences committed by societies are deemed to have been also committed by every officer who is bound by the rules to perform any duty whereof the offence is a breach, or if there be no such officer, then by every member of the committee of management (*u*). Registered societies are exempt from the provisions of the Corresponding Societies Acts, and also from certain stamp duties. A power is given to any member to nominate a person (other than an officer of the society) to whom any money, not exceeding 50*l.*, payable on his death shall be paid; and in the event of the death of a member intestate, and without having made any such nomination, the society may pay any sum, not exceeding 50*l.*, belonging to him, to the person who appears to be the proper person to receive the same. In the case of the absence or bankruptcy of a trustee, provision is made for getting stock transferred from his name; and a priority is given against the estate of any officer who dies, or becomes bankrupt or insolvent, for any monies of the society received by him by virtue of his office. Minors above the age of sixteen may become members of a registered society. The cost of death certificates for the purposes of the act is limited to one shilling (*v*). The property of every society vests in its trustees for the time being, and may be invested as prescribed by the act, which allows any society (other than a benevolent society, which must not have more than one acre at a time) to hold land in every county where it has a branch, and to sell, mortgage, or exchange the same. A power (similar to that which has long belonged to build-

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(*u*) 38 & 39 Vict. c. 60, s. 14.(*v*) Sect. 15.

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ing societies) is given to the trustees to vacate any mortgage to the society by a simple receipt indorsed thereon; but this power does not extend to Scotland or Jersey. The production of the receipt in a registry, county or manor is sufficient to clear the registry (*x*). The funds of the society may, if desired, be invested with the Commissioners for the Reduction of the National Debt, at rates of interest which are declared by the act (*y*), or may, subject to the restrictions of the act, be lent to the members (*z*). The officers of the society must give due security, if the rules so require, for all monies of the society which may come to his hands, and must render an account of such monies whenever called upon (*a*). All legal proceedings are to be brought by or against the trustees (*b*). A summary means of settling disputes between the society and any member is provided, and if wished, such disputes may be referred to the registrar (*c*), who has power, in certain cases, to institute an inquiry into the position and affairs of the society (*d*). Special resolutions are defined, and power is given for a society, by such a resolution, to change its name, or amalgamate with another society, or convert itself into a company under the Companies Acts (*e*). In the case of friendly societies proper, however, certain restrictions are placed upon this power, with a view to prevent fraudulent or improper amalgamations (*f*). The circumstances under which a society may be dissolved, and the manner in which a dissolution can be effected, including elaborate provisions for the proper distribution of the assets, are next detailed (*g*). In this place, also, power is given to the registrar, on the application of a specified number of the members, to inquire into the solvency of any society, and if it be found to be insolvent, it may be wound

(*x*) 38 & 39 Vict. c. 60, s. 16.(*y*) Sect. 17.(*z*) Sect. 18.(*a*) Sect. 20.(*b*) Sect. 21.(*c*) Sect. 22.(*d*) Sect. 23.(*e*) Sect. 24.(*f*) *Ib.*, sub-sect. 8 (*a*).(*g*) Sect. 25.

up under the award of the registrar. It is declared (re-enacting previous statutes) that volunteers and militiamen shall not lose their rights as members, merely because of their quasi-military engagements, notwithstanding anything contained in the rules to the contrary (*h*), except in the case of societies certified before July 23rd, 1855, which was the date of the passing of the previous Friendly Societies Act (*i*). No member is to receive more than 200*l.* by way of gross sum upon any assurance, nor more than 50*l.* a year by way of annuity, this last being increased from 30*l.*, which was the limit under the old law (*k*). The payments on the death of a child under five years old are limited to 6*l.*, and upon one under ten years old to 10*l.*; and these sums are only to be paid upon production of a death certificate signed by the registrar, in a form which is calculated to prevent several societies from paying amounts in excess of the statutory limit (*l*). In future it will be possible to register a society with branches, instead of its being necessary, as heretofore, to register each branch as a separate society; but a list of branches, with particulars of the rules and officers of each must be lodged with the registrar (*m*). When societies receive contributions by means of collectors at a greater distance than ten miles from their registered offices, they must deliver a copy of the rules and a printed policy to each member on his joining the society; the system of encouraging and promoting forfeitures or lapses is guarded against; as also is the system of transferring members from one society to another without their consent; collectors are rendered ineligible for any other office, and declared incapable of taking any part in or voting at meetings of the members; due notice is required to be given of the general meetings; a copy of the balance sheet and annual returns must be open for inspection before the meetings; disputes may be

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(*h*) 38 & 39 Vict. c. 60, s. 26.(*l*) Sect. 28.(*i*) 18 & 19 Vict. c. 63.(*m*) Sect. 29.(*k*) 38 & 39 Vict. c. 60, s. 27.

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referred to the county court, even though the rules provide otherwise; and the infringement of the foregoing provisions is made an offence under the act (*n*). In cattle insurance societies, the payment of subscriptions is not voluntary but compulsory, and may be enforced by legal proceedings (*o*). It is rendered penal to falsify any returns, balance sheets, or collecting books (*p*). Public auditors may be appointed by the treasury for the purposes of the act (*q*), and the same authority may determine a scale of fees to be paid for the transaction of matters or the inspection of documents, but no fee is payable on the registry of any friendly, benevolent, or cattle insurance society, or working men's club (*r*). Regulations respecting registry and procedure under the act may be made from time to time by the treasury (*s*). Documents bearing the seal or stamp of the central office are to be received in evidence without proof; and documents purporting to be signed by the chief or any assistant registrar, or any inspector, or public auditor or valuer, are to be received in evidence without proof of the signature (*t*).

The above is a short outline of the material sections of the act, which is, on the whole, well drawn, and will probably cause an immense reform in the management and procedure of friendly societies. One point, however, is likely to create some discussion, and may be here noticed. The thirtieth section, which contains some most excellent provisions and safeguards against chicanery, commences with these words:—"The provisions of the present section apply only to friendly societies and, except as after mentioned, industrial assurance companies receiving contributions by means of collectors at a greater distance than ten miles from the registered office of the society." This is evidently

(*n*) 38 & 39 Vict. c. 60, s. 30.(*o*) Sect. 31.(*p*) Sect. 32.(*q*) Sect. 35.(*r*) Sect. 36.(*s*) Sect. 37.(*t*) Sect. 39.

capable of two constructions. The section may be meant to apply to friendly societies (as defined by section 8) universally, and to industrial assurance companies receiving contributions, &c.; or it may be limited to friendly societies receiving contributions, &c., as well as to industrial assurance companies. The marginal note, which is, of course, no part of the act (*u*), seems to indicate that the latter construction was intended by the draughtsman. But in that case it is difficult to understand why the act only requires proper notices of the general meetings to be given to the members of the class of societies mentioned, and nowhere else says anything which enforces other societies to see that their members know what they are about when they join, or to give reasonable protection to them against forfeiture after they have become members. Nor is it easy to see why the members of collecting societies only, should have the privilege of a compulsory general meeting once a year, whilst so far as the act is concerned, the general meetings of other societies need only be at long intervals. This section may, therefore, be considered as defective, and in some sense spoils the symmetry of the act.

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The law relating to these and all similar associations seems to be capable of being conveniently arranged under four principal heads, each bearing on a distinct branch of the subject, viz.: 1. Formation; 2. Society, *quà* Society; 3. Membership; 4. Winding up and Dissolution. Division of subject.

In accordance with this arrangement, Chapter I. will treat of the formation of friendly societies, including the proceedings up to and upon registration: Chapter II., of the society, considered in its associated character, showing what a friendly society is; the law relating to its internal government, and the duties of the various officers; the property which may be held in trust for the society, and its powers, privileges and obligations in relation thereto: Chapter III., of the members, and their rights and lia-

(*u*) *Claydon v. Green*, Law Rep., 3 C. P. 511; Maxwell on Statutes, 35.

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bilities, showing who may become a member; how disputes between the society and the members are to be settled; and what are the rights and liabilities of the members against or to the society; and Chapter IV., of the dissolution of friendly societies.

In the Appendix will be found a form of rules to meet the requirements of the act, other useful forms, and a print of the statute.

Practice.

It has occurred to the writer that it may be desirable to touch upon various points connected with the practice of these societies, and he has therefore largely availed himself of the information afforded by the reports of the royal commissioners with this object. Blue books are generally read by so few, that it may be really bringing to light what, to many who will use this work, would otherwise have remained unknown.