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Social Questions of To-day

MUTUAL THRIFT

J. FROME WILKINSON

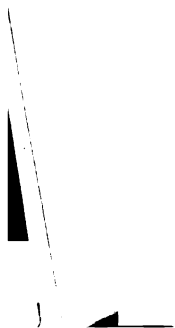
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SOCIAL QUESTIONS OF TO-DAY

EDITED BY H. DE B. GIBBINS, M.A.

MUTUAL THRIFT

SOCIAL QUESTIONS OF TO-DAY

Edited by H. de B. GIBBINS, M.A.

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PREFACE.

I WISH to express my indebtedness to my friend the editor of the *Oddfellows' Magazine*, R. W. Moffrey, Esq., for kind permission to use a considerable amount of material which had already appeared in papers written for that periodical. My sincere thanks are also due to the secretaries and governing bodies of different societies, for the reports and literature with which they have freely furnished me, and the information they have readily given me. Special mention should be made of Messrs. T. Ballan Stead (Permanent Secretary of the Ancient Order of Foresters), Richardson Campbell (High Scribe of the Rechabites), and J. E. Cleveland (Corresponding Secretary of the National Oddfellows). If my statements respecting the Miners' Permanent Relief Funds are somewhat behind date, I owe it to myself to say that repeated applications for more recent information have been refused.

I am greatly indebted, also, to the exhaustive Reports of the last Royal Commission on Friendly Societies, and particularly to that of the Hon. Lyulph Stanley. Use has been made of other authorities on different points. But I have, whenever possible, written from personal knowledge, and laid under contribution the accumulated stores of many years, in the form of reports and other literature furnished me by the societies themselves. To thank all my helpers is impossible. I can only wish I had been able to make larger use of the mass of materials in my hands.

KILVINGTON RECTORY, NOTTINGHAM,

May 1891.



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CONTENTS.

CHAPTER I.		PAGE
INTRODUCTION—SCOPE OF SUBJECT—HISTORICAL SUR- VEY TO 1800	I
CHAPTER II.		
1800—1834	... ..	26
CHAPTER III.		
1834—1870	... ..	79
CHAPTER IV.		
1870—1890	... ..	142
CHAPTER V.		
BODIES INSURING SICK PAY AS WELL AS SMALL SUMS AT DEATH—CONSTITUTION—MANAGEMENT—BENE- FITS—FINANCIAL PRINCIPLES	... ..	213



MUTUAL THRIFT.

CHAPTER I.

THE INTRODUCTION—SCOPE OF SUBJECT—HISTORICAL SURVEY TO 1800.

WHAT is thrift? Of the various derivations of this old English word, none perhaps better expresses the power of that economic virtue or duty it stands for, than one taken from a very ancient source, the Sanskrit TRI, the meaning of which is given as—to go beyond, to shoot ahead, to pass. No mere dictionary definition can be considered altogether satisfactory, being either too vague and general or else too limited in scope. Thrift does not mean, as some people would have it, a cheap and parsimonious mode of living, in order to hoard or save. A thrifty man does not stint and starve himself, at the cost of his health—the workman's stock-in-trade. Nor does the practice of this duty consist in saving wisely or spending wisely only; but it concerns the whole man; and as such, is more even than a piece of economic conduct; it stretches out into the domain of conscience and of morals—in other words, thrift is a virtue. Consequently, it enables a man “to shoot ahead,” and “to

pass" his less thrifty fellows, since it secures his independence, built on self-respect and self-reliance. If this economic virtue be accused of encouraging egoism, and of discouraging altruism, we can, on the other hand, emphasize the caution of a modern philosopher, that—"up to a certain point altruistic action blesses giver and receiver; beyond that point it curses giver and receiver." But if we add the qualification "Mutual," we immediately give larger scope for the exercise of that law and duty of life which is summed up in altruism, "Live for others," and catch a glimmering of what a great living statesman meant when, speaking of Friendly Society membership, he affirmed that the working classes "went into these societies to seek their own good through the good of others." Now it is mainly with these organizations for the practice of Mutual Thrift that our purpose lies. We shall hope to prove that it is *by the contribution of the savings of many persons to one common fund, that the most effectual provision can be made for casualties liable to affect all the contributors.*

It will be seen that in writing of Mutual Thrift, the purely individualistic Savings Bank, as a thrift agency, is necessarily eliminated from the range of our inquiry. Here the person who is desirous of making some provision against the "if that flesh is heir to" depends on his own resources—stands falls alone; it is no matter to him how many other deposits make use of his Bank; it makes no difference to him what provision others have made or not made. He puts his own savings in, and he draws his own savings out, and the amount of his deposit is a secret between himself and the Bank. The distinction between this system and the Friendly Society, with the advantages of the latter over the former, have never been better drawn

the report of a select committee of the House of Commons, in 1825—

“Whenever there is a contingency, the cheapest way of providing against it is by uniting with others, so that each man may subject himself to a small deprivation, in order that no man may be subjected to a great loss. He upon whom the contingency does not fall does not get his money back again, nor does he get for it any visible or tangible benefit; but he obtains security against ruin, and consequent peace of mind. He upon whom the contingency does fall, gets all that those, whom fortune has exempted from it, have lost in hard money, and is thus enabled to sustain an event which would otherwise overwhelm him.

“The individual depositor, not the contributor to a common fund, is really the speculator. If no sickness attack him during his years of strength and activity, and he *dies* before he is past labour, he has been successful in his speculation; but if he fall sick at an early period, or if he live to old age, he is a great loser. For his savings, with their accumulations, will support him but a short time in sickness; or even if he retain something in old age, after having provided for his occasional illness, the annuity which he can then purchase will be very inferior indeed to that which he would have obtained, if he had entitled himself to the benefit of the accumulated savings of all those who, having contributed for many years to the superannuation fund, had never reached an age to require it.”

Hence it is evident that Friendly Societies can offer an insurance which Savings Banks are unable to do—and an insurance, too, highly beneficial to the working classes in the community. The order should be, first the Friendly Society, and *then* the Savings Bank, for the fragments of

savings that remain for thrift-investment. Yet it will not be denied that, while there is no need for the dissemination of knowledge of Savings Banks and their working, among persons of the most elementary education, the ignorance which exists on the subject of Friendly Societies, outside the ranks of those directly interested, is only to be matched by the confidence bred of that ignorance, with which the most alarmist cries are raised and the veriest pessimism talked, whenever the name of Friendly Society is brought under public notice. We have listened to one clergyman who, with the air of a Solomon, in all good faith, warned his parishioners of the labour class that it would not be safe for them to carry their savings beyond the doors of the neighbouring Post Office; and to another who gravely informed his audience that he always understood that the Oddfellows' society was Conservative, the Foresters' Liberal; while, in periodical literature, matters are sometimes not much improved. The present writer had occasion to send an article to a newspaper under the heading of "Mutual Provident Insurance Association." Imagine, then, his wonder in reading, shortly afterwards, in a not unknown "monthly," the following—"Of the Affiliated Orders (*vide infra*) the first I would call attention to is the Mutual Provident Insurance Association. This Affiliated Order is, perhaps, of all other of its competitors in the 'thrift race,' &c &c." Never yet has the writer been able to find that society Others there are who consult blue-books—full of thorns to the unwary—and reap but a scanty harvest; and other more fortunate, receive twenty minutes "coaching" from the secretary of the society they are expected, as honourable members, to know something about—but then the facts propound they have not made their own, whatever m

said of the opinions they deduce from them ; while there are the many who are interested in the operations of these societies, and are sincerely desirous of encouraging the workman to carve out for himself an independence ; but who, through want of knowledge and an inability to understand the principles which underlie their working, cannot find firm ground, and so waste much sympathy and largely discount their help, not knowing where or how best to bestow them. Lastly, there are the critics who, having failed to grasp the technicalities of the subject, or read behind or between official rows of figures, pronounce the damning verdict—" the whole system is rotten and unsound ; let it make way for something better."

It is to be hoped that this little book will, from the information it seeks to convey and the instruction it offers to give, be of some use in enabling its readers to judge for themselves what has already been done by the labour classes in the community, in this important matter of mutual insurance under the Friendly Society form ; whether the system is worthy of preservation ; and if so, how best to set about remedying present defects and supplementing deficiencies.

Before, however, we enter upon our inquiry, we must further confine our limits by the exclusion of Trades Unionism and Co-operation, two other forms of Mutual Thrift (for in the former the " provident " side far outweighs in magnitude the " protective ") which have received separate treatment.

The main object of a Friendly Society of the present day would be shortly stated to be, that of enabling the working-class portion of the community to obtain an insurance, or rather group of insurances, based on mutual principles ;

but this climax, so to speak, has only been reached after a long and often tedious process of development, extending over a period of nearly two centuries. It has been customary in some quarters to date the historical origin of the modern Friendly Society as rising out of the mediæval craft guilds; but so many links in the chain of evidence are wanting that the attempt must be given up, while it must further be allowed that the modern Trades Union, not the Friendly Society, is the legitimate successor of the disestablished and disendowed mediæval guild, adopted to suit the altered times.¹

Several causes may be said to have aided in the formation of Friendly Societies. A good deal of mist hangs about both their birth and early growth. In 1696 De Foe (*Essays on Several Projects*) advocated the promotion of "societies formed by mutual assurance, for the relief of the members in seasons of distress . . . by which not a creature so miserable or so poor but should claim subsistence as their due, not ask it of charity." And that versatile author and social reformer alludes to the custom that obtained in the fens, "where great quantities of land being, with much pains and a vast charge, recovered out of the seas and rivers, and maintained with banks (which they call walls), the owners of these lands agree to contribute to the keeping up these walls and keeping out the sea, *which is all one with a Friendly Society*; and if I have a piece of land in any level or marsh, though it bounds nowhere the sea or river, yet I pay my proportion to the maintenance of the mud wall or bank; and if at any time the sea breaks in, the

¹ I am alluding to the *artisans' or craft* guilds. Of the *religious* guild, the only survival appears to be the annual parish feast, so common in some parts of the country.

HISTORICAL SURVEY TO 1800.

damage is not laid upon the man in whose land the breach happened, *unless it was by his neglect*, but it lies on the whole land and is called a 'level lot.' No better illustration could well be given of the "all for one, and one for all" policy of the Mutual Thrift organizations of the people—the axiom already laid down, that it is "by the contribution of the savings of many persons to one common fund, the most effectual provision can be made for casualty liable to affect all the contributors."

But these organizations were a long way yet from being in a position to enable their members to realize such a satisfactory state of things. The idea was excellent; the execution of that idea was, from the nature of the case, very partial and imperfect.

Two forms of Friendly Society were in their infancy during the last decade of the seventeenth century and the earlier part of the eighteenth—the local and isolated club, and the general Order with its lodges, under the jurisdiction of a grand lodge.

It is the first of these that De Foe advocates, and in his writings helped so much to extend throughout the country. The domestic system of manufacture was the full operation.¹ Small capitalists arose in different parts of the country, and gave other than agricultural employment to numbers of both men and women. But the work done at home; the time of steam and factory was not yet begun. De Foe himself, when travelling in Yorkshire, tells us "at every considerable house there was a manufactory, and again—"not a beggar was to be seen, or an idle person." The industrial population was largely augmented and the "standard of comfort" was improving. At su

¹ See Gibbins' *Industrial History of England*.

period in industrial history, disablement by sickness, and consequent loss of earning powers, would be felt in an increasing degree, and measures be taken to provide against such a contingency. Hence the germ of the early sick clubs known as small "box" clubs. It was soon discovered that by the association of the many the few could be assisted, and a rough and ready insurance on mutual principles was inaugurated.

We do not say that the social and convivial element had not something to do with the formation of these local clubs. Where men are more or less gathered together in one locality, working at the same trade, such an element must have a place as a motor of combined action; but what we do say is, that this place was a subordinate one, and not the origin of the club. Thirteen societies are still in existence in England (there are several more in Scotland), which were established prior to the middle of the last century. Some of them were evidently started by workers in a particular trade, and might indeed be classed with a type of Mutual Thrift, afterwards known as Particular Trade Friendly Societies—*e.g.*, Fraternity of Dyers, Society of Weavers. Others had a religious as well as class restriction about them, as the *Society of Lintot*. Members were required to belong to the Church of Lintot—good Protestants, and well-intentioned towards the Queen (Anne). No one was admitted who had not been received at Holy Communion. This society still possesses fifty members, an funds exceeding £2000. There is also the "*Protesto Refugees from high and low Normandy Friendly Socie* These, with one or two other "centenarian patriarch: the East End, appear all to belong to a remarkable group founded by French Protestant refugees." Their En-

co-religionists, however, were not far behind; and we have among the earlier societies the *Kidderminster Provident Society of Protestant Dissenters*. The cause why so few traces of these societies remain is plain—"The history of each society has most probably been confined to the scanty documents in its own possession, which have been lost or destroyed when the society itself has been broken up—a result almost universal, within comparatively few years of their respective foundations."¹ The reasons for this wholesale disappearance will be seen, when we come to consider the question of financial principles.

The middle of the last century past, the local sick club continued to increase rapidly, till we are informed by a competent authority that, just a hundred years ago, "Friendly Societies had been extended to most parts of Great Britain."² The hand-spinner and the hand-weaver had now been superseded by the spinning-jenny and the power-loom; in other words, the factory system had begun to take the place of the domestic. Consequently, Friendly Societies received a sudden impulse; the bulk of the population shifted, and the now teeming north contributed to swell the numbers, for hitherto societies had mostly been located south of the Trent. Altogether there are over a hundred societies (registered) known to be still in existence, all of which were established before 1800. These belong to England and Scotland. Ireland offers no means of com-

¹ *Ansell*, p. 11.

² *The State of the Poor; or an History of the Labouring Classes in England, from the Conquest to the Present Time, &c.* By Sir Frederic Morton Eden, Bart. London, 1797. A work of unique value, destroyed by the booksellers, as waste, some fifty years ago. Very few copies, I believe, now exist. The family of the author are themselves without a copy.

parison, possessing, as she does, only one society older than the present century. Indeed, we shall find that, with a few noteworthy exceptions, Mutual Thrift of the Friendly Society form has not taken root in the sister-island.

It will be of interest to roughly note, for the sake of after comparison, the sort of payments which it was usual to make, and the average amounts of benefits offered to members. There was, for instance, the Friendly Society of Shoemakers (Newcastle-on-Tyne, 1717),¹ to which the subscription was 1s. every six weeks, and a levy of 6d. extra all round for the funeral of a deceased member. The allowance in sickness was 6s. a week for the first twelve months, and then 3s. 6d. till the member got well. No person was allowed to work while he was on the "box," and was not "free" (entitled to call on the sick fund) till he had joined for a year. Or, taking the rules of another old club, a rural one, established at the "Bear and Ragged Staff," an ancient hostelry in the village of Michelmerst, in the county of Hampshire, in the year 1795—we light on a rule, common at the time, and which remained in force in all societies for at least the first three decades of the present century, to the effect that no soldier, sailor, sheriff's officer, or sheriff's officer's followers should be admitted as members. The policy of boycotting the agent of the evictor is evidently of earlier date than some public writers and speakers would have us believe. Members had to pay on entrance 2s. 6d. "to the chest," 6d. for a copy of the rules, and 3d. to be spent in beer, to be followed by a quarterly contribution of 4s. Sick pay was not large in the amount, was given under strict limitations; after eighteen months membership 4s. a week for six months was allowed,

¹ *Eden*, Vol. I.

increased after three years' membership to 7s. a week for three months, and 4s. for the remainder of an illness. A levy of 1s. per member was made on the occurrence of a death. A favourite type of club was the penny and half-penny Society, in which a confined-to-bed-in-sickness member received from every other member a penny weekly; and all members who reached the age of seventy years and were "able to go about, but not work," received a halfpenny weekly. It should be noticed that such benefit was restricted to "bed-lying pay," as it was then called, and did not extend, as was the case in the Shoemakers' Society, to "walking pay." The type was more primitive and rudimentary. Almost without exception the place of meeting was the neighbouring public-house; here the members came not only to pay their club-contributions, but "to hear what was 'much older than their ale,' news retailed by rustic politicians."¹

But Friendly Society membership of the eighteenth century was not restricted to male societies. A learned writer of the time, who had conducted a thorough inquiry into the economical and social status of the poor,² has informed us that female benefit clubs were very general in his day (1790), but that even then they were rapidly on the decline. Married women were not looked after by the legislature (nor were they, till another eighty years had passed), and were incapable of acquiring property, though that property might consist in the benefits of their own savings invested in a Friendly Society. The husband took the benefits, and the woman found herself deprived of the advantages of her prudence and forethought; or else the husband allowed her no voice in the distribution of her earnings, and appro-

¹ *Eden*, Vol. I.

² *Eden*.

priated them for his own use. Consequently the women-workers in lace-making or weaving, who had, of themselves for themselves, formed sick clubs throughout the country, allowed membership to expire, and these clubs died a natural death ; a disaster, the results of which made themselves felt far into the present century. The earlier male clubs perished by the thousand, because they were unfinancial, but only to spring up again under improved conditions. The disease which fastened on the female clubs was so deep seated, that no process of reform from within could save them, till the members were given a legal status.

We have now to trace back to the last century the origin and rise of another class of Mutual Thrift association. Besides the local sick club, the last century saw the birth of the secret Orders, or Fraternities. Here the prime motor of action was certainly social—the social benefit society of to-day was the social benevolent society of a hundred years and more ago. The oldest of these Orders, as they have been called, originated in the first half of the eighteenth century, and were the expansion of the great revival, during that period, of Freemasonry. Pecuniary needs and the association of workers at the same occupation do not seem to have had much to do with their formation. They were rather the outcome of the patriotic, convivial, and harmonic sentiments of a higher stratum in society—of trade rather than manual labour ; though this was not always the case. The imitators of Freemasonry were, in turn, themselves imitated—with sundry and divers variations.

During the period we are concerned with, the fashion and the rage for secret societies, for the “ pride, pomp and circumstance ” of ornate ritual, high ceremonial, gold trappings, and gorgeous official costumes, seem to have become almost

a mania, affecting nearly all classes in the community, except the lowest. But all of them were, directly or indirectly, modelled on Freemasonry. There were the lodges or local branches, and then the provincial or county lodges, culminating in the National Grand Lodge. Among the first to spring up were the Order of Free Gardeners in Scotland (1715), and that of the Gregorians in England; the former society exists at the present day, while the latter has long been lost sight of. Then followed, in straggling order, to the close of the century, Oddfellows, Druids, Foresters, and Comical Fellows.

Of Oddfellows there are traces of at least two Orders, each with its rival Grand Lodge—the Ancient and Patriotic; and the two appear, before the close of the century, to have settled their differences and become merged in the Grand United Order. These associations were evidently, at times, a good deal more than either convivial or benevolent; politics entered largely into their meetings. The Ancient and the Patriotic Oddfellows were both loyal, only one toasted the “king over the water,” and the other “King George.” When that time was past, they became “Unionists.”

Documentary evidence of these associations, the germ of the later Affiliated or federated Friendly Societies, is, from the secret nature of their meetings and doings, of a very meagre character, having reference only to dates, names of lodge officers and initiants. Indeed, Oddfellows and Druids held lodges in many parts of the country for many years, and the outside public had no knowledge of their existence in the neighbourhood. Lists were, however, kept of lodge fixtures and other property; and from a few of these, which have survived the ravages of time, and with the help

of the ancient ritual of the Patriotic Oddfellows (unearthed a few years since), some idea of what was known as the "old making" can be obtained. We are told, at an initiation ceremony, that—Each brother present was masked. The presiding officer wore a long white beard and wig, an apron of white leather bound in scarlet, with the emblems of mortality painted thereon, and on a pedestal before him were similar real ones. Two other officers wore respectively yellow and blue cloaks; while the treasurer, secretary, and almoner, in white surplices, stood behind the altar of obligation. Others had aprons bound with purple, edged with gold lace. The fittings for the initiation consisted of loose planks, to form an imaginary road, with rough knots left at intervals; some faggots of wood and bundles of cork, so arranged as to form rocks and forests; a small brazier with fire; a shower bath; and the usual theatrical appliances for the tempest scene; while the following description taken down from the lips of an old member of the Ancient Order, will afford some idea of the "mummery" practised. "The candidate for membership was led into the lodge room carefully blindfolded; and, after passing the two guardians, he felt a peculiar and mysterious awe steal over his senses, in consequence of the solemn and death-like silence that prevailed. He was suddenly ordered, as a presumptuous mortal, to stand; and his perverted sense of hearing became fearfully awakened by the rattling of huge iron chains and the unmeaning sounds produced by men's voices. At this stage, he was sometimes tumbled in among brushwood, or soused over head into a large tub; and suddenly the bandage was removed, when he found a person with a sword presented to his breast, demanding of the assembly if he should show any mercy; and on their answering in the

affirmative he was released and introduced to the death-scene, which was the emblems of mortality or a transparency representing the human skeleton ; then he had to receive a charge from the grand officers, who, together with the entire assembly, were masked. Every part of the lodge room was usually laid out with symbols and emblems, that were afterward explained as he progressed in the mysteries of the Order. It was closed by each pledging the novice in a flowing glass, and the general routine closed proceedings."

As regards the mode of conducting lodge meetings, we gather from an old copy of rules and minutes,¹ that the usual fees for initiation and taking of degrees (ascending steps of proficiency in the principles of the Order) amounted, in all, to £3 10s. *od.* ; that the annual contributions in support of the festivals and fund of charity should be two guineas ; that it was customary to give three toasts—the three Georges, "the past, the present, and the future"—the great old Master, "Invisible, Incomprehensible and Eternal"—"our poor and distressed Brothers," at which the Almoner received the alms of the members present ; that "no tipstaff, bailiff, marshalman, or runner shall be eligible for admission ; nor any body-servant, or labourer, except it be by special dispensation granted." The last toast was given "in peace with profound silence at nine o'clock p.m., and proceedings closed with the solemn benediction of the chaplain." These lodges possessed no regular benefit funds, but grants were from time to time made, out of a benevolent fund, to members in distress or to a deceased member's family. There would appear no necessity for a limitation of member-

¹ Rules and Minutes of "Aristarcas" Lodge of Order of Oddfellows, Globe Tavern (1748). Many of the rules, from age and discoloration, cannot be deciphered.

ship, shutting out labourers ; setting aside the scale of expenditure, this class would have been quite out of their element in such a fraternity.

In support of the statement that, at this time, politics often entered into the lodge meetings, the evidence of the son of an old member, as to a misfortune that overtook a London lodge to which his father belonged, may be quoted : " My father told me he belonged to this lodge at the time of the Gordon riots (1780), and that during his membership both the notorious Wilkes and Sir George Saville were members, and frequently attended and made political speeches, denouncing various members of the Government. This had considerable influence in closing this lodge. A tradesman who was a member of the lodge, by trade a cooper, and a great admirer of Wilkes, in the excitement of the riot was seen taking an active part in the destruction of Judge Mansfield's house and library ; and a warrant was placed in the hands of an officer by Sir John Fielding, the Bow Street Magistrate, for his apprehension ; but the lodge officers, to avoid the consequences of this indiscretion, closed the meetings for twelve months ; and my father, who kept a drug shop in the neighbourhood, feeling that the eye of the spies was upon him, removed to Southwark, but, finding his business was not good, he removed to Bristol." But these societies did something more than encourage conviviality, practise charity, or denounce governments ; they held special meetings " for prayers and lectures on Sunday afternoons " ; they were instructive after their own manner and the fashion of the day. The lectures attached to the different " degrees " were a strange medley of religious, astrological, and moral teaching. In these times of pilgrimages to Ober Ammergau, it is interesting

to note that religious plays or acted parables were once general in England, at all events inside the old lodge room. "Friendship," for instance, was illustrated by a scene founded on the twentieth chapter of the first Book of Samuel; "charity" was enforced by the acting of the parable of the Good Samaritan.

Imitations in humbler walks of life naturally followed, and we have unearthed a sample in the Order of the Golden Fleece (Bradford)—a club founded by German workmen, who introduced the stuff trade into England. The chief officer of the Order of these old wool-workers was styled "Grand Sire," the presiding lodge officer "Most Noble Jason," while the Grand Lodge "Servitas" may be rendered in the "vulgar tongue" into ale server. There were also the Druids (1781), with their mystic rites and white-robed Arch Druid, and the Comical Fellows (1790), humble imitators of the more gorgeous Odd Fellows.

The same year that saw the rise of the Comical Fellows, is also that beyond which we are unable to trace the parent of the existing Order of Foresters—the Royal Order. Doubtless these old Foresters had existed, as the Odd-fellows had, for some years previously to this date, but no reliable evidence has been forthcoming, beyond the bare fact that court or branch "No. 1." existed "in the Parish of Leeds" in the year 1790, and that a list of the then members has been preserved. The Order seems to have been recruited from a different social stratum than that of the average Oddfellow of the day, since in the above list of members appears the name of a flax-dresser, of Knaresborough. The old ritual or "making" tends to confirm this, as we find that, for the swords of the more courtly Oddfellows, were substituted quarter-staves, and the initial

had to prove his mettle in "the combat" before being released from the trying ordeal and "found worthy."

Extracts from a recently recovered cash book belonging to a lodge of Ancient Oddfellows will give some insight into the cost of lodge furniture and other accessories, and expenses of the first year. The total of the various items comes to over £64. We give a few of these items—

			£	s.	d.
By Cash—Dispensation	...	...	10	10	0
Spirits and Mizalto	...	...	1	13	5½
Alfried the Great	...	...	2	15	4
For making the Gowns	...	...		10	0
Six Beards	...	...		12	6
Hail Storm	...	...		8	6
Copper Spoon	...	...		1	0
Silk for Scarfs	...	...	20	0	0
Sun and Moon	...	...		16	0

Some of these entries require a little explanation, lest the uninitiated critic make comment upon the amount of spirits drunk on the premises, and the consequent inebriety of the lodge-members. We therefore commend to notice the "coper spoon," or brazier, as the true culprit, in which the spirits were consumed by burning. "Alfried the Great" is also a little puzzling without an historical reference, not to the monarch of that name, but to another lodge or branch society (still in existence) which, doubtless, had made certain payments on behalf of the lodge. The "silk for scarves" was bought for the purpose of selling retail to members as occasion required. The "hail storm" for use in the tempest scene is not dear. Two other items, however, strike one as being at a decidedly high figure—the

price of silk (under protection) and the cost of a dispensation or authorization to open the lodge; and both point to a middle class recruiting ground for members. As yet, Oddfellowship had a restricted social radius and had not touched the masses. It was eminently respectable.

During the second half of the century Mutual Thrift so increased as to call for the attention and recognition of the State; but very different treatment was measured out to the local club and the benevolent Order (from which, under a gradual process of development, sprang the benefit Order). Only of both it must be said, legislation did not originate these institutions, but it was their growing national importance which necessitated legislation.

The earliest attempt to legislate for the encouragement of Mutual Thrift appears to have been in the year 1757, when an Act¹ was passed "for enabling the coal-heavers working on the Thames to make a provision for such of themselves as shall be sick, lame, or past their labours, and for their widows and orphans." These working-men agreed to set aside two shillings in the pound out of all their earnings; the sick and incapable of working received seven shillings per week, and the *aged* sixpence per diem for the remainder of their natural lives; the funeral allowance was forty shillings, and widows received five pounds. The occupation of the members was a hazardous one, for we find that lameness was an only too common accident. This Society, in spite of the help of the law, did not long flourish; it had to be supported by the aid of charitable donations; and the special enactment passed in its favour was repealed thirteen years later.

The next attempt to aid Friendly Societies by means of

¹ 31 Geo. II. c. 76.

legislation was made by the promoter of the Gilbert Act,¹ and as this piece of state socialism became law in a widely different form from that in which it was originally introduced into Parliament, justice to the intention of its promoter calls for a brief notice; very different indeed would have been its influence on the thrift of the working classes, had that intention been carried out in anything like its entirety. Mr. Gilbert's original plan was to encourage Friendly Societies with occasional help from the parish funds. When a new club arose its rules were to be transmitted to, and approved by, quarter sessions, and after they had been confirmed by one of the judges of assize, power was given the club to enforce fines, and to proceed by distress or sale of goods and chattels against holders of funds belonging to members.

All reference, however, to Friendly Societies was dropped out of Mr. Gilbert's Act, on its emerging from its Parliamentary ordeal; but in the same year (1793), another measure was passed, dealing directly with these institutions, which became known as the "Rose" Act, after the name of its author. As this Act was the foundation on which all subsequent Friendly Society legislation was based, we proceed to particularize the principal obligations it laid on societies which claimed its protection, as well as to enumerate the benefits it conferred. The powerlessness of members to obtain their lawful rights, or to control the persons to whose keeping the society's funds had been entrusted, was the immediate cause for legislative interference and protection. Indeed, a contemporary writer² informs us, that before the Act became law, the minority of a certain club expelled all absent members in favour of some interested alehouse keeper, and these latter could obtain no means

¹ 33 Geo. III. c. 54.

² Eden.

of redress. The "Rose" Act declared "that it should be lawful for any number of persons in Great Britain to form themselves into, and to establish one or more society, or societies, of good-fellowship, for the purpose of raising from time to time, by voluntary contributions, a stock or fund for the mutual relief and maintenance of all and every the members thereof, in old age, sickness, and infirmity, or for the relief of the widows and children of deceased members"; that committees of members shall be nominated for the purpose of making "proper and wholesome rules, orders, and regulations"; that they should have power to inflict fines, to alter and amend rules. The Act also provided "that no society should be deemed to be within the meaning of the Act, until the rules had been exhibited to the justices in quarter sessions." The rules were not to be afterwards altered, except by three-fourths of the members present at a general meeting, or by three-fourths of a committee, if one should have been appointed for the management of the society's concerns. It was declared unlawful to dissolve a society so long as its intents and purposes remained to be carried into effect, without the consent and approbation of five-sixths of the existing members, or for any fund to be divided or distributed amongst the members, contrary to the general intents and purposes provided for by the rules.

The privileges and immunities afforded by the "Rose" Act to societies which conformed to its provisions were mainly these: Exemption from fees upon enrolment and upon bonds given to the clerks of the peace. Exemption from stamp duty on bonds. Power to recover funds from defaulting officers by summary proceedings in chancery without fee either to the officers of the court or to counsel, assigned by the court, and without stamp duty. Priority of

claim for moneys on the assets of deceased or bankrupt officers. And summary proceeding before two justices was allowed, in the case of a member thinking himself aggrieved ; but where the rules provided for arbitration, the reward was to be final, without appeal or reference to the justices. Exemption of members from the operation of the old law of parochial settlement, until they should become actually chargeable to the parish. This last was perhaps at the time the most valuable privilege of all, when we consider the restrictions put upon labour under parochial settlement, and the consequent loss of freedom ; though the right of arbitration in the settlement of disputes, which has now existed for nearly a hundred years, runs it very close.

The bearing of this Act on the future of Mutual Thrift, it would be difficult to exaggerate. Many of the privileges confirmed by the Friendly Society Act of 1875 at present in force were first granted under it. The distinction between enrolled and unenrolled (or, according to after usage, registered and unregistered) societies was now first made. A subsequent parliamentary committee of enquiry¹ laid it down, "that the restrictions which the Act imposed were, without exception, calculated for the benefit and security of individuals ; nevertheless, it was for the individuals themselves to determine whether to adopt the provisions of the Statute . . . or remain perfectly unfettered by anything but their own will, and the common or more ancient law against fraud or embezzlement. For your committee apprehend that, although the Act of 1793 appears to begin by rendering lawful the institution of Friendly Societies, there neither was at that time, nor is now, any law or statute which deprives the king's subjects of the

¹ 1825.

right of associating themselves for mutual support.”¹ How it fared with unenrolled societies and the common law against fraud or embezzlement, a decision of Lord Eldon quickly determined. An unenrolled or unregistered Friendly Society is only, in the eye of the law, a mere partnership or club. A bill, in the case that came before Lord Eldon, had been filed against the trustees of an unregistered society to compel them to restore a portion of the funds which had been divided among certain members, in pursuance of a vote of the majority, though quite contrary to the intents and purposes declared by the rules ; but the Lord Chancellor ruled that the society had no corporate existence, and that consequently the plaintiffs had no right to come upon the defendants (the trustees) *without bringing in the other minority members, who had shared in the division*. So again, till the passing of the “Russell Gurney’s Act” (1868), in criminal proceedings a member of an unregistered society could not be proceeded against for embezzling its funds, being himself a partner.

I have mentioned these points to give due weight, by contrast, to the value of the privileges at this time (1793) conferred on Friendly Societies that availed themselves of legal protection ; which protection created a new and distinct class—the enrolled or registered Society.

The limit of parliamentary interference had however been reached, in the judgment of the great social science authority of the day, Sir F. Morton Eden — “I am,” he writes, “thoroughly convinced, that if parliament attempts any *further* regulation of these useful establishments, the inclination of the labouring classes to enter into them will be greatly damped, if not entirely repressed.” We shall find,

¹ Parliamentary Paper, H.C. 522, 1825.

however, that the real enemy which Mutual Thrift had to contend against for the next forty years was, not parliamentary interference, but the old poor law administration and its system of allowances.

We have seen the members of the local class of Mutual Thrift institutions placed under the protection of Government and granted special privileges; we have yet to see what different treatment was measured out, at the close of the century, to the benevolent Orders. Secret societies were not in favour with governments of that day, especially if they betook themselves to politics. Then, too, the effects of the French Revolution were plainly visible, and "Spenserian" or philosophical societies were rapidly formed; and where men congregated, there they talked and expressed sympathies, which, at the very least, were not likely to be favourable to the stern, repressive policy of the Government. And the Government was not in a position to distinguish between "Spenserian" societies and Oddfellows' clubs. Indeed, reference has already been made in this chapter to the conduct of Wilkes and Sir George Saville, both Oddfellows, in denouncing certain members of the Government in open lodge-meeting. Dread therefore of the principles brought to the front under the influence of the French Revolution caused the Government to force through parliament, in the last decade of the century, two measures, the Corresponding Societies Act¹ and the Seditious Meetings Act, for the suppression of all secret societies, which Acts were made still more wide and stringent by a further measure (1817) extending their operations. "The laws thus passed were, by means of the local authorities, common informers, spies, and constables,

¹ 37 Geo. III. c. 79.

brought to bear on the community with great severity.”¹ All societies whose members took any oath not required by law (as did all the members of the older Friendly Society Orders without exception) or which possessed branches (as again the Orders did) were declared illegal; and their meetings suppressed, under heavy penalties; “provided always that nothing in the Act contained should extend . . . to any society or societies held under the denomination of lodges of Freemasons.” This exception was made in favour of the Royal Dukes at the head of the craft.

This repressive policy on the part of the Government put a severe check upon these benevolent combinations; country lodges ceased to hold communication with grand lodge, and thus became isolated; the central authority was weakened, and a constitution already sitting very lightly was altogether thrown off. As orders or unities, those clubs had no *de facto* existence. Records were destroyed, and the most vigilant secrecy obtained; and when the eighteenth century closed, the lodges of the Orders were only isolated fragments, disconnected from the parent head, scattered up and down the country, waiting for later reconstruction into corporate bodies.

And while some principles of finance, however imperfect and rudimentary, pointed out the old purely local club, as a genuine mutual provident insurance association, in the older Oddfellows', Foresters', and Druids' clubs “charity dispensed what benevolence contributed, without any care or thought of the morrow.”

¹ Spry's *History of Oddfellowship*.

CHAPTER II.

1800—1834.

BEFORE we proceed further in the course of inquiry, it is highly desirable that we should take a brief historical survey of the industrial and agricultural England of the first half of the present century. Anything that touches the welfare of the artisan or the labourer will be likely to influence more or less his thrift-practice. The reader will then be in a better position to understand the many hindrances which, for at least the first thirty-four years, rendered a spirit of honest industry and independence almost an impossibility in some quarters. The century opened very disastrously, with a great scarcity of corn and cattle, though the ports were opened to foreign grain, and large bounties were given on importations ; but the supplies fell short of the demand, and consequently there was an enormous rise in the prices of the necessaries of life. Then the great continental wars drained the resources of the country, and the bulk of labourers were quite unable, out of their ordinary wages, to command even a bare subsistence. Still the price of corn went on increasing, and foreign ports were closed, and heavy duties imposed ; and all the time the rate of wages did not

increase, but rather became lower. Indeed, witnesses examined before parliamentary committees, on the state of agriculture in 1814, give evidence that the wages were generally lowest in years when the price of corn was highest ; while “the manufacturing population, in consequence of the interruptions to our commerce by the decrees of Napoleon, our own orders in council, and the non-intercourse, ending in a war, with the United States, were exposed to great vicissitudes, and occasionally to privations nearly beyond human endurance.”¹

Two remedial or rather palliative measures were respectively adopted, both of which terribly militated against the virtue of thrift, and the qualifications of character necessary to put it into practice—the one affecting the rural population (and especially that south of the Trent), the other the town population. In rural districts, the widely felt distress was sought to be alleviated by the fatal policy of the magistrates, to make up all deficiencies in the quarter-sessions rate of wages by the system of parish allowances. The old Poor Law administration became the demoralizing agency for the manufacture of paupers to such an extent, that honest wage-earners were at a discount, while numbers of the rate-paying classes found their lot so intolerable, that they elected to swell the ranks of the pauper hosts, and thereby much improved their pecuniary, if not their social, position. The allowance for which the would-be pauper went to the “parish table,” or “statement,” as it was called, was increased if he took with him a wife, with a still further addition for every child. The ex-labourer married at seventeen or eighteen, and claimed the allotted dole. Even the labourer usually in work received an allowance

¹ *Companion to the British Almanac*, 1834, p. 47.

for at least four children ; and if he worked on the roads instead of the fields—that is, if he became state-paid out of the highway rates—he would often receive a pound per week, instead of his usual nine shillings. If a labourer was known to be disposed to be thrifty, and to be investing or putting away savings, he was refused work till the money was gone, and he had been brought down to his proper level. I copy some totals from the “town’s book” of a little agricultural parish of the Midlands now lying under my hand, in order that the readers of another generation may realize in some measure the vast change wrought under the system of parochial allowance—

Disbursements for the Parish.

(pop. 15—20).

			£	s.	d.
1780—1790.	Yearly average	... ..	12	0	0
1799.	Year in which allowances were first granted	... ..	39	9	6 $\frac{3}{4}$
1800.	... ..	... ..	36	12	3
1801.	... ..	... ..	48	7	1
1810.	... ..	... ..	39	19	9
1820.	... ..	... ..	43	16	6

Some general figures will be given in contrast with those under the reformed Poor Law administration later in the chapter ; but to show that this system affected mainly or only agricultural districts, and of these especially southern counties, we subjoin a brief statement of the difference of poor rates expended in manufacturing and commercial counties, and in agricultural, for the year ending at Easter, 1832—

MANUFACTURING AND COMMERCIAL COUNTIES.

Rates expended.	Pop. in 1831.	Average rate levied on each head of pop.
		<i>s. d.</i>
£2,003,000	5,574,000	7 2

AGRICULTURAL COUNTIES GENERALLY.

£2,957,000	4,808,000	12 4
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SOUTHERN AGRICULTURAL COUNTIES.

£1,340,000	1,614,000	16 7
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Europe had been blessed with peace since 1815, and the prosperity, or rather wealth, of the country was increasing in rapid strides; but the economical position of the rural labourer was at its lowest ebb during these years. The practice of Mutual Thrift seemed almost an impossibility.

As regards the manufacturing and town districts, where the pernicious system of allowance did not obtain, public charity stepped in to do its ill work. But here the evil was not so lasting in its effects; the use of machinery increased rapidly. In 1820 there were 4000 power looms at work, ten years later 85,000; and the increase of population in the principal seats of manufacture and commerce since the cessation of the war continued in steady flow. For instance, the population of Manchester in 1801 stood at 95,000, thirty years later at 238,000. The repeal of the Statute of Apprenticeship in 1814, under which it was enacted that no person should exercise any trade, craft or mystery, unless he had previously served in it an apprenticeship of at least seven years, enabled the artisan to earn his own living at an earlier period in life, and did much to abolish that dull, dreary, dead level, to which so many occupations had been brought. The repeal of the whole body of Combination Laws in 1824 also further enabled the artisan and the

operative to improve his position, and raise his rate of wages, giving him freedom of contract between himself and master.

We are now in a better position to estimate the difficulties under which local benefit clubs laboured, and the advantages which gradually showed themselves on the side of the federated bodies, or societies with branches, which, as we shall see, rose during the period in town districts.

It was indeed a bad day for the thrift of the working classes generally. Yet we are told that in 1802 there existed close on 10,000 societies, of which more than half had sought parliamentary protection by enrolment. Thirteen years later the number of members had reached 926,000, and a Poor Laws select committee, sitting in 1817, reported, "they had reason to believe that Friendly Societies, judiciously managed, had in some parishes tended greatly to the amelioration of the condition of the people, and that they should be secured by the contributions of the parish."

But it is to be feared that the verdict of "judiciously managed" could only be honestly given in exceptional cases. In the year 1825, the first of a long series of select committees of the House of Commons was appointed to consider the laws relating to Friendly Societies, which committee conducted an exhaustive inquiry into the working of the "Rose" Act. Among other things Parliament was informed, that there was a great want of security against error creeping into the original constitution of many clubs—since the magistrates at quarter sessions, when granting enrolment, had no means of ascertaining whether the club had the means to carry out its objects. Ruin fell on many old and infirm members because of mistakes in

the compilation of the tables, or rates of annual contribution or subscription. Clubs had an ample surplus when the members were young; but it was found to be totally insufficient, even with accumulations, to maintain those who survived to old age; and consequently dissolution was the only measure left to be taken. Original insufficiency was also augmented by other and great abuses, such as meetings held in public-houses, encroachments made by the secretary or treasurer, too often the landlord of the house, on the common fund; while another abuse will call up a smile. Clubs were in many instances composed of persons working at the same trade, and the habits and opportunities of association which Friendly Societies encouraged, "afforded facilities of combination for raising wages and other purposes, all of which were unlawful, connected with their common business."

In 1817 the position of enrolled societies was further improved by the important privilege of allowing them to deposit their funds in Savings Banks and to receive the high rate of interest of threepence a day. Two years later another Friendly Societies Act¹ was passed, which was calculated to minimize many of the defects of management which the "Rose" Act had left untouched. It placed societies in direct relation with the Commissioners of the National Debt, and so put them on the same footing as Savings Banks. But the great work attempted by the Act was a bold grappling with Friendly Society finance. Justices of the peace were required not to "confirm or allow any table of payments or benefits" until they should be satisfied that these tables were such as had been approved by two persons at the least, known to be professional

¹ 59 Geo. III. c. 128.

actuaries or *persons skilled in calculation*, as fit and proper, according to the most correct calculation of which the nature of the case would admit. But the time for such an attempt had not yet come ; the financial edifice could not be securely built, save out of sufficient and trustworthy materials, and these did not exist. A professional actuary had as yet to be clearly defined, and the two "persons skilled in calculation" in practice meant the employment of the village schoolmaster.¹

But an almost revolutionary change in the Government protection of Mutual Thrift was imminent, and in 1829² an Act was passed which formed "the transition from the system of local to that of central registration," and a small Act of 1834³ carried the process of centralization a step further. Previously, as we have seen, a provincial system of registration and returns had prevailed. Now the authority of magistrates and their clerks to certify rules and pass "tables" was transferred, in England to the barrister at law for the time being appointed to certify the rules of savings banks, in Scotland to the Lord Advocate, and in Ireland to a barrister appointed by the Irish Attorney-General. A duplicate of rules had still, however, to be sent to the clerk of the peace for the county wherein the society was to be formed. Minors might now become members, provided such a minor were admitted with the consent of parents or guardians. The provision requiring the justices to be satisfied that the "tables" could be adopted with safety was repealed, and societies left free to use what rules they chose. The cause of this reversal of policy,

¹ Curiously enough a Welsh society has retained to the present day a schoolmaster as its financial adviser.

² 10 Geo. IV. c. 56.

³ 4 and 5 Wil. IV. c. 40.

giving up all attempt at Parliamentary safety, and leaving societies to themselves in the matter of being able to carry, or not to carry out, their objects, was that the strictures imposed by the Act of 1819 on enrolment were found to be so irksome, that societies preferred to go without legal protection; and there was a great falling off in the number of applications made. The privileges offered by Government were too dear at the price to be paid; the pressure from without was too far ahead of the education within. Besides, the financial test imposed was in itself a failure; "safety to all parties concerned" had not been obtained.

But as a makeweight for these concessions, and as an avowal that the materials requisite for the calculations of actuarial tables were insufficient, the Act took the wise precaution of inserting a proviso that societies should in future make quinquennial returns of their sickness and mortality experience, and that the same should be laid before Parliament. Societies were also to make annual audits and statements of the funds to their members. The privileges of the "Rose" Act were confirmed, but a guinea fee was charged for the certificate of registration, as it now began to be known by, instead of the older term "enrolment."

Additional interest also gathers round this enabling enactment of George IV., as witnessing the result of a new departure. The Mutual Thrift institutions of the country were now strong enough to make their voice heard and their power felt, hard as had been, and still was, the struggle to keep above water in these days of stress and storm. The secret of its good working and efficiency was not that its framers were altogether indebted to the labours of the Parliamentary committee which commenced its sittings in

1825 and continued them till late on in 1827; but because its sponsor, Mr. Portman (the late Lord Portman), M.P. for Dorsetshire, for the first time in the history of the Mutual Thrift movement, put himself into communication with representatives of those bodies for which he purposed to legislate, before introducing the Bill into the House of Commons. After several interviews with a committee appointed by the metropolitan Friendly Societies to meet him, at which important proposals were made and received, Mr. Portman remodelled the clauses of his Bill in agreement with the wishes and recommendation of the parties interested. We may well hope that Lord Portman, in his latter years, was not without the satisfaction which must come from a knowledge that his earlier labours in the people's cause had been greatly blessed. There is, we fear, not so much ground for hope that the older Friendly Society members realized the debt of gratitude they owed to their benefactor. It will be found by and by that the measure of 1875 is under large obligations to its great forerunner on the statute book for the principles that underlie its enactments.¹

At the time the Act of 1829 was passed, the rate of interest allowed to Savings Banks had been reduced from *3d. per centum per diem* to *2½d.*; and the latter therefore was the rate allowed to Friendly Societies not enrolled before July, 1828. The rate of interest allowed on sums deposited with the National Debt Commissioners still remained for many years at the old *3d.* a day.

¹ The writer received from Lord Portman, very shortly before his death (Nov. 1889), a brief outline of his labours on behalf of Friendly Societies, and his opinions on several important financial points. Use has been made of this document.

We are now in a position to continue investigations into the Friendly Society history of the first thirty-four years of the century (the period during which the unreformed Poor Law administration obtained). We have only, so far, traced back to their sources the benevolent or philanthropic orders and the local benefit club, whether of town or country, and have shown the manner in which these very different classes of Mutual Thrift institutions were respectively treated at the hands of the State. As the "secret" Orders were still outside the pale of the law, and as the Act of 1829 (supplemented by that of 1834) dealt only with other societies than the Orders, and offered them, should they so desire, important privileges and concessions, we shall proceed to treat of these latter first.

The term local or isolated society will be no longer sufficiently defining, since several classes of Friendly Societies sprang up during this period and occupied ground between the Affiliated bodies (the nineteenth century development of the benevolent Order) and the purely local benefit clubs; and further we now discover variations of these, which naturally fall into several distinct groups.

The attempts to classify the various bodies known as Friendly Societies have been many; some more, some less satisfactory. For example, the late Registrar (Mr. J. Tidd Pratt) divided them as "ordinary friendly societies, as affiliated orders, as societies for burial, societies for annuities, societies among Sunday scholars, and societies of females"¹—a division so arbitrary in its conception, so artificial in its groupings of bodies having no qualifications whatever in common, that it may fitly be compared to the Linnæan system of botany. Again, societies have been divided

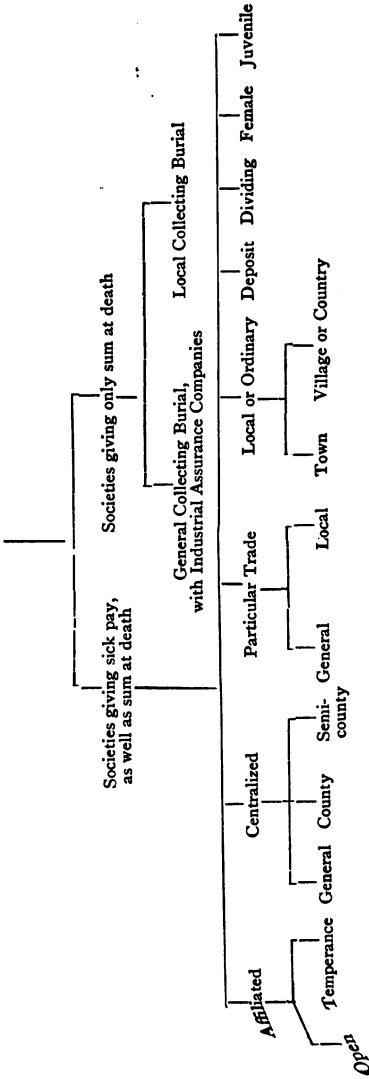
¹ *Report* by Hon. E. Lyulph Stanley, p. 1.

between "those employing agents or collectors, and those where money is paid at the club room." This is correct enough, so far as it goes; but the twofold classification embraces respectively so many kinds of society, as only to be likened to that "mixed multitude" that went up with the children of Israel out of Egypt, and the after sorting of which would be a task almost beyond human endurance to accomplish. Again the late Royal Commissioners sought refuge under seventeen different heads, with the result of many cross divisions and a minuteness of subdivision uncalled for in a popular work and most difficult to sustain. We venture to think that the classification given on page 37 will be found convenient for purposes of reference, as well as prove sufficiently characteristic in its groupings.

Dealing with societies that give sick pay as well as a sum at death, we take up the thread of the older members of the local or ordinary class, as being the original type out of which other types (except the Affiliated class) were evolved, according to the pressure of needs and circumstances. This local or ordinary class naturally falls into two main subdivisions—town or country.

Local Societies: Town.—Of the Town societies, they are nearly all variations of the types already in existence during the first quarter of the century. We must first eliminate all institutions of the particular trade class, and of the dividing class, leaving these for future notice. They, of course, constitute a large element in the composition of Town societies. The remainder range in many gradations, from societies attached to religious bodies (church or chapel) or worked in connection with Sunday Schools, to the old limited corporations that existed in towns, mainly in the South of England, and also in the metropolis. Societies

FRIENDLY SOCIETY SYSTEM



attached to particular religious bodies seem to have been pretty general, though undoubtedly the more common in the north and in the midlands than in the south. A remarkable specimen, however, is to be found in the Exeter Christian Union Society (1829), membership of which was not confined to any one religious body, but open to "all persons between the ages of eighteen and fifty years, who believed in the divinity of our Lord Jesus Christ," and could satisfactorily answer certain test questions, one of which was, "Are you living in the enjoyment of the Christian religion?" The societies connected with Sunday Schools were not, as might be supposed, restricted to the scholars, but were largely composed of the teachers, and of an adult membership drawn from those who had been scholars. They owed their existence to a goodly desire on the part of the promoters of the now fast spreading system of Sunday Schools, to bind together those who were connected with the work and to encourage their economic duty. The same may be said of societies associated with different churches. Consequently we find a small percentage of female members in these bodies; while as regards management it was, for the most part, reasonable in cost as well as efficient, but not educative, being mostly in the hands of managers or of a class superior to that of the average member. The majority of them were established by Nonconformists, as the following names will indicate—Birmingham Unitarian Brotherly Society, New Meeting Provident Institution, and Ebenezer Chapel Sick Society. And such titles as "Wages of Righteousness," and "New Tree of Life" (the address of the last is unfortunately unknown to the Registrar) point to a period of religious revival. The above societies all meet away from the public-house,

and there are other members of this sub-division which also do the same, but there is nothing special about them ; they are similar in characteristics to societies of the General type, save that they are restricted to one locality.

We come now to a more interesting group of old-fashioned clubs, some of them dating from the last century, which met in the public-house and were limited to a select membership ranging from sixty-one to some figure under a hundred. They existed in largest proportion in the old towns in the West of England, and also in London. They were "brotherly" societies, with a membership not allowed to exceed companionable numbers. A certain proportion of funds were spent every club night in refreshment, but we have no evidence that excess of drinking was the rule. These associations were eminently "clubable," and care was taken to select members in which this social quality was strong ; they were, in fact, closed corporations. Instances of survivals, relicts of an older Friendly Society period, may be found in the Exeter *Philanthropic* and *Just Doing and Amiable Brethren* ; the *Old Free and Easy*, the *United Brothers*, and the *Friendly Union* (all of London). An extract from the introduction to the rules of the last of these five specimens of the "olden time" will indicate the social feeling which bound the members together. "'Tis not the benefits only resulting from societies of this nature, but a kindly feeling also that naturally arises, which induces men to unite ; for man is a social creature ; he participates in the sorrows and joys of his brethren. 'Tis not in monastic recluse, nor in the hermit's solitary cell, that the best affections of the heart are excited, or where the great duties of life are promoted. There life, glimmering in its socket, like the sepulchral lamp, enlightens but itself ; but with us,

our hearts and efforts beat responsive." Clubs of this description evidently did for their members, in a small way, that which, as we shall see, the great brotherhoods of Odd-fellowship and Forestry did in a large way; they were mutual insurance societies and—something more.

The majority of societies of the class were very particular in the long lists of excluded trades which were deemed injurious to health. In several the entrance fee was graduated, not according to age, but according to the state of the club "stock"—say, five shillings for every £100. For all the clubs we have been considering were, in old-fashioned style, "stock" clubs, as distinguished from the dividing or "sharing-out" class subsequently to be noticed.

There were also the ordinary clubs attached to this or that public-house, not merely using the public-house as a place of meeting, but belonging, as it were, to the "house"; but the vast majority of these were either of the "sharing-out" type, or else, from their then largely increased numbers, will be more conveniently dealt with in our next historical period.

To sum up. Town ordinary societies may be said to have been of many varieties, each framed and managed strictly in accordance with the immediate local requirements of its members, and not, as a rule, fashioned after any one or more common patterns; though there is still room for the acute observation of the Hon. E. Lyulph Stanley,¹ "In these organizations it is interesting to notice the infinite modifications which the preference of the members made in a general type of rule. We seem to see in the moral world the same variation which Mr. Darwin has pointed out in the physical world, and we can trace to a common ancestry

¹ Assistant Friendly Society Commissioner (1871).

similar societies in remote towns." As to membership, it was drawn from those classes of the community which suffered comparatively little from the depression of the times. There was a fair sprinkling of tradesmen in the composition of many of them; and though, during the first fifteen years frequent distress and irregularity of employment doubtless did close a number of clubs, yet the rapid increase of the factory system of manufacture soon caused them to be very common indeed, in industrial centres, by the time the second quarter of the century had been entered. As we have seen, the artisans and skilled workmen who made up the bulk of membership were removed from the pernicious influence of the allowance system, and must, even in these early and ante-Union days, have commanded a fair rate of wages; for the weekly sick allowance given ranged from 12s. to 20s., with a funeral allowance of from £10 to £18, and half the amount for a member's wife; besides, clubs had a distress or relief fund which, as occasion called, was largely drawn on. Indeed, the rules frequently laid down that members should be in receipt of earnings to the minimum amount of 20s. or 25s. per week. It should be stated that many of the best societies placed their surplus funds in the hands of the National Debt Commissioners, and obtained their threepence a day rate of interest, while others invested in house property, and consequently in after years lost the privilege of legal protection.

Village or Country Societies.—This division of local societies embraces not only bodies known as village clubs, but all societies confined to one locality and providing for the wants of a country, as distinguished from a town population. With variations too manifold to enumerate, the

division may be subdivided into public-house and non-publichouse, these latter being, almost without exception, largely or wholly under patronage and honorary management. The vast majority of the old village clubs belonged to the dividing class, to be subsequently considered. But at the period of history under observation we need not remind the reader that rural societies were labouring under difficulties against which they could not make headway. The rural labourer was not in a position to earn sufficient to meet the wants of the "eternal now," much less save for thrift investment. Hence the village clubs, where they did exist, meeting for convivial purposes at the public-house, were of a debased type, and not such as could undertake much on behalf of Mutual Thrift. Besides, the influence of the Poor Law administration was so demoralizing, that the agricultural labourer south of the Trent elected to join, when the proverbial "rainy day" came, that "parish club in which it was all paying out and no paying in."

In the midlands and north, as we should expect to find, things were a little better. We have the Chorley Friendly Society, founded in the last years of the eighteenth century, of which the majority of the members belonged to the agricultural class. The sick benefit was 8s. a week for the first twelve months' illness, with 4s. for life in chronic cases. In this interesting old club disputes were settled after primitive fashion, by an arbitration committee of twelve, taken "as they came into the room."

If we do come across an isolated society south of the Trent that lifts itself above the average, and stands out from a number of others which disappear almost as soon as they get a hold, it will be sure to be a patronized one, of the non-publichouse type. The *Hitchin Friendly Insti-*

tution is a good sample of its class. The honorary members form a majority on the board of directors, and their subscriptions started the society, which confines its area of membership to an eight mile radius from Hitchin. Its *modus operandi* is rather complicated, and must have been quite beyond the intelligence of the agricultural labourers of that day (who indeed never seems to have taken kindly to it, but left its higher class range of benefits to the small shopkeepers and mechanics of the neighbourhood), giving allowances for sickness, deferred annuities, funeral allowances, and endowments—ten classes, offering higher or lower benefits, in all. Progress however was slow, and never very great. The attractions to members, when not joining under pressure exercised by the landlords or clergy, were but small. There was no annual feast; no beer; no conviviality to lessen the round of dull monotony. The public-house club, with its bad management, was naturally preferred.

In Scotland, there is not much of interest to note. Local societies were rising in numbers, but they almost wholly belonged to a class to be noticed under another heading. Exception, however, may be made on behalf of two rather remarkable societies in the south of Scotland,¹ in one of which members had to pay in four years' contributions before they became "free," or entitled to sick benefit, while in the other society yet another year of probation was added. But though these clubs were under such thorough-going "protection," they did not lead a healthy life and have gradually wasted away, offering no attractions to young men to join.

In conclusion, while it must be allowed that societies of the class under observation, which were established by the

¹ The *Swinton* and *Hatton*.

members who drew the benefits and which met at the public-house, were deplorably deficient financially, those started under the patronage of honorary membership were, many of them, not without their own serious financial flaws. An eminent actuary, Mr. Finlayson, of the National Debt Office, had prepared tables of contributions and benefits (which came into considerable use), that only provided for sick pay up to the age of sixty-five years. The agricultural labourer could not afford to insure for the deferred annuity which was intended to help him on his life-journey, after he had reached the "terminus" of the sick allowance, and was, in subsequent years, left in his past-work age dependent on the poor rates, or drawing on funds for a benefit for which he had not paid the premiums. In non-patronized village clubs, the old distinction of "lie-a-bed" and "walking" sick pay, noticed in the last century, was often in force, to the detriment of the club, convalescents keeping to their beds in order that they might draw the higher rate of benefit.

The Centralized Class.—We come now to Centralized Societies, a class which arose out of a development of the strictly local class, to supply the demand for something more lasting than the ordinary local club, town or country. This type of Mutual Thrift institution was also started in rivalry of the fast growing popularity of the Affiliated type, seeking to provide a wide range of mutual insurance, without incurring the extra expense of setting up the machinery of independent local branch organization and management. These societies are the half and three-quarter way houses between the Orders and the strictly limited membership of one locality. The class falls into three sub-divisions—the General, the County, and the Semi-County. Centralization,

more or less, is the one prevailing characteristic. All societies have only one central benefit fund, all payments, whether made through the medium of branch agencies or not, going to and from headquarters.

The General division, with one notable exception hereinafter to be accounted for, originated in London, and was the outcome of the small tradesmen and skilled workmen to provide themselves with a good insurance. Indeed, societies of this division are offices for life insurance and sickness, rather than Friendly Societies proper, doing their business over the counter—offices in which there is no connection or personal acquaintance between the members, as there is in the ordinary Friendly Society.¹ They are strictly limited in their numbers, and doubtless first sprang from the desire of tradesmen and professional men in a small way of business, and the better paid artisans, to find Friendly Society benefits for themselves without the added club or public-house element. Two societies were founded before the year 1834, the *Royal Standard* (1828), and the *London Friendly* (1824). The former is the original pattern of several later and more excellent rivals. Complete centralization is in operation. There are no branch agencies of any kind, but all the members must pay their money direct into the office—£2 6s. a year, to be paid quarterly. “The sick benefit is 18s. for 26 weeks, then half-pay for 26 weeks; then the member is placed on the superannuated list, when he receives after less than six years’ membership 2s. a week, less than eight years 3s., more than eight years 4s. a week; when on this list a member is free from subscriptions, and may earn for himself up to 12s. a week.² The funeral

¹ *Fourth Report of Friendly Societies’ Commission.*

² See *Report* by the Hon. E. L. Stanley.

allowance is high—£20 at a member's death and half that amount at a first wife's death. Loss of property by fire was also covered, up to the value of £15. This subsidiary insurance was meant to obviate a member being thrown out of work from loss of the valuable tools of his trade which he would himself be unable to replace. There is an annual festival and divisional committees of management, which hold office for six months. The work of these committees is supervised by the "general committee, composed of the presidents and vice-presidents of the smaller governing bodies." The divisional committees receive all contributions. The *London Friendly* differs somewhat. There are branch agencies, at which money is received and handed on to headquarters. Otherwise this institution is for the same class of member as the *Royal Standard*, and was itself a pattern on which other societies were afterwards founded.

County Societies.—The next group of the centralized class is that of County Societies. "The Affiliated Societies have generally their headquarters, or at least their chief centres of influence, among the manufacturing or mining population of the midland and northern counties and of Wales. The General Societies, as has just been seen, almost exclusively affect London. The County Societies, on the other hand, are almost peculiar to the agricultural population of the south and the east."¹ These are, without exception, of the patronized type, covering in operations, only, at the best of times, partially successful, the geographical area of a county. With differences in character of no importance, they are societies "invariably established not by the working-classes, but for them." Some of these were founded in pursuance of resolutions taken

¹ *Fourth Report of Fr. Soc. Commission.*

by the magistrates at quarter sessions, as a means of improving the condition of those classes which were dependent on the rates, and with the hope of eventually superseding the Poor Law by their means.¹ Such an attempt, however praiseworthy, under the allowance system of the unreformed Poor Law, was foredoomed to failure; and being also totally non-educational in its tendencies, could at no time strengthen the practice of economic duty and independence, but rather increased than otherwise the dependence of the rural working-classes on the then governing classes. Indeed, in one of these societies, no parliamentary voter was allowed to become a member. Some again possessed so-called branch committees of management; but these were mere shadows, and as often as not practically consisted of the agent employed in that locality to receive the payments. Still, at the period they were first started, it must be allowed that circumstances were so against the rural labourers south of the Trent, that the County Society and the Semi-County Society were almost the sole Mutual Thrift agencies which offered an insurance worthy of the name. While, at the same time, the success (partial as it has ever been) of this stamp of patronized Friendly Society indicates a habit of dependence on superiors, and an absence of self-reliance on the part of the labouring-classes of the east and south counties, which had been engendered by a loose system of Poor relief, and fostered by an "overlordship" (however kindly in intention), that weakened, instead of strengthened, individual character and initial power.

The earliest society is the *Essex Provident* (1818). Its promoters endeavoured to give the institution as much as

¹ Sir G. Young's *Report*.

possible the appearance of a society of the Affiliated type, and the management of its twenty districts was placed under the immediate control of committees elected by the said districts. But for all practical purposes the honorary members "ruled the roost." Their importance to the financial welfare of the society may be gauged from the fact that their contribution, on admission, was fixed at £5 each, without, of course, any share in the benefits. A special feature was the employment of "collectors" for each district, who were paid head-money according to the number of members they obtained. We shall hear more of these salaried and commission-taking officials when we come to consider the second great branch of our subject—Burial Societies. Like other members of its division, the *Essex Provident* spreads a wide net in order to catch different classes of insurers; there are no fewer than five scales of sick and funeral benefits, ranging respectively from 4s. 1d. to 18s. 5d., and from £3 6s. 8d. to £18. The next established society was the *Hampshire* (1825), which, like its fellows subsequently to be noticed, was promoted and managed by leading country gentlemen and the clergy, and intended principally for farm labourers, with a sprinkling of skilled labourers and small tradesmen. Its members would earn from 6s. to 20s. a week. The society employs, like others of its class, local agents, but not "collectors," who are paid head-money at 2s. a member. Then followed in quick succession the *Wiltshire Friendly* (1828), and the *County of Kent* (1828). The former, perhaps the best member of its class, is really the creation of the late Mr. Sotheron Estcourt, M.P. (of whom we shall shortly hear more); and for many years this indefatigable friend of the poor man's Mutual Thrift, continued to be *de facto* sole

manager. Till 1840 the club was entirely in the hands of honorary members, and it drew its benefit members more exclusively from the ranks of farm labourers than any other of its type. This indeed was the special intention of its philanthropic promoter.

Semi-County Societies.—In Semi-County Societies we trace the same leading features as in County; only as the geographical area covered is smaller, the number of local receiving offices is much less, and there is no pretence of setting up local government in “shadow” branches; the centralization is complete; the government is carried on *for* the benefit members, not *by* them. Here we find three grades of area, ranging from portions of counties, through the political area of the hundreds, to that of the Poor Law Unions, and then shading off to the purely local. Of the first group, the North Devon, South Bucks, North Somerset, and West Suffolk were established between 1824 and the following ten years. Of societies covering a smaller area and confined to hundreds, there is an interesting group in the eastern counties, and of these the *Aldham and United Parishes Assurance* (1826) and the *Margaret Roothing and District Friendly* (1834) are among the largest and oldest. The *Dunmow Friendly* (1832) may also be reckoned with this group. Of societies confined to one or more unions, the majority were the offspring of a type of Mutual Thrift first promoted by the Rev. John Becher, of Southwell, Notts, and hence afterwards known as the “Becher Clubs.” They were most frequent in the Midland counties, and were wholly of a patronized character—the Guardians of the Poor following the example of the magistrates at Quarter Sessions in their attempt to provide for the rural working-classes something more beneficial than unlimited Poor Law relief, and at the

same time to ease the public burdens. We shall have occasion to refer to Mr. Becher again, when we discuss financial matters ; at present it will be enough to say that his intentions were good ; and had he himself been blessed with surer actuarial light and leading, they would have been better still. Space will only allow of the mention of one society of this type, the *Stoke and Melford Union Association*, the grandest specimen of its kind, as subsequent history will show, throughout the length and breadth of the country—a Mutual Thrift Institution that for good work done possesses an unbeaten record.

That the attempts of the landlord and his clergyman, despite the large subsidies and control of honorary membership, to improve the poor man's thrift were, during this period, but poorly rewarded, we have the testimony of the late Lord Portman, the promoter of the Friendly Societies Act of 1829. "I had a long conference," he writes,¹ "with Mr. Becher at Southwell, after the Act was passed, on the subject of his tables, which were largely in use in County Societies as well as in the clubs that went by his name ; but they were too high for the rural population, who preferred ruin in their village societies, with division of the remnants, to the less perilous plan." In other words, they preferred self-control, "feast, beer, and fire," to the mere handing over of a portion of their wages to the care of the squire and the parson. And that the payments under the so-called "Becher tables" were too high for their means—this was the fault of the lowness of wage, and the system of parochial allowances, which the squire and parson did nothing to alleviate. The village club and ruin, or no club at all, seems to have been the law of dire necessity.

¹ In a letter to the writer.

Particular Trade Societies.—Particular Trade Societies may conveniently be taken next in our rapid survey. These are benefit associations “which are confined to one or more special employments, although not, strictly speaking, trades,”¹ and which should not be classed as Trade Unions. This last caution is not unnecessary, since some of the older established Trade Unions registered as Friendly Societies, in order to secure the benefit of legal protection, at that time denied them as Unions.² A good example is that of the Friendly Society of Iron Founders, which is, in fact, one of our strongest and wealthiest Unions. It is not quite accurate to say, with the *Fourth Report of the Friendly Societies' Commission* (1874), that this was a case in which the Trade Friendly Society passed into the Trade Union. Such a body never was a legitimate Friendly Society, but was driven from the unprotected open to the sheltering covert of the Friendly Society system by the exigencies of times in which, if such combinations of workmen had appeared in their proper dress, they would have been denounced and hunted down as dangerous to the community.³

The class comprises bodies of a variety of patterns, the number of which was increased at a later period, when the importance of the class became enormously greater. But some associations, common to London, should first be eliminated, as being of a benevolent or semi-benevolent character rather than self-supporting Mutual Thrift agencies—such, for instance, as the *London Coffee and Eating House Keepers' Association*, the *Job and Post Masters' Provident Friendly*, the *Copper-plate Printers' Benevolent and Pension*

¹ *Fourth Report of F. S. Commission.*

² See Volume of Series on *Trade Unions.*

³ Cf. p. 64.

Fund, and the like. Also, in the provinces, such bodies as the *Friendly Society of the Three Choirs* (Gloucester, Hereford, and Worcester), and the *Liverpool Chevra Toura Friendly Society*.

Particular Trade Friendly Societies range from those of a general type, covering a greater or lesser geographical area of membership, down to the strictly local factory, or pit, or shop club, connected with some firm of employers or commercial establishment. The larger societies of this class are of later origin, and will call for notice during the next period of our history. But the factory clubs in connection with large business establishments began to spring up wherever a particular trade established itself. They are not, however, common in Scotland, except in Glasgow, and are almost unknown in Ireland; while they are frequent in London or our larger towns. Besides these, there is the old established pit or colliery club. These insurance associations were started by different employers as a thrift provision for their workmen and workwomen. In a general way they give sick and funeral benefits, or, as often as not, only the former; but where the occupation is a hazardous one, an accident insurance fund was added. The employés are offered a share in the management, but the ruling power is in the hands of the officials of the firm of employers or, as in the case of shop clubs, directly in the hands of the employers themselves. The masters are the treasurers and hold the funds, and in many instances subsidise the contributions of the members, notably in occupations such as that of coal-mining, in which accidents have to be specially provided against. A great number—indeed, the great majority—of these clubs should be classed with Dividend Societies, the bulk of the funds being shared out every year,

or term of years, and a small reserve only kept in hand. Membership, as a rule, is made a condition, explicit or implied, on employment being given, and the benefits consequently lapse on either the firm closing its doors, or from dismissal, or from one of the many causes which may lead or compel a workman to quit employment in that particular firm. No surrender values of a lapsed insurance are given. The better paid operatives, especially those in large places of business or in a factory, are members in addition of a club of their own, under their own control and management. But generally in shop clubs the employés, male and female, have to depend solely for thrift provision on the resources of the club connected with the establishment. It should be stated that some of this class of provident associations for special trades give, in addition to ordinary benefits, an out-of-work allowance, as is the custom in the more recent Trade Unions. In London such were, at one time, frequent. Among the oldest established societies may be named the *Lithographic Printers*, and the *Farriers Horse Shoe Fund Society*. Scattered over the industrial centres of England an enormous number of small Particular Friendly Societies began, at this time, to take their rise, but they have had, almost without exception, no abiding place, being of the Dividing type. The members looked on anything in the shape of accumulating funds under the control of the masters as calculated to reduce wages, and so insisted on the adoption of the sharing-out principle. Warehousemen, clerks, commercial travellers, all followed the example of the artisans and possessed their Friendly Club; only it was generally based on more enduring financial principles, and in every respect a better class article.

Deposit Societies.—*The Deposit Friendly Society* system

may be classed as the patronized of patronized Mutual Thrift associations. But in calling *Deposit Friendly Societies* "Mutual Thrift Associations," we must disabuse our minds of all notions which, up to the present, we may have had as to the constitution and status of a Friendly Society. The founder of the new idea, the Hon. and Rev. Samuel Best, Rector of Abbott's Ann, Hampshire, is candour itself on this point. In the preface to the rules of the *Abbott's Ann Provident* (1831) he says—"Let the mind in the outset be divested of the idea of a common fund or club. The society is rather a savings bank than a club. A member's money is and remains his own, and under his own control, under such limitations only as are necessary for the protection of all. Each member has his own fund and at his own disposal, if circumstances should require it, to appropriate as he may think fit." Yet the founder claims, in another place, for his invention, that it is a savings bank, a Friendly Society, and a medical club all in one.¹ Indeed, it appears, for some years at all events, to have had still wider aims than this, being in addition a school, medical, and clothing club, an adult loan society, and a "cattle club."

The machinery and working of the Deposit system is so complicated and intricate, that in explanation of it more space will have to be given than the importance, or small success, which has attended this ingenious attempt to combine a savings bank and a benefit society in itself can be said to merit. The main object, as may be seen from the language employed by the founder, is to preserve the individuality of each member, to keep his rate of payments

¹ See *A Manual of Parochial Institutions*. I have drawn largely from this, and the account given in *Fourth Report of F. S. Commission*, for explanation of the system.

by itself, as still his own, though part of a fund for common purposes. In short, the method seeks to attain to a perfect insurance system by a union of individualism and socialism, under which the component parts are only allowed a strictly partial coalescence. *The Abbott's Ann Deposit Friendly* commences with the school period of life. Each child, from his first entrance into the school, is required to pay one penny at least weekly, to provide "for sickness and old age, for the settlement or advancement of the subscriber in life, or for such other purposes as conduce to his permanent comfort" (Rule 2)—a far-reaching provident insurance for a scholar of the infants' class to make. But an even earlier start in the thrift race is strongly recommended, "in the appropriation of the churching fee to the child in the books of the Society, in which an account, as it were even from the cradle, is commenced."¹ To effect the due preservation of the privileges and responsibilities of each member, as in the savings bank, and to combine this with the advantage of mutual assistance in sickness, or in the benefit club, "while each member's account is separate, a fund for sick payments is raised on the members' funds in rateable proportion to their own weekly sick allowance, thus making the advantages and payments depend one on the other." Another peculiarity is that members, within certain limits, fix their own rate of sickness allowances, which are then supplemented out of a sickness fund formed of contributions by themselves and honorary members, "in a proportion determined by the class to which, after medical examination, they are assigned." These classes are five in number, ranging according to a depositor's age on signing, the state of his constitution, or that of the family of which he is a

¹ *Parochial Manual*, p. 17, *seq.*

member, and employment—a sort of imitation of “Lloyd’s clauses” applied to life insurance. Members are admissible at any age after twelve; it would appear that before they arrive at this year of discretion, they are depositors only. The rate paid by each member to the sickness fund is that chosen by him for his sick allowance, and he has to pay yearly, or as occasion may require, as many days’ sick rate as the average sickness of the members during the last five years determines; that is to say, if the average sickness of the last five years, taking the number of members and the number of days’ sickness, was six days, the member will have to pay to the sick rate six days’ sick allowance, whatever that allowance may be. The classes are as follows: (1) Class A, healthy males under 35, having no hereditary complaint in their families, and not following an unhealthy trade. These pay in sickness one-quarter of their sick allowance, receiving the other three-quarters, or 9*d.* in the shilling, from the sick fund. (2) Class B, healthy males under 45, but having an hereditary complaint in their families, and healthy females under 40, having no such hereditary complaint. These pay a third of their sick allowance, receiving 8*d.* in the shilling from the sick fund. (3) Class C, healthy females under 50, having an hereditary complaint in their families, and males under 55, of doubtful health, or following an unhealthy trade. These pay one half, and receive only 6*d.* in the shilling. (4) Class D, females under 60, of doubtful health, paying two-thirds of their allowance, and receiving only 4*d.* in the shilling from the fund. (5) Class E, all who are ineligible to the other classes, and who pay five-sixths of their sick allowance, receiving only 2*d.* in the shilling from the fund.

The old ages allowances are provided for under analogous rules, and interest is paid on deposits at savings banks' rate. Government is entirely in the hands of the honorary members, but three male and two female stewards are chosen for a period of five years by the members who have come of age. All claims for a sick allowance and all payments by the member cease when he is unable to draw the allotted portion from his own fund or "rest"; but after the exhaustion of his "rest," he may draw half-pay from the sick fund only, or from the old age fund, "for as many days as he has drawn sick pay or old age allowances continuously and immediately before" such exhaustion. If the fund of a member drawing old age allowance be not exhausted at his death, it shall repay the amount from the old age fund to the extent of one-half of the remaining fund if necessary, the balance being paid over to the persons whom the committee deems entitled. Expulsion by the committee forfeits everything, "at the discretion of the committee, to the society." The members are of all classes, from labourers upwards, but the amount generally insured for in sickness is 8s. a week. One result of the system, as fully hoped for by its founder, is that the requirement on the part of members to pay a proportion of the sick benefit out of their own deposit or rest will have the effect of keeping them off the sick fund altogether. "There is one man," said Mr. Best, in his evidence given before the Friendly Society Commissioners, "who could have had a sick benefit these five years, and has not drawn it, simply because he must begin by pulling his own fund to pieces." It is obvious that other members may so draw out, so pull their deposit to pieces, as to be left without any thrift provision at all. The clothing club, loan, and cattle insurance branches of

the *Abbott's Ann* are beside our purpose, though there can be no question of their usefulness.

Like other patronized societies the Deposit system is almost entirely confined to the eastern and southern counties. There is no trace of self-evolution about it ; it is a highly artificial and wonderfully ingenious system of provident insurance, imposed on the wage-earning classes from without.

Dividing Societies.—There is another distinct class of Mutual Thrift institutions known as Dividing Societies, the object of which is to provide a certain sum, by means of entrance fees and subscriptions, for sickness and death, with, as a general rule, a yearly distribution among members of the surplus. The type varies somewhat, according to locality. There are what are called yearly dividing societies and “ permanent ” dividing societies, under different designations. We have, among the earliest in date of origin after London clubs, the sharing-out clubs of the agricultural districts of the eastern and southern counties of England. These constituted in the period before us and for some time to come the great bulk of local societies, and were the only thrift agencies, as a rule, within the compass of the agricultural labourer. He had not the means to do better for himself, and the wonder is he did anything at all. The sharing-out club gave him “ beer, food, and feast ” at the public-house, something in sickness and something for his widow and family, as well as an annual dividend, of more or less amount, coming due every Christmas. This last benefit must not be held to be, as a general rule, ill spent in feasting, drinking, or finery of female relations. We have reason to endorse the statement of an old clergyman, now gone to his rest, which covered the early period of these clubs.

“My experience,” he told the late Royal Commissioners, “is, that a little ‘lump’ of money, though it be only 28s. or 30s., coming in now and then, is a very great boon to our agricultural labourers, and I have no reason to think, speaking generally, that it is improperly and wastefully spent. It much more often goes towards the purchase of a pig, or of shoes, or some necessary article of clothing.” Leaving for the present financial considerations, the one great drawback of this class must always be, that the older members were liable to be left out as soon as they stood in real need of long periods of sick pay; but it was not the original intention of the system, “to send adrift at every division of the funds the members who may have proved burdensome.” In practice, however, this misfortune could not be avoided, since if the older members did not leave a club, the younger did and started again without them. Nor did the “drawing down” to the last penny of the sock in hand mean the dissolution and subsequent reconstruction of the club. Some of the better sort, established from fifty to a hundred years ago, are still in existence. A reserve is generally kept in hand and a subscription of from 4s. to 10s. asked for of all members who wish to continue after the yearly divide, towards a fresh accumulation of funds. Still in these clubs the old men invariably have to leave and “look to the parish.”¹ They cannot carry a permanent thrift provision for these members. In most cases of prolonged sickness an advance is made of the whole or a part of the anticipated death benefit, after a certain amount of sick pay has been received, and the member is thereupon excluded. This is called “burying alive.” In others, where the death benefit is provided for by levies, he is

¹ Sir G. Young's *Report*.

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permitted to go on paying his levies, and so entitle his representatives to claim his death benefit, while he is excluded from sick benefit, and excused from regular contributions.¹

Still keeping to the eastern and southern counties, we find a species of sharing-out club in some of the larger towns, which was, at this time, popular as a kind of bank in which the artisans and operatives could accumulate a sum of money, and as a welcome addition, for this reason, to ordinary membership in some more permanent benefit club. Bristol and Southampton were great centres of such. Nor did all these clubs divide annually; some were five yearly and others seven or ten yearly clubs.

Taking London, we have a large number of old dividing clubs located in the East End, and known as "Birmingham societies" or "Slate clubs," some of them dating from the last century. They occur also in numbers at Nottingham and Sheffield, but, curiously enough, are "without honour" at Birmingham itself. These bodies are superior in status to the old agricultural sharing-out clubs, and generally keep a considerable fund in hand, against contingencies. Then in West Lancashire, and especially in Liverpool, there sprang up a species of dividing society known as the Tontine; types of which established themselves in Yorkshire and the Potteries; and, in short, extended themselves throughout the country, and became strong in the northern centres of Newcastle and Gateshead. Passing the Borders, we have another variety of the class, combining with sick and funeral benefits a loan and deposit system, which must not be confounded with the Deposit system in England already noticed, having nothing in common

¹ Sir G. Young's *Report*.

with it. We give the leading rule of one of these old societies, which was conducted on the five yearly dividend principle:—"Any members requiring money in advance, must find two cautioners to the satisfaction of the office-bearers and the committee, and their names, along with their occupations . . . must be given in writing. *All money voted by ballot.* The rate of three farthings per pound will be charged as interest for every month intervening between the time the money is drawn and the closing of the society . . . the interest to be deducted when the money is drawn." The Scotch were evidently more cautious in their money lending dealings than the reverend founder of the English *Abbot's Ann Provident*, which had a rule to the effect that the treasurer had power of advancing money by way of loan at the same rate of interest as the money would receive in the Savings Bank. Security for the repayment of these loans was furnished by the borrower in money standing in some other member's name in the books of the society, who thus became the guarantee.

This subject of loans is mentioned as praiseworthy attempts to provide the much-felt want of a poor man's bank, and not leave him to the tender mercies of the private money-lender and the pawnbroker. In Scotland there also appears to have been established a system of permanent dividing societies, which differ from the ordinary yearly ones in not subjecting their members to an annual election, and in always retaining a portion of the stock to cover eventualities. Also "the practice of having two societies dividing alternately every six months is very common throughout Scotland, the same persons being very generally members of both."¹ The great difference of practice,

¹ *Fourth Report of F. S. Commission.*

however, between such clubs in England and Scotland is, that in the latter the place of meeting is away from the public-house; but if the treasurer is a grocer or clothier there are considerable grounds for believing that the truck system is not uncommon.

Altogether, the Dividing Friendly Societies which towards the close of the first thirty-four years of the century began to spring up on all sides are not without their good uses, and though they militate against the spread of a better and more durable class of Mutual Thrift, still in their measure they supply a real and legitimate need of the working-classes.

Societies of Females.—“Properly speaking, Female Friendly Societies form not a class, but an unequal moiety of the whole number of Friendly Societies, divisible if not divided into as many classes as the larger half comprising both sexes, or composed exclusively of males.”¹ We have already noticed that Female Friendly Societies were common throughout the country before the close of the last century, and also gave reasons why the vast majority of them died away in a very few years. A small proportion of female members entered into the patronized clubs of town and country, and were also admitted into the male clubs in Lancashire, Cheshire, Yorkshire, and similar manufacturing districts of the north. Local societies began to revive in certain centres, where female labour was employed, at the end of the period before us, especially in Bristol and the straw-plaiting districts of Bedfordshire and Hertfordshire. About fifty or sixty years ago, when, as will be shown, the Affiliated Class of Male Society began to grow in popularity, and to be reorganized, many secret societies of women were

¹ *Fourth Report of F. S. Commission.*

established on the analogy of the Oddfellows and similar bodies. There were Odd Females, Odd Sisters, Comforting Sisters, Female Druids, and some others. But as before 1835 they were exceedingly few and far between, these associations will be better noticed in our next chapter.

Affiliated Societies.—We have finished now with the Mutual Thrift Institutions which claimed, or could claim, recognition and protection at the hands of the law. We say “could claim,” because the registration of rules was optional, and when the important question of registration is considered, it will be seen that certain classes of Friendly Societies were by no means eager to lay claim to this privilege, and that in every class there are many bodies which have never sought registration at all. But with the Affiliated Orders we pass on to a class that, during the whole of the first half of the century, were kept without the pale of the law, being considered by Government injurious to the well-being of the community, and dangerous to its safety. Reasons that led to this mistrust of large combinations have already been narrated; and the suspicion with which they were looked upon by authority, increased as these bodies became more and more a *bonâ fide* working-class movement. The very same year (1817) which discovered a select Parliamentary Committee on the Poor Laws making laudatory observations upon Friendly Societies,¹ and advising their better security by means of compulsory contributions from the parish, saw also the passing of an extension of the Corresponding Societies Act of 1799. Constables, armed with warrants, forcibly entered lodges or courts duly opened for business, and demanded the

¹ See p. 30.

surrender of prominent members (named in the warrants) in the King's name. On being asked what the charge was, the answer would be, "You are charged under the Seditious Meetings Act, with taking part in a meeting of more than fifty persons, and you are also charged under the Corresponding Societies Act with belonging to an illegal Association, administering illegal oaths, and using signs and passwords all against the peace of His Majesty the King." Imprisonment followed; while, for the first offence, any person who allowed the club to hold meetings in his house—it was generally the publican—was let off with the payment of a heavy fine.

Liabile to have the privacy of their lodge-rooms invaded, and their meetings rudely broken up by the police, led thither by paid informers; without, as we have shown, any protection worthy of the name against misappropriation and embezzlement of their funds, the Affiliated or Federated class of Friendly Society (which we left, at the close of the last chapter, dispensing in charity "what benevolence had contributed, without any care or thought of the morrow") began gradually and painfully, in the light of an experience dearly paid for, to develop into benefit rather than benevolent combinations. The scene shifted from the metropolis to the industrial centres which were so rapidly increasing in the midlands and the north. The professional and trading classes which had, in the main, originated the old-fashioned fraternities of the last century now kept themselves to Freemasonry proper (specially exempted from the operation of the Seditious Meetings Act and Corresponding Societies Act); while, under the influence of the aristocracy of labour which flocked to the ever-growing towns north of the Trent, the Secret Orders took a new lease of life, lengthened their

cords and strengthened their stakes, and became the parent of the later co-operative movement.

This change in the social status of membership of the Secret Orders was doubtless much forwarded by the increased exclusiveness of the Freemasons, the entrance fee having been raised for all members of the craft to no less than six guineas. Such a policy would operate, as it was intended, as a check upon working-men, and lead them to form or remodel associations "for themselves by themselves."

"By degrees . . . lodges of Oddfellows which were banded together by signs, passwords, and the right of access, and visiting between members of different lodges, set up a general secretary to carry on the correspondence and collect the information for the Order. They also established a fund from which members in sickness were entitled to relief, and held an annual conference where delegates from the various branches met and discussed the affairs of all the brotherhood."¹ Offshoots of the old Union Order of Oddfellows (from first to last little more than a loose association of convivial and benevolent clubs) established themselves on independent lines in different centres, and became the *nuclei* of benefit associations which subsequently became Unities of more or less importance. The following shows the dates at which these different consolidations, as it were, took place—

UNION ORDER OF ODDFELLOWS (1745).

Manchester Unity (1812).	Nottingham Imperial Order (1812).	Bolton Unity (1832).	Leeds United (1834).
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¹ F. S. Commission : *Report* by Hon. E. L. Stanley.

Both the Union and the Patriotic Oddfellows maintained a precarious existence in a few scattered and disorganized London lodges for some years, but finally disappeared either by dissolution or absorption into other bodies. But as an example of the survival of the fittest, an independent lodge of the Union Order, known as the Britannia Lodge (Woolwich), may be cited. In the year 1805, reading the signs of the times, unlike its contemporaries, it sought to meet them by transforming itself into a genuine benefit society; and it had its reward, for this Lodge, continuing steadfast on its way, fifty years afterwards, long after it had outlived the other London lodges of the old Order, became the parent of the Kent Unity of Oddfellows.

But the great leader of the new departure was the Manchester Unity, formed by a secession of members from the Union Order about the year 1812. That the movement, fraught with almost world-wide after consequences, should have originated at the "cotton metropolis," was one of the signs of the times. The founder of that Mutual Thrift institution which "was to stretch as far as the British Empire stretched, growing with the growth of that Empire, till *financially* and (to the last decade) *numerically* it became the first Friendly Society in the world,"¹ was probably Mr. Robert Naylor, who opened in the borough of Salford a social and benefit club which attracted members from other similar clubs, owing to the strange and advanced type of its ritual and ceremonial, in which the comparatively (for that day) moderate performances of the old Union Oddfellows were quite thrown into the shade. The influx of membership necessitated the formation of other lodges, and the first

¹ For detailed account of the Affiliated Friendly Societies see Wilkinson's *Friendly Society Movement*.

established lodge was raised to the rank of grand lodge. "At first the government was in the lodge from which emanated this movement towards unity. Gradually the government of the Order spread to the Manchester district. In 1816, the first corresponding secretary of the Order was appointed. About this time the first financial step outside the lodges was taken by establishing a general funeral fund in the Manchester district, which distant lodges were permitted to join on paying an entrance fee. In those days the districts of the Manchester Unity throughout the country had not been popularized in their government as they are now, but the germ of districts existed in the influence of district grand lodges from which other lodges had been opened, and which held a kind of local supremacy."¹ In short, while a mutual insurance, on a rough financial basis, was added to this class of society, in point of constitution and government the Manchester Unity and other similar brotherhoods still retained the pattern and form of the Freemasons, the districts occupying the same place as that of the provinces in the ancient craft. Indeed, a determined effort was made from Manchester to consolidate the society and also induce lodges loosely attached to other fraternities to join, the Order having by 1820 spread itself over large districts of Yorkshire, the Potteries, and opened lodges in the distant metropolis.

With this aim the Annual Movable Committee, to be known henceforth as the A. M. C., was held two years later in Manchester, "and power was given to legislate for the Order." But it must be remembered that the committee was not elective or representative, but consisted only of the officers, past and present, of the district and lodges,

¹ F. S. Commission : *Report* by Hon. E. L. Stanley.

while the executive was composed of members only of the Manchester district. No democratic element had yet entered into the constitution; all was modelled on the autocratic type of the Freemasons. And it was quickly seen that two could play the same game. On a rough draft of the proposed constitution being sent to London lodges, these lodges determined to be beforehand and seize the reins of government themselves. Instead of replying to the Manchester Grand Committee, they hastily summoned a meeting and set up themselves as the grand lodge of England, and sent emissaries to Ashton, Rochdale, Huddersfield, and other quarters in which lodges had been suspended for bad conduct, and invited them to range themselves under the banner of the new Unity, which, to distinguish it from that of Manchester, they named the Improved Independent Order of Oddfellows, or the London Unity. This Order was thus formed from the first of a long line of secessions from the Manchester Unity, itself, as we have seen, a secession from the older Union Order. Meanwhile the standard of revolt was raised at Leeds, which appeared as another candidate for the seat of government, and called on the Yorkshire lodges to gather in force. But after long discussion and correspondence, and some sort of compromise on both sides, the storm was, for the moment, allayed, and at the A. M. C. the next year (1823) a revised and more liberal code of rules was adopted, which became the basis of all subsequent reforms. There was still, however, a strong feeling running high in many quarters that the Manchester brethren took too much upon them, and the storm of discontent broke out again with renewed vigour. Further concessions were made by the Manchester district, the mother lodge of which abandoned its claim to be a

grand lodge, and its ruling committee gave place to a board of directors, who, however, for some time to come, had to be elected from the officers, past and present, of the Manchester district. Piece by piece, under the influence of an ever-increasing democratic tendency, the A. M. C. became elective. "The lodges would pay the cost of a deputy, and could consequently elect from among the past and present officers the persons they would send. Thus the majority of those attending having been chosen by their lodges, the idea of election, as opposed to mere official standing, grew stronger."¹ So, despite governments and laws, "amid the turmoil of party-feelings," writes the society's historian, "that prevailed in the Unity, it continued to progress and make head against the slanders of the ignorant or interested; and while the ministers of religion and the newspapers denounced our Order and its adherents in one part of the country, it found advocates who lauded and praised its conduct in others."² It is interesting to note that at such a period in the history of Oddfellowship, Henry Brougham, soon to be Lord Chancellor, and at this time the idol of the people, became one of the first honorary members of the Manchester Unity. Remarkable also was the spread of the Order in Wales, in which principality by 1830 fifty lodges had been opened. The cause of such rapid progress was partly accounted for by the failure of the Trade Union Clubs, formed by the miners in the coal-getting districts, who, looking out for some other method of providing against the casualties attached to their occupation, became enamoured of Oddfellowship.³ By 1834 the Unity possessed 781 lodges, with a financial

¹ F. S. Commission : *Report* by Hon. E. L. Stanley.

² *Spry's History*.

³ *Ibid.*

or benefit membership of 47,638 souls, so mightily grew the single germ planted in Manchester twenty-two years previously.

Simultaneously with the founding of the Manchester Unity of Oddfellows, other offshoots of the loosely-organized Union Order coalesced to form the Nottingham Ancient Imperial Order. The grievance was the usual one, that of suspension at headquarters for disobedience of grand lodge. No records of any organization are to be met with, however, till 1825; a wholesome dread of the law and a fear of being regarded as a political body dangerous to the State led to all proceedings being conducted *in camera*. Six years later a constitution was drawn up on strictly Masonic lines of government. There were provincial chapters and grand lodges; but no districts, as in other of the Orders, for the payment of a funeral insurance and supervision over the lodges. As its title implied, there was nothing of the democratic element about the constitution. The Grand Mastership of the Order was conferred on a peer of the realm, and made hereditary in the person of the Earls of Scarborough, and a Grand Chaplain from time to time appointed. The government was in no way representative; but all executive and legislative authority was vested in a grand lodge, consisting of officers of the Nottingham lodges; in which town the annual meeting was always to be held. The doctrine of centralization was rigidly adhered to, and all lodges were compelled to establish benevolent funds and join a general funeral fund. Honorary subscribing members who were not entitled to benefits were also, contrary to general custom, entitled to take office. As up to quite recent times the members themselves were aware of their numerical strength or the state of their

finances, we are unable to give any statistical information respecting the Order.

The Ancient Noble Order or Bolton Unity and the Leeds United Order of Oddfellows were later formations under a more settled form of government, and do not call for any special notice, taking average rank in the class to which they belong. But one other secession took place during this period from the Manchester Unity itself, and took the title of the Albion Order of Oddfellows (1831), Nottingham.

We still have left another Unity of Oddfellowship to account for, namely the Grand United Order, the establishment of which is involved in the mist of much doubt. This Unity subsequently became the third largest Friendly Society in the United Kingdom, indeed for many years it was the second largest, surpassing the Foresters in point of members. Mr. Spry, the historian of the Manchester Unity, says that he was "led to suppose this Order was formed out of the great secession that took place about the year 1817," meaning apparently that it was another offspring of the old Union Order. But the origin of the fraternity would seem to date further back, from the last century, and to have had its headquarters in London. With the Improved Order, South London Unity (1820), the list of Unities of Oddfellows is, for the present, closed. The scattered remnants of the Union Order were absorbed in one way or another, till all traces of the original parent disappeared. They all, with the great exception of the Manchester Unity, remained, during this period, stationary as regards constitution and government—stiff models after the likeness of Freemasonry.

Taking up the history of the Foresters, whom we left in

the last chapter planted in Leeds, the early years of the century proved very adverse to healthy growth, and the laws against secret combinations appear to have hit this fraternity severely; no numerical progress was made till 1813, and then it became rapid. Sixteen years later the Royal Order possessed no fewer than 93 courts or branches, and by the middle of 1834 over 350 courts had been opened in Yorkshire, Lancashire, and Cheshire, besides one in America. "Prosperity appears to have filled the minds of the supreme officers with ambitious thoughts."¹ The reader will see in the next chapter what comes of that "vaulting ambition, which o'erleaps itself, and falls on the other" side.

Turning to the Druids, we find them continuing their antiquated ritual and benevolent and social aims, without any guaranteed benefits to their members; but when the spirit of reform began to be abroad, after a severe and prolonged struggle, the Order reorganized itself, in 1833, so far as the imperfect light of that early day permitted, and seeking to gather together other fragments of still older clubs, added the qualification of "United" to that of "Ancient."

That most ancient fraternity of the Free Gardeners at this time came south and crossing the Borders set up several Unities in England; but all information is shrouded in mystery; both ritual and rules were concealed from the uninitiated under an oath, taken by the candidate for admission, accompanied by most fearful penalties.

We conclude our list with a notice of two Orders, both of which took their rise from the latter years of the period under consideration—the Order of Romans (Leeds,

¹ Stead's *Historical Sketch of the Order.*

1833), and the Loyal Order of Shepherds (Ashton Unity), 1827. The former fraternity, as the title would imply, is of scholastic origin, the founder being one John Cheesman, school-master, from whom the Order took its classical title and nomenclature. The branches were known as Senates, which were each governed by a most excellent Senator, a most excellent Vice-Senator, four Lictors, and two Centurions. One of the duties of the most excellent Senator was to see that a deceased member had a substantial coffin made for him. The Lictors' duties were to support the chairs in the senate, and to visit and pay the sick brethren. The duty of the Centurions was to keep faithful watch and ward over the doors, to guard the senate from the intrusion of strangers and those who did "not give the required satisfaction."¹ While the adoption of the old Roman motto, "One for all, and all for one," gave the keynote to the spirit that guided the society.

The titles and pretensions of the secret Orders have been frequently held up to ill-natured ridicule or good-tempered badinage, on account of their real or seeming strangeness and incongruity; such, however, are beside the mark so far as the Ashton Unity of Shepherds is concerned, the germ of which great Order is to be found in the meeting of twelve persons at the Friendship Inn, Ashton-under-Lyne, on December 25, 1827, to enjoy a social evening. "It is Christmas time; the little band of twelve, assembled at the comfortable board and warm fireside, do not forget its message, 'Good-will towards men.' In their humble, hearty way they determine to act upon the inspiration of the day. In what better form could they extend good-will towards their fellows than by putting their savings

¹ *Short History of Affiliated Friendly Societies.*

into a common fund for mutual support in times of distress, and as a provision for the widow and the orphan? And copying as they did the example of the Chief Shepherd, whose Birthday they were keeping, what better name could they give the child of their creation than the Order of Shepherds? What better motto could they take for the guarantee of success than 'Christus noster Pastor'?"¹ But the honour of having been the first of the twelve to suggest the title of the young fraternity must be given to Philip Buckley. As in the Order of Romans we traced the influence of the school-master, so here we see at work the influence of the shepherd, or rather that of the shepherd's daughter, whom Philip Buckley married, and under whose inspiration he gathered together all the biblical passages bearing on the calling and occupation of a shepherd. Hence we get the title of "Abel" lodge for the first opened branch of the new Unity, and called No. 1 "in the event of being able to extend beyond one lodge." Truly, it has proved itself to be a case of the meek inheriting the earth. The origin of the Order was steadily kept in view. The Guardians of a lodge were to carry a pair of shears in processions and wear broad-brimmed hats, while the officer who carried the harp was known by the title of "Minstrel," and the brethren clothed themselves in aprons of lambskin. The Order grew and multiplied, and in eight years' time possessed nine districts, or groups of lodges, and 2,660 members.²

The reader will already have seen enough of the Affiliated class of Friendly Society to be able to distinguish it from all other competitors in the thrift race; an Affiliated Order is,

¹ Wilkinson's *Friendly Society Movement*.

² *Short History of the Affiliated Friendly Societies*.

above all things, a “Friendly” Society indeed—a brotherhood in which the social element is the mainspring of action ; a sick and burial club, and something more.

We have exhausted our list of the first of the two main divisions of the Friendly Society system, namely, *societies giving sick pay as well as a sum at death* ; there yet remains—*societies giving only a sum at death*. The first sub-class of this division, that of General Collecting Burial Societies, of which notice is reserved, is, in all its essential qualities and gigantic growth, of later origin ; while the local collecting group is comparatively a small one, ever tending, when largely successful, to merge into the general type. We quote from the exhaustive Reports of the Friendly Societies Commission (1871-74), to show the character and origin of this rudimentary and primitive form of Mutual Thrift. They began at the close of the period under examination to be common in the industrial centres of the north. In Yorkshire we have what are called funeral briefs. “In these funeral briefs there is no accumulated fund, but only the amount due on one or two deaths kept in hand ; and at each death a levy is made on each member, which is collected by the collector, who gets a small fee for his trouble. When these funeral briefs are limited to adults they are almost certain to break down as the original members get old. For younger men prefer to form a new brief of their own and not join a society in which the levies occur frequently. But where a brief includes children it may last indefinitely, for young people join the brief on marrying for the sake of the children they expect to have, and the risk of death among whom they specially wish to guard against.

“In these briefs the levy is often made on each family, not on each individual, and the levy may be uniform, whether

the family is large or small; thus a young couple on marrying make a speculation,—should they have many children they gain, should they be childless they lose.”¹

In the south and east of England local Burial Clubs come under the unfavourable notice of another Report.

“The local Burial Clubs are to be found in greatest numbers and popularity where large numbers of artisans are collected together in the same or similar employment, and especially, so far as the south of England is concerned, in the neighbourhood of the Government dockyards. They have generally grown out of the custom of sending round the hat, on the decease of a fellow-workman, to collect something for his funeral and family. They thus commence in the rude form of a ‘levy,’ the contribution being 1s. all round, which is collected by some friend of the deceased, and handed over to the widow. A society in this stage has no accumulated fund, and would in no respect be benefited by registration. The first step in the way of organization is to ‘keep one death in hand,’ so as to avoid the delay of collecting the money when it is wanted, and hand it over in time to meet the first necessities of bereavement. This will involve some trouble and some responsibility in the collector, and a small subscription is accordingly added, sooner or later, to defray expenses. Some clubs are registered at this stage, and the ‘death in hand’ will be returned to the registrar as representing the accumulated fund of the society, and added up as such in his totals, with results somewhat misleading, and confusing to the averages. The next step is taken when the club gets large, and the calls in consequence become frequent. The benefit will have risen simultaneously, and is observed to be in-

¹ *Report* by Hon. E. L. Stanley.

creasing fast as the club increases in number. A subscription, weekly or otherwise, sufficient at the then existing number of the club to cover the current outgoings and something over, is now substituted for the levy. The benefit is at the same time limited to about the sum to which it has now risen. The 'thirty pound,' 'fifty pound,' and other death clubs of large benefits, with the still more inviting 'Grand Provision,' to be found here and there among the erased entries in the register, owe their brief existence to this circumstance. The benefit thus fixed cannot long be maintained; and the first economy is to cut off the 'nominations' or extra benefits on death of the wife or other nominee of the member, which in the last glorious days of the levy have frequently been added. But in the meantime the 'something over' of the contribution will often for a short time accumulate; and it is by no means uncommon to divide a portion of it by way of bonus. In this way the decline of the club is accelerated, until the rapid diminution of stock forces upon the members the conviction that the majority of them will inevitably survive it; and then the younger and middle-aged majority will force upon the older minority the division of what remains. The burial club which survives a generation is an exception."¹

We close this period under which, in the midst of much opposition, without the protection of the law, or "the influence of superiors," so many Mutual Thrift Institutions struggled into existence and grew and multiplied, sometimes amidst seeming impossibilities and with no clear light to guide their path aright, with a quotation from the painstaking and accurate historian of Oddfellowship, to whose

¹ *Report* by Sir G. Young.

early labour in the field of investigation we are so largely indebted—

“Some of these early associations, on the night of meeting, sent round the ‘Axe,’ as it was called, and received a promiscuous contribution, to form a treasury to assist distress cases. Then another form was, every sick member who was in distressed circumstances was relieved by 1*d.* per week, given by each member, and if he died 1*s.* was given to help pay funeral expenses, and if a wife died 6*d.* was contributed. These gifts, of course, were only made to very needy members. There was no claim by any rule. No regular system of relief was introduced until 1829, and then from a general contribution of 1*s.* per month preposterous benefits were promised, and paid, to the ruin of many of the early lodges.”¹

These words aptly illustrate the non-financial character of this early stage of Friendly Society progress, and the truth contained in them cannot be restricted to the Affiliated class, but, with the exception of a few patronized clubs, is applicable to the whole system. We stand, however, on the threshold of reform.

¹ Spry's *History*.

CHAPTER III.

1834—1870.

MANY things now combined to promote the cause of Mutual Thrift and many disabilities were removed. Above all, a reformed Poor Law (1834) made the practice of economic duty possible in quarters where for so many years both law and custom had discouraged any attempt on the part of the rural labourer to provide *for himself*; but had taught him rather, as we have shown, to live on the rates, extract as much permanent relief as he could out of a nearly bankrupt body of ratepayers, and do in return as little work as possible. The condition of things was now wholly changed. The industrious man had a little chance given him, and the idle ones (to use their own language) were put to the rout and forced to beat wide for a living. No able-bodied applicants received out-relief, but when offered the "house" withdrew, in the proportion of 90 per cent., to earn their own daily bread. The greatly lessened expenditure in the new Poor Law system also began to operate favourably on the side of the practice of thrift. For the five years 1830-4 the average annual sum expended in England and Wales on actual relief amounted to £6,754,590, while the annual average for 1835-9 was only £4,567,988, showing, with

an ever-increasing population, a yearly average saving in the five years of over £2,000,000, and a total saving for the whole period of £10,933,013, and these savings were largely dispensed in higher wages. The extent to which wages in agricultural districts might be affected will be evident when we take 4,082 parishes, including such districts, with a population of 2,722,000, and where the expenditure under the old Poor Law had reached the large sum of £2,089,000 per annum, or 16s. 1d. per head, which expenditure by the year 1839 had been reduced to £1,187,000, or 8s. 7¼d. per head—a saving of 46 per cent. And as an example of the effect on the rural working-classes, we may instance the case of Kent and Sussex, counties specially immersed in pauperism prior to 1834, but which showed under the new condition of things the subsequent relatively largest increase in Friendly Society membership. In other words, the substitution of increased wages for the old plan of a low remuneration and a heavy subsidy from the rates, had placed it in the worker's own power to make for himself a provision against sickness and funeral expenses, instead of, as formerly, coming on the parish for these benefits.

But though a reformed Poor Law administration did much to give an impetus to self-reliance among the workers in rural districts, and especially affected the local and patronized Friendly Societies of the southern and eastern counties, it did not largely affect the social and economic condition of the artisans and skilled workmen of the northern and midland centres of industry. But what aided the artisan and the operative, and enabled them, in increasing numbers, to make a better thrift provision for themselves and those dependent on them, was the consummation and

subsequent rapid growth of that vast change in manufactures from the domestic to the factory system. Undoubtedly, for a time, the advantages of the new system were on the side of the masters, not the men, and wages at the beginning of the Queen's reign were miserably low ;¹ but still it taught the men the powers that lay in combination ; and as the workers became more and more a distinctly marked-off class, the spirit of self-help and self-reliance on their own resources grew in strength. The trial was severe, but the very fact that it was so, braced the nerve, and confirmed the will. The philanthropic labours also of Lord Ashley, afterwards Earl of Shaftesbury, and Richard Oastler, which resulted in the passing of the famous Factory Acts, did much to improve the social condition of the workers. Then came the repeal of the old system of protective duties and taxes bearing heavily on the masses, under which nearly half of the workmen's wages went in paying these duties and taxes. An appreciable advance was made in 1846 with the repeal of the Corn Laws, and Free Trade restored material prosperity to the people, while the repeal of other duties, such as stamp duty on newspapers and the paper duties (1861), brought knowledge within the reach of the people.² The effect of this abolition of taxes on knowledge is seen when we consider that the newspaper circulation, which averaged 800,000 copies weekly at the time of the Queen's accession, rose to 10½ millions in 1864, three years after the repeal of the duties.³ Railways were now opening up the country with marvellous rapidity ; in 1835-6-7, Acts were passed for fifty new lines, extending to an aggregate

¹ See Gibbins' *Industrial History of England*, p. 192.

² Toynbee's *Industrial Revolution*, p. 211.

³ Mulhall's *Fifty Years of National Progress*.

length of upwards of 1,600 miles. Communication between different centres was made easy, and special means afforded for the extension of the great affiliated class of Friendly Societies. Knowledge followed in the track of the "iron horse," and ignorance, bred of isolation, was largely dissipated.

It may be roughly stated that with the Victorian era commenced the financial period in the history of Mutual Thrift Institutions, though we left these institutions under the Friendly Societies Act of 1834, with absolute freedom in the matter of choosing their own rate of premium for benefits insured. But this freedom was better than being tied down to the use of unreliable tables of mortality and sickness, as had previously been the case. So much has been said and written about the rule-of-thumb methods of non-actuarial scales of payments used by the majority of the older Friendly Societies, and the inability of any, except experts, to deal with the financial arrangements of the Mutual Thrift Associations of the British working-man, that it is as well that it should be known that, previous to the Victorian era, the calculations of these very experts and actuarial authorities were not themselves devoid of dangerous error—did indeed, as the elder Neison, in his *magnum opus* (*Contributions to Vital Statistics*, edition 1845), has openly showed, bring to an untimely end thousands of societies which used the tables recommended them by authority or passed in accordance with ratios of mortality and sickness supposed to be correct.

It is scarcely to be believed that when Government imposed the certifying by authority of safe tables of contributions for benefits to be received, before registration was allowed, *no such tables were in existence*. There were

the tables of Dr. Price, the well-known mathematician and Nonconformist divine, dating from the close of the last century, founded on an hypothesis which subsequent experience proved to be wholly unreliable, and under which the Government charged one-third too low for the purchase of its annuities, with an estimated loss to the country of £2,000,000 before the error was rectified. "It is quite impossible," writes the author of *The Progress of the Nation*, "that any similar series of blunders could have been committed by any private persons, or association of individuals, whose vigilance would have been sufficiently preserved by their private interest; and it is disgraceful that the Government, which could have at all times commanded the assistance of the most accomplished actuaries, should have fallen into them. It is yet more disgraceful, that after the evil had been discovered and pressed upon its notice, so many years were suffered to elapse before any step was taken to put a stop to the waste of public money."

Yet this so-called and mis-called Northampton table of mortality, based on imperfectly gathered facts relating to the middle of the last century, was confidently recommended in the Report of a Parliamentary Committee, as were another set of tables prepared by Mr. Morgan, the nephew of Mr. Price, and Mr. French, actuaries, known as the "Southwell" tables of sickness, on the strength of which a goodly number of societies were certified, and among them many patronized societies, such as, for instance, the Dorset Friendly. These too were subsequently found to be most delusive guides. In 1825 had also been issued the sickness table of the Highland Society, which did not improve matters, but caused further disaster in the Friendly

Society camp ; since Mr. Neison afterwards conclusively proved that during the decennial periods of life, ranging from twenty to seventy, the actual sickness experience of Friendly Societies exceeded by from 32 to 37 per cent. that provided for in the tables of the society in question ; or in other words, "Friendly Societies actually experience about 138 weeks' sickness in fifty years, while the Highland Society table would lead them to expect 88 weeks only."¹ But still more disastrous to the financial well-being of societies than the Highland tables, because more widely adopted, were the so-called Government tables, calculated by the elder Mr. Finlaison, prepared under the direction of the Lords of the Treasury, and issued with the *imprimatur* of the Registrar, Mr. Tidd Pratt. This actuary set up a definition of sickness, endorsed by the famous Registrar² (of whom more subsequently), which was contrary to all Friendly Society practice, and provided only for "sickness incapacitating from labours *requiring constant medical treatment, and of limited duration,*" entirely excluding from benefit cases of chronic ailment, slight paralysis, and mere decrepitude. The pardonably severe language of Mr. Neison is so much to the purpose on this point that we again take to quotation :—"The object which a working-man has in view, in joining a benefit Society, is not to provide only for sickness of *limited duration, requiring constant medical treatment.* If this were the only purpose of Friendly Societies, they would be nothing more than a delusion and a curse to the provident working-man. . . . The true object and

¹ Neison's *Vital Statistics*, p. 416, ed. 1857.

² Appendix to the *First Report of the Registrar of Friendly Societies* (1856).

mission of Friendly Societies, when properly considered, and as regarded by the working-man himself, is to afford him a competent support and complete independence during periods of sickness, incapacity, and disease, however protracted. Their object is not to form a stepping-stone to aid the industrious and prudent to pass from the active and manly independence of their days of vigorous labour to the degraded pauperism of the workhouse. Were Friendly Societies so constituted, they would be a disgrace to the country, and could never receive the support and sympathy of the people."

Amid so much failure, then, so much going out of hoped-for actuarial light, was there, at this period, any true dawn?

Setting aside the calculations, supported by material alterations of the actual data before him, on which Mr. Finlaison based his "fancy" table of contributions and benefits, we find in Charles Ansell, Esq., the actuary to the Atlas Insurance Company, the first reliable financial light in the Friendly Society world. It is true that, owing to imperfections in the data supplied Mr. Ansell, that even the increased rates of sickness contribution, shown in his tables, ultimately proved insufficient to carry safely the benefits assigned them; but what we contend is that Mr. Ansell in his *Treatise on Friendly Societies*, published in 1835, under the superintendence of the Society for the Diffusion of Useful Knowledge, introduced a new era in the management of societies, and conferred benefits on the working-class community of no mean order. He took the doctrine of interest of money and the doctrine of probability, first cleared them of many old errors, and then practically applied the doctrines to the affairs of Friendly

Societies. Greater lights have since arisen and obscured the lesser luminary, yet we can confidently say that, as a work to consult on the early history of ordinary societies, as a guide and counsellor to the best methods of management and the framing of rules, Mr. Ansell's treatise might be read with great advantage even to this day, and has only been superseded by the *Year Book of the Friendly Societies Registry Office*.

The purely scientific principles laid down by Mr. Ansell were carried on, rectified and extended, by Mr. Neison the elder, in his *magnum opus* already referred to. This eminent actuary's *Contributions to Vital Statistics* (1845) will always remain as a monument of learning, industry, and research, absolutely indispensable to the student.

We must now turn to inquire what the Manchester Unity of Oddfellows, as the reform leader of the great affiliated class of Friendly Societies, was doing in this direction, and what led the society to take in hand the thorny subject of finance, and to commence an unparalleled series of self-reforms, which have continued without intermission down to the present day, and have placed the Order in an unrivalled financial position among its many competitors for popular favour.

At the A. M. C., held in Newcastle (1844), the foundation of reform was laid; the then condition of the Manchester Unity being outwardly one of prosperity, but inwardly without real branch control, each lodge, in financial matters, doing that which was "right in its own eyes." "The payments could not carry the benefits, while exorbitantly high funeral allowances, or rather donations, were given. The expenses of the management fund were also found, in many cases, to exceed the expenses of the sick fund. Upon the

state of things here revealed, the Directors called upon branches to keep a regular record of their sickness and mortality rates, and make yearly returns to the Unity, that, as soon as possible, an average might be got at which would enable them to fix a scale of payments on the part of members, in some degree proportionate to the scale of benefits promised; and further, that the practice of *donatives* be put a stop to before still greater mischief were wrought. The rapidity with which the Society was making members rendered these measures imperative, since otherwise every new member, as he added *numerically* to the strength of the Order, proportionally weakened the *financial* strength of the same.”¹

Further measures were ordered to be undertaken by the succeeding A. M. C., with the result that the strain proved too much for the loyalty of some of the older districts, notably those of Manchester and Salford. The above two districts were suspended, and eventually left the Unity to form the nucleus of the National Order (1845). The Directors and annual parliaments had good cause for the policy now inaugurated. Mr. Neison had published, in a cheap, popular form, an abstract of his larger work, under the title of *Observations on Oddfellows and Friendly Societies*, which rapidly went through a number of editions, spreading broadcast a terrible indictment against the Order. It was said that in fourteen districts, comprising 297 lodges and 17,059 members, the management expenses amounted to 150 *per cent.* of the total amount paid for sick allowances; that, with an annual income of over a quarter of a million sterling, there was an annual deficiency in the receipts to the extent of £209,688; and that in order to be in a

¹ Wilkinson's *Friendly Society Movement*, p. 24.

solvent position the Unity, instead of possessing an accumulated fund of only £700,000, ought to possess a capital of six times that amount—indeed, the eminent actuary, in the earlier editions of his pamphlet, and in the first edition of his larger work, paints the “awful calamity” that awaited the Society in still darker colours: “The inevitable dissolution of the Order of Oddfellowship . . . is certain. Presuming that no change in the contributions and benefits should take place, and assuming the average age at admission to be thirty-one, which is near the truth, and taking the total number of members in the Manchester Unity at 400,000, *a donation or gift of no less than £9,135,000 would be required to enable the Order to meet all its liabilities*; and that is taking it for granted that the affairs of these societies are conducted with proper regard to economy, and the funds invested to yield at least three per cent.”

Further disparaging comment was made on the sum of £71,421, which appeared under the heading of “Expenditure sundries,” in a Report issued at this date by the Directors; the sum was treated as belonging solely and wholly to expenses of management, and as having nothing to do with sickness or funeral payments.

The truth of the axiom that a “little knowledge is a dangerous thing” is here made manifest, though the critic be an eminent specialist. The number of members should have been stated as 243,126, instead of 400,000; while the £71,421 covered payments to doctor—an extra insurance—and little short of £30,000 was made up of various sums advanced to members by districts and lodges other than their own, to be in due course repaid, and coming in actual fact under sick and funeral expenditure. Again, no allowance was made for lapsed membership, for some years a

large item, owing to the reform policy now about to be taken in hand. But after making all allowance for misstatement and over-statement, the situation was most insecure, and the necessity for members to at once understand their true position had become imperative. Such an understanding could not be arrived at except by a thorough financial investigation, in the light of the Society's own sickness and mortality experience now first collected, at the hands of competent authority, on a scientific basis. With the "hour" came the "man."

At the present time, when another and a crowning financial reform is being carried out in the Unity, and when a realization of the importance of the teachings of the science of vital statistics is "much to be wished," we shall plead no excuse for placing before our readers a somewhat full account of the labours of the devoted Corresponding Secretary, the late Mr. Henry Ratcliffe. It is fitting that his work in the cause of Mutual Thrift should be rescued from the piecemeal treatment it has hitherto received at the historian's hands, and its lessons set before another generation of members, with whom the name of "Ratcliffe" is not the household name it was (and is) to his contemporaries.

We claim for Henry Ratcliffe the position of a man reared and trained (not to say, produced) by the Society to which he belonged. Good work indeed, though not, as a rule, on the same scale, has been accomplished by other authorities on the intricate questions dealing with the probability of life, interest of money, and amount of sickness experienced by Friendly Societies; but "professionals" in the employment of Government, or the upper-class insurance offices, have been almost without exception called in to do it. Here, for the first time—happily, not for the last—in

the history of the great thrift institutions of the working-man, we have a member of a Friendly Society qualifying himself, by that infinite painstaking which a great teacher has told us is itself genius, for the office of Actuary, as well as Corresponding Secretary, to his own Society. His manner of discharging the steadily-increasing duties of his high office called forth, as time went on, one continuous eulogium from A. M. C.'s, Boards of Directors, and Unity auditors, upon his surpassing diligence and consummate skill. In 1850 there appeared, for the information alike of members and critics, the first edition of *Observations on the Rate of Mortality and Sickness existing amongst Friendly Societies*, accompanied by "monetary tables, calculated from the Manchester Unity experience, by Henry Ratcliffe, Corresponding Secretary," to be ever after known as the "Ratcliffe Tables." The returns were those ordered in 1844 to be made annually, and comprised the years 1846-7-8. To give some idea of the labour bestowed on these materials, and the amount of mental strain which their preparation entailed, it will be necessary to describe the methods employed—the sorting, arranging, and tabulating, which preceded the final calculations. We shall use, as far as possible, Mr. Ratcliffe's own simple language in describing the processes: like work in solid oak, the effect would be marred by added colouring.

In the returns (containing the experience of members who had passed through 621,561 years of life), as made by each lodge, were inserted the initials, age, and amount of sickness (if any) experienced by each member, together with the deaths, if any had occurred in the given period. The returns were then arranged into three classes:—

The first, or rural class, contained all lodges held in any

locality, the total inhabitants of which numbered less than five thousand.

The second, or town class, included all lodges held in any town or city, the inhabitants of which numbered less than thirty or more than five thousand inhabitants, and also included all lodges held in townships bordering on large towns or cities, although they might not contain the stipulated population.

The third, or city class, embraced all lodges held in any town or city, the population of which numbered more than thirty thousand inhabitants.

Each district of the Unity having been thus divided, each rural lodge in that district was analyzed, by extracting the number of members at each age of life, the amount of sickness at such age, and the number of deaths that had taken place. These details were then entered on a sheet prepared for the purpose. The same course was pursued till the whole of the rural lodges were extracted from the bulk returns; these were then entered, each lodge separately, into a book headed with the name of the district, the totals forming the number of rural members at the respective ages, the amount of sickness experienced for such years of life, and the number of deaths occurring at each age for that district. Having thus obtained the number of rural members of each age, of every class and of every district, the totals were transferred into another book, and every rural district in the same county was placed under the head of the county of which it formed a portion. The whole counties were then entered under the head of "General Summary," such summary including the whole of the members at each age, the amount of sickness, and the amount of deaths at each respective age for every county,

entered separately. The same plan, with a view to obtaining the grand totals, was adopted for Wales, Scotland, and Ireland, as well as England.

The town and city districts were similarly arranged and kept separate and distinct.

On completing his calculations as to the duration of life and average amount of sickness experienced by members in the different divisions at the several ages and periods of ages, and after comparing them with the figures of other investigations, especially those of Mr. Neison, Mr. Ratcliffe entered on the herculean task of so classifying his mass of materials as to give the probability of life and average amount of sickness of the various trades. The whole of the return sheets from the rural districts were again analyzed, and from such all gardeners and agricultural labourers, at each respective age, the amount of sickness experienced by them at that age, and the number of deaths occurring, were entered on sheets provided for that purpose. After the completion of the abstraction of agricultural labourers and gardeners, the same process was adopted for the abstraction of labourers from town and city districts. The following trades were then taken, without reference to locality: bakers, blacksmiths, and farmers; bricklayers, plasterers, and slaters; butchers, carpenters, clerks, and school-masters; coopers, dyers, hatters, millwrights, operatives employed in cotton mills, miners, plumbers, painters, and glaziers; potters, letterpress printers, and compositors, sawyers, domestic servants (males), shoemakers, spinners, stonemasons, tailors, weavers, wheelwrights and wool-combers.

The returns were divided into counties, and sheets having been prepared for every separate trade in each county, the

total of such sheets formed the gross number of bakers, or any other trade in the county which might have been extracted.

A book having been headed for each trade, all persons of that trade in the county of Bedford were entered under their respective age, the amount of sickness at each age, and the number of deaths occurring for that year. This course was followed with the next county, and pursued until each of the counties had been entered. The sum-total then gave the number of persons at each age, the amount of sickness for such age, and the number of deaths occurring at such respective age for each trade entered for each county. Each trade was then classified into tables with regard to rural, town, and city districts. By this method the mean rate of mortality and the average amount of sickness for each mean period of life were obtained.

Passing, perforce, over other sections of Mr. Ratcliffe's work, we find him dealing with the monetary part of his subject, and calculating the value of annuities, sick gift, temporary annuity, and assurance at death for the various districts. This unique text-book on Friendly Society finance concludes with a few weighty words on the subject of the valuation of a society's or branch's assets and liabilities, and a pattern form for making such. "Societies," writes our author, "should in the first onset be based on sound principles, and at all times they should be able to ascertain their financial position by a valuation of the assets and liabilities. They could, by a very simple process, so adjust their payments as that no individual member could be a sufferer thereby, and they could, from period to period, so regulate the proceedings as always to maintain a solvent position. If these valuations were made at the end of every

five years it would enable Societies to form an opinion as to the sufficiency of the scale of payments adopted by them, and whether they were prepared to meet those liabilities that were from time to time ensuing. It would restore confidence in the management, and by the publication of such valuations would give the public confidence that the Society was properly managed."

In 1852, two years later, Mr. Ratcliffe compiled an appendix, treating further of the question of valuation, and enabling lodges to better understand their financial position.

Thus, twenty-five years prior to the Friendly Society Act of 1875 (which embodied the recommendations of the last Royal Commission of Inquiry) making valuation compulsory on Friendly Societies, the past secretary of the Manchester Unity "showed the way," laid down the true principles, and commenced a process of self-reform which it would be difficult to match in the history of any other public and corporate body. The weight of the paper on which the returns from the lodges were tabulated amounted to 700 lbs., and the entries of each sheet had to be gone through fifty-eight times. The classifying of the various trades alone occupied Mr. Ratcliffe from fifteen to seventeen hours per day during the time he was engaged on the returns; and 621,561 years of life, experiencing 609,112 weeks of sickness, were dealt with. The mere mechanical labour must have been enormous, but when we take into account the mental toil involved in it, the general mind must fail to form an adequate idea of the magnitude of the work accomplished. The cost for paid assistance amounted to under £100, while the secretary himself received a gratuity of £50 for his extra work in connection with his office. Was there ever work

of like character executed at so small a cost, and fraught with such far-reaching consequences?

When such luminaries as Neison and Ratcliffe appeared above the horizon, and shed the light of true science over the hitherto somewhat obscure and ill-defined paths of the Friendly Society world, the low-lying mists of old error and ignorance began at once to be dissipated, though in some spots (below the average level) light has not even yet succeeded in making its influence felt, so hard to pierce is long-established custom that will persist in drawing its curtain the closer round, the clearer grows the dawn.

But we must, however, go back a few years and recall an event in the history of the Manchester Unity which ultimately led to extension to the Affiliated Orders of the protection of the law by means of registration. But first a passing reference should be made to a circumstance in this history which was of some importance—viz. the severance in 1842 of American Oddfellowship from that of the old country, and the subsequent establishment of the Baltimore Unity, in which city the fraternity had been founded so early as 1818 by an old member of the Manchester Unity. It has previously been shown how dangerous to its members was the unsatisfactory status of an unregistered society,¹ how unprotected from fraud and misappropriation of funds. The Manchester Unity was to have signal proof of this. Frauds were committed, and no redress could be obtained; funds were made away with, and the central government could exercise no efficient control; large sums of money were locked up in books by refractory trustees, until, at length, the society, in the pregnant language of its historian, “became a name, without a

¹ p. 23.

reality, composed of the discordant elements of pride and poverty, fraud and poverty, fraud and benevolence, strife and goodwill to mankind; attractive in the exterior, rotten in its internal government, without the pale of the law—the victim of designing knaves and charlatans.”¹ These malpractices culminated in the embezzlement by the then Corresponding Secretary, Mr. W. Ratcliffe (brother of Henry Ratcliffe), of £4,000 of the monies entrusted to his care. Proceedings were taken at the Liverpool Assizes, but Mr. Ratcliffe was acquitted on the double ground of partnership and the illegality of the society. This untoward circumstance led, after an animated discussion at the A. M. C., to the Directorate applying to be heard before a Select Committee of the House of Lords then (1848) sitting, on behalf of the Order, with a view of obtaining the protection of the law. Friendly Society law was now somewhat different from what it had been in 1834. The year 1846 ushered in some important alterations, and an attempt was made to curtail the freedom of action that had been granted twelve years before. The old actuarial test was restored, and no society was allowed the privileges of registration, unless its tables had been certified by the actuary to the Commissioners for the Reduction of the National Debt, or by some actuary of a life insurance company. Besides the usual quinquennial return of the sickness and mortality experienced, a quinquennial valuation of assets and liabilities was also enforced. But, strangely to say, this early introduction of what afterwards became the distinguishing mark of the Act of 1875 was either overlooked, or misunderstood, at the Registry Office, and was never put into practice, else the subsequent history

¹ Spry's *History*, p. 58.

of many a society might have taken a very different course. Indeed, except to those who take the trouble to read the Act for themselves, the very existence of such an application of financial test is apparently unknown, and the last Royal Commissioners are credited with having forged, as well as enforced the use of, the said weapon of financial reform. Insurance of children under the age of six years was prohibited, while the "drag-net" clause of the subjects for which a Friendly Society might be formed was considerably enlarged, so as to include the "frugal investment of saving," an unobtrusive phrase which contained in it the germ of the great co-operative movement. Most potent of all, however, on the future of Friendly Societies, was the creation of the permanent office of Registrar, and the appointment to that office of Mr. Tidd Pratt. To this point we shall presently return.

Of some interest also was a rather lame attempt, on the part of the Government of the day, to show, by the partial repeal of the obnoxious and insulting clauses of the Corresponding Societies' Act, and of the Seditious Meetings Act, specially, as we have seen, directed against the operations of affiliated societies, that they no longer considered these working-class institutions as dangerous to the community, provided they gave up most of the privileges and rights enjoyed in the management of their own affairs. To pave the way for the better carrying out of the above measure of relief, a long Bill was drafted in 1848, and referred to a Select Committee of the House of Lords.

It was before this Committee that the Manchester Unity witnesses appeared. The Order had by this time attained extraordinary popularity, having 250,000 members,¹ with a

¹ Not 360,000, as the Report would have us believe.

yearly income of about £340,000. Yet the committee only heard two witnesses on behalf of the Unity, and paid no heed to what *they* said. Five actuaries were examined, none of whom had any practical knowledge of the internal workings of the society, and whose notions on the subject were contradictory and often erroneous. But the worst thing that can be said about the Report is, that though the names of the members of the committee are appended to it, the hand of the new Registrar drew it up, and his exceedingly narrow and official spectacled range of vision is apparent on every page. The following extract from the Report will give the reader an idea of the spirit in which the principles of Oddfellowship were still regarded in high official quarters : “ And be it enacted that the said Order of Oddfellows, and all lodges thereof established prior to the first day of July, 1848, shall be entitled to the protection, privileges, and benefits of law on their rules being certified and deposited as directed. But no such lodge shall be entitled to these benefits until their rules are deposited and a declaration made (*in such form as the Registrar shall approve of*), *setting forth that no secret sign or password will henceforth be used by them, that no lectures shall be circulated among them or read at their places of meeting, and that no burial service shall be used by them at the interment of their dead, and that this law shall not extend to Irish lodges.*”

Both the Bill and the recommendations of the Lords' Committee were fortunately quickly dropped ; and it was seen that more radical changes in the existing laws were needed before the Orders could obtain the much-to-be-wished legal protection against fraud and misappropriation of funds. To register its branches under the Act of 1846 would have cost the Manchester Unity £4,200 in hard cash, and, besides,

the loss of the society's general rules ; a still greater impediment to conformity ; since the constitution that bound the Unity together was contrary to the Act, neither could A. M. C.'s be recognized as legislative assemblies whose acts were binding on branches.

But what the Upper House signally failed to accomplish, a Select Committee of the Commons, to whose consideration yet another Bill was the year following referred, was in a fair way to accomplish. This committee was the first to step outside the merely professional opinion of actuaries engaged in high-class insurance business, and to call for, and pay respectful attention to, the evidence of persons directly concerned and interested in the Mutual Thrift Institutions of the people. Representatives of ordinary local friendly societies, county societies, collecting and dividing clubs, were heard, as well as the members of a deputation from the Manchester Unity.

Great credit is due to members of the Select Committee for the thorough manner in which they discharged their duties, and for the unbiased way in which they approached the consideration of points in dispute, and on which they had received somewhat conflicting evidence. They reported against the Bill before them, which sought to impose several Governmental obligations on societies, especially on the affiliations, of an obnoxious character, as interfering with the free control of its own affairs by a society, or as enforcing actuarial tests previous to registration, for which the time was not ripe, and which consequently were not practicable. The new Bill of the committee was introduced into the House of Commons by the Chairman, Mr. Sotheron (afterwards better known as Sotheron-Escourt), M.P. for North Wilts, in conjunction with Mr. Adderley and Mr. Bonham

Carter. It became law in 1850, and was a Consolidation Act, repealing the many earlier Acts in force. The status of an Affiliated Order was recognized, and the disabilities respecting secret signs and meetings were removed; while a specially-worded clause was introduced to enable societies with branches to register them as such. The committee were fully persuaded of the injurious working of the clause in the Act of 1846, rendering it necessary that the tables of a society should be certified by an actuary before its members could be allowed the privileges and benefits of registration. The effect had been to drive societies away and to deprive members of all Government protection. During the two years prior to the passing of the Act of 1846, some 1,600 societies had been enrolled; the yearly average of societies that had received the *imprimatur* of the Registrar to their rules during the period the Act was in force was reduced to 215. Instead of assisting societies to progress, the Government had driven the vast majority to non-registration and its consequent evils. Some means must be adopted to throw the protection of the law over a wider area, instead of leaving provident organizations—some of them of gigantic growth—as prey to dishonest officials, imposition and embezzlement of their funds. The committee accordingly recommended the formation of a new and additional class, to be known as “Registered Friendly Societies,” for which the certificate of an actuary was not needed; while the upper class of “Certified Friendly Societies” was to be reserved for societies whose tables were duly “passed” by an actuary of given qualification; but with all societies granting annuities “certification” was obligatory. For the first time also in the history of Friendly Society law annual returns had to be sent in to the Registrar

as well as an annual statement made, as hitherto, to members. It will be seen that care was taken to allow of the Orders availing themselves of the Act, and there is no doubt that the new class of "registered" societies was created for their benefit. They were to retain a list of branches and of places where they were established, that they might be entered on the register as such, the fee being for that purpose reduced to half a crown for each separate entry. The Act was only temporary, and was renewed from year to year, till in 1855 a permanent Consolidated Act was passed, after another Select Committee (1854) had been appointed; the recently-enacted classification of societies was abolished, and all applicants were simply registered, and no actuarial certificate was required, except in the case of an annuity or superannuation benefit; the privilege of investing surplus funds with the Commissioners of the National Debt, before restricted to "certified" societies, and never till now an available investment for the Orders, was extended to all registered or enrolled societies (the amount of interest had, however, been already reduced from 3*d.* and 2½*d.* a day to 2*d.* a day), and all fees chargeable on registration were swept away. One other clause should not be passed by without notice, viz., that which allowed any Friendly Society which was established for any purpose, other than illegal, to deposit its rules, and hence secure the right to settle its own disputes and obtain the protection of the County Court in cases of fraud.

Two or three short Amendment Acts complete the review of Parliamentary action, till the period immediately preceding the introduction of the Act of 1875. For an interval of twenty years societies had rest from further legal measures, and opportunity was given of testing the working

of existing law in the light of the Annual Reports to Parliament of the Registrar, which now, as provided for in the Act of 1855, commenced their long series, the first appearing in the year 1857. It goes without saying that such a long and continuous line of public, authoritative documents are of high value to the student of social economy; but it must, in the cause of truth, be added that the Registrar's Reports would have been far more valuable to the after historian, had they not revealed a strong bias in favour of one class of Friendly Society, and an unrelenting suspicion and distrust of another and far more important class.

There is much in a name, when that name happens to be a household word for forty years; and we should be neglecting our duty to our readers if we omitted full mention of Mr. Tidd Pratt and his manifold labours. But while sharing with his many admirers a due appreciation of the good work done by the late Registrar in the thrift cause, they must not feel aggrieved if we are unable to contribute a humble meed of praise without making large qualifications. History can best be written when it has become past history—events assume truer proportions, results define themselves.

I proceed to illustrate this assertion. From the manner in which Mr. Sotheron-Escourt's committee dealt with the claims of the Affiliated Orders, and the special means, as we have noticed, adopted in the Act of 1850, to make conformity with the law possible to such societies—means which we owe almost entirely to the assiduous labours of the Manchester Unity—one would have thought that the way had been made easy of access. So it would have been, had not the Registrar spent the last twenty years of his long official life in one continuous endeavour to render the

sections of Acts of Parliament bearing on the Orders operative, and to stultify the good intentions of the committee. Hence otherwise beneficial Parliamentary action was turned against the consolidation and financial progress of the first class of Friendly Societies, and reforms hindered and delayed for more than a decade. The law was strained to favour ordinary and patronized local and county clubs, and put in action against the affiliations, as being dangerous organizations of the working-classes, which had a strong democratic spirit about them, and handled the newly-forged weapon of combination and co-operation in a way incompatible with the functions of State control and supervision. To quote the language of Mr. Charles Hardwick, a past Grand Master of the Manchester Unity, the Registrar "seemed to think it his duty to treat the members of those self-governed Provident Societies much in the light as the master of a union workhouse, a militia drill-sergeant, and the governor of a convict prison do the specimens of humanity committed to their charge."¹

The Ancient Order of Foresters was the first society to avail itself of allowed registration, and was followed in the year following (1851) by the Manchester Unity. This was so far as general rules were concerned, each individual branch being left to take its own course. The other Orders declined for some years to come to register at all; and small wonder that they did so, for, in opposition to the spirit as well as the wording of the Act, the Registrar refused to recognize any registration of a branch except as a *separate society*. Instead of contenting himself with the administration of the law, he continually tried to make it. He refused to recognize *in toto* the constitution of an affiliated

¹ Hardwick's *Manual*.

society, and reckoned each one of its branches as a separate independent unit, free of all central control, and at liberty to set up for itself or dissolve at its own will and pleasure. The bad consequences of such a policy have indeed been far reaching, and continue to this day. We find, by the end of the year 1858, that, out of 3,198 lodges of the Manchester Unity, only 1,673 had registered, and 926 out of 1,876 Courts of Foresters. Strenuous were the measures taken by both societies to insert clauses in general rules that such should be "binding on every branch and member;" but equally persistent was the Registrar in his refusal to allow the registration of such, holding, as he did, that these so-called branches could only be bound by their own rules and regulations, *provided he approved of them.*

It is not too much to say that Mr. Tidd Pratt systematically ignored the progress of the leading Orders, or federal societies, in his series of Reports. He had not a word of praise for the legislative and financial action pursued for a quarter of a century by the Manchester Unity—the great exemplar to kindred fraternities. He was possessed with no vision wherewith to discern a Henry Ratcliffe, yet could take Mr. Finlaison's "fancy" tables by the hand, and order Friendly Societies to henceforth place "chronic malady" and protracted sickness outside the range of their benefits. We have already applied the commentary of the elder Neison to Mr. Finlaison's work. We hasten to endorse this eminent actuary's remarks concerning the line of action taken by the late Registrar. Referring to Mr. Pratt's first Report, he says: "It would be interesting to know the Registrar's views of what the establishment of a Friendly Society is meant by him to effect. It surely cannot be his object to work out a mere problem in medical

science, in order to determine the relation between acute and chronic diseases; and still, looking at his suggestions in the most favourable light it is possible to regard them, no one can conclude that there is any intention to make benefit societies self-supporting, provident institutions which shall, during the physical vicissitudes to which all flesh is heir to, render their members independent of the parish and the workhouse. . . . So far as the Registrar's instructions are concerned, the promoters and those interested in the management of Friendly Societies have no choice but to follow implicitly the Government tables, and *permit about one member in seven of the sickness claimants above the age of forty, to be drafted to the workhouse.*"¹ But the mischief wrought by Mr. Tidd Pratt did not end here. The very appendage of his name to the rules of the ordinary societies he so favoured, often brought destruction with it. The Parliamentary Committee, over which Mr. Sotherton-Escourt so ably presided, was specially careful, foreseeing the danger, to recommend that every certificate of the Registrar should have words inserted at the foot of it disclaiming any Government guarantee of the society; yet the great Registrar himself owned that he was in the habit of receiving letter after letter from working-men, till they amounted to thousands in number, stating that they had put their savings into a certain club because they saw his name appended to a copy of its rules, and thought, consequently, that Government had made themselves responsible for the fulfilment of the contracts entered into, awakening to their illusion only when it was too late. Might not Mr. Tidd Pratt have prevented some of this unreasoning faith by uttering a note of warning? We cannot help

¹ Neison's *Contributions to Vital Statistics*, p. 23 and following.

thinking so. His prestige might have been lessened, but Friendly Society members would have been the better for it. It is only fair to add that Mr. Pratt did good in other ways ; that he steadfastly set his face against all compulsory payments for drink, and against all unnecessary expenses of management ; still, on the whole, we fear that the harm done outweighed the good ; and it is certain that the great Friendly Society movement, as we now know it, suffered much from the course taken by the late Registrar.

We have been obliged to enter somewhat largely into the effects of Mr. Tidd Pratt's lengthy tenure of the office of Registrar for England and Wales, because we are of opinion that much misconception still prevails on the subject, and also because only by so doing could the reader be placed in a proper position to judge the present of Friendly Societies from a due consideration of what they had to contend against in the past. It must be owned that, judging by results, the legislation of the period under review did but little to advance the cause of the working-man's thrift, and that his chief hope and trust had to be placed in himself and his un-State-aided efforts to work out his own economic salvation.

Having referred at length to the Manchester Unity when giving an epitome of financial reform and Parliamentary action, we can only mention in passing a few sign-posts of further progress during this period. By the close of 1834 much of the old Masonic ritual and ceremonial of the "old making" had been dropped. Previous to this lodges had always been opened with prayers ; symbolic dresses, as in the ritual of the old Patriotic Oddfellows,¹ had been used ; and oaths and obligations demanded. This led to a vast

¹ See p. 14.

number of "white gowns" and goodly-sized Bibles coming into the market. And we light on such entries as the following in the old minute-books of the day: "Resolved that the purchaser of the Bible have two months to pay for it in, and if he does not pay for it in that time, and was off his bargain, the next highest bidder to be the purchaser, and in like manner the third, and should all three run off, the Bible is still the property of the lodge to be disposed of as they think proper." Instead of the old lectures or charges, at the initiation of a candidate, new ones were prepared, not altogether as an improvement, the new lectures having a good deal of the prize-essay style about them. Two years later Widow and Orphan Funds were added to the benefits obtainable by members. In 1840 the Order, following the emigrant to his new home across the seas, opened the first of a long array of colonial lodges in Sydney. In 1860 the A. M. C. obtained completer financial returns for the past five years, than for the years 1846-7-8, and again set Mr. Ratcliffe to work, who in 1862 produced a second actuarial treatise of still greater value than his former, based on the experience of members who had passed through 1,016,272 years of life, and been inflicted with 1,321,202 weeks of sickness. In the preface it is stated that the cost of this work (£3,500) had not been abstracted from the funds set apart for relief during sickness, for assurances at death, or for providing for necessitous widows and orphans, but from the management funds of the lodges—funds which, being generally raised by direct levy on the members, were not therefore readily expended without careful consideration on the part of those most interested in the character and welfare of their cherished institution. New tables of payments, based

upon these calculations, were adopted in 1864. Meantime Mr. Charles Hardwick, a Past Grand Master of the Unity, had begun his educational work among the members, lecturing "in season and out of season," and finally publishing his popular "Manual" on "the history, present position, and social importance of Friendly Societies, &c., comprising the gradual development of the science termed 'Vital Statistics'" (1859). No other writer has done such good service in enabling "parties not possessed of the requisite technical knowledge to understand more clearly the works of those who write for professional actuaries and scientific inquirers, rather than for the instruction of the members of societies themselves." The numerical increase during the thirty-six years was as below:—

	Lodges.	No. of benefit members.
1870	3,904	434,100
1834	781	47,638
Increase	<u>3,123</u>	<u>386,462</u>

We left the grand lodge of the "Royal Order" of Foresters (Leeds) preparing for a display of autocratic power, and claiming to govern the whole Order. This short-sighted policy met with the same fate as it had done when pursued in the Manchester Unity, disruption quickly followed, and the malcontents rising in a body against the "Leeds" rule, established the existing Ancient Order of Foresters, and next year (1835) could muster a roll-call of 16,500 members. The old ritual and usages, after the pattern of Freemasonry, were largely modified, and the "combat" struck out. In 1837 the first court or branch was opened in London; three years later other courts were opened in Scotland and Ireland,

and a permanent secretary appointed. The first choice proving unsatisfactory, Mr. Samuel Shawcross was elected in 1843, and remained in office till his resignation in 1889, after forty-five years of zealous labour on behalf of the Order, never to be forgotten by its members. It was not till 1853 that the Foresters, following the lead given them by the Manchester Unity, entered on the path of financial reform, and called for statistical returns from the courts. As time went on, many reforms were brought up at High Court annual meetings, but the reform party for many years remained in the minority, and much-needed financial improvements had to be postponed. The meeting of 1864, however, passed a highly commendable resolution, declaring illegal the payment of liquor money for rent—"wet rent" as the malpractice was known by; and in 1865 a real advance was made in making compulsory a medical examination of candidates before admission, while in the same year another step in the right direction was taken by the adoption of special tables of contributions and benefits prepared under the direction of Mr. Shawcross. As showing the rate of progress among the Foresters, we give the numbers at the beginning and end of the period under review—

	Courts.	No. of benefit members.
1870	3,931	376,663
1834	363	16,510
Increase	<u>3,568</u>	<u>360,153</u>

In the case of the Shepherds we have to report a large secession in 1846 of over 15,000 members, who subsequently formed the Wisbech Unity. But the chief financial reforms after those of the Manchester Unity were carried out among

the Druids. The old United Order, dating from the last century, pursued the old-fashioned methods of government of branches, seeking, as Oddfellows and Foresters had done, to bring each and all under the direct autocratic rule of a grand lodge located in London. The result of this ill-advised policy was that Druidism split up for many years into isolated fragments, till in 1858 a scheme of amalgamation was carried out; a new Order of Druids was established, which, leaving the remainder of the United Ancient Order to gather themselves together as best they might, set up a central government, equitable representation, and annual meetings of the whole body. But two or three leading spirits introduced also a novel financial reform known as "equalized" districts—a feature to be hereinafter more fully dealt with. Indeed, the Order of Druids shares with the Manchester Unity the honour of being the first great Affiliated Society which effectually carried out far-reaching reforms during the present period, when Friendly Societies, as a rule, were running the race of *numerical* rather than (and often at the expense of) *financial* strength. The plucky attempt, however, in 1867 of a section of the Nottingham Imperial Oddfellows to introduce a more popular form of government into that autocratic of autocratic bodies, should be noted in passing, the outcome of which was expulsion and secession, with the consequent formation of the British United Order of Oddfellows.

Hitherto we have been dealing with what may be called the "open" Orders, but in 1835 was established the first of the Temperance Orders, that of the Rechabites, in the borough of Salford. This was a natural sequence on the rise of the temperance movement. "The origin of the society self-protection. Friendly Society members who had

taken the pledge were in danger of lapsing through the necessity of going to public-houses to pay their contributions.”¹ The pledge taken by candidates ran as follows:—

“I hereby declare that I will abstain from all intoxicating liquors, except in religious ordinances or when prescribed by a physician, nor engage in the traffic of them, but in all possible ways will discountenance the use, manufacture, and sale of them; and to the utmost of my power I will endeavour to spread the principles of abstinence from all intoxicating liquors.”

—while it is interesting to observe that, in 1857, a further restriction was inserted, by the addition after “physician” of the words “during sickness which renders me incapable of following my employment.” Should the pledge be broken by any brother, he ceased to be a member; “but knowing how weak human nature is” (so reads one of the multitudinous leaflets of the Order), “and how numberless are the temptations—arising out of the liquor traffic and the drinking customs of society—that beset the path of almost every one, we deal mercifully and patiently with erring brethren, and inflict fines three times; but for the fourth offence they are expelled, and can only be re-admitted as new members.”

In 1838 the Order was introduced into Scotland. Four years later the first attempt at financial reforms was made, when a fixed scale of contributions was ordered to be adopted by all tents (as the branches were styled). By 1843 tents had been opened in America and the colonies.

Then followed another society established on similar lines, imported from America, the Sons of Temperance (1849), to be followed in turn by the Original Grand Order

¹ Wilkinson's *Friendly Society Movement*, p. 44.

of the Total Abstinent Sons of the Phoenix (1861), and the United Order of the Total Abstinent Sons of the Phoenix (1862), though this last appears to be little more than a dividing and burial society, which has taken to the style of the Affiliated class. But the growth of the Temperance Orders is of a later date.

As instance of other new Orders which arose during the period under consideration—one of rapid numerical increase—two other societies, each peculiar in its way, should be noticed, the Locomotive Steam Enginemen and Firemen's Friendly Society (1839), and the Philanthropic Order of True Ivorites (St. David's Unity, 1836). The former is a Particular Trade Friendly Society which has taken the form of an Affiliated Order, and is in membership confined to skilled railway *employés*. Beginning with a single branch at Birmingham in 1839, the Order gradually extended itself along the great lines of railway communication, and by 1870 possessed 56 branches, and a membership of 6000. The Ivorites are a typical example of the devotion of the Welsh people to the language and historical traditions of their own gallant little Principality: and it is noteworthy that, while the leading English Orders, such as Oddfellows, Foresters, and Shepherds, have been welcomed and their rules translated into the native tongue, there are three other Affiliations peculiar to Wales, besides the Ivorites; viz. the Loyal Alfreds, the Ancient Britons, and the Merthyr Unity Philanthropic Institution. But the principal of these Welsh Orders is that of the Ivorites, the correct title of which should be written *Urdd Dyngarol y Gwir I Foriaio, Undeb dewi Sant*. The proceedings are not allowed to be carried on in any other than the Welsh tongue, and one of its objects is the upholding and furthering of that language.

The Order is named after Ivor ap Llewlyn, the Lord of Bassaleg, Wenallt, and Gwem y Clessa, who was known in after generations by the title of Ivor Hael. In 1836 Ivorism was a small living germ in the mind of one Thomas Robert Jones of Wrexham—by 1870 it was a strong and powerful Order, not merely providing a mutual provident insurance for its members, but “setting on foot measures to foster in them the spirit of nationality, and to induce them to support the literature of their country, and the elevation of the Welsh as a people.” The mining districts are the strongest recruiting grounds for membership.

As an instance of an Order confined to members of a particular religious body, we may cite the Catholic Benefit Society, specially strong in Lincolnshire and Yorkshire ; and as a counter to which the Loyal Orangemen began to offer Friendly Society benefits in some of their lodges.

As regards Scotland the better known English Orders, especially the Oddfellows and Foresters, now crossed the Borders and steadily increased their hold. But, so far, the Scotch had preferred thoroughly Masonic Orders, with all the ritual and usage of the craft, and distress rather than benefit funds, after the pattern of the old English Orders of the last century. Foremost among these were the Scotch Free-Gardeners, and the Ancient Druids.

Ireland has hitherto been unmentioned. No class of Mutual Thrift Institution has flourished there (we shall presently refer to a class peculiar to Ireland), and certainly not the Affiliated class. The societies which have branches in the Sister island—the Manchester Unity, Foresters, Shepherds, and Rechabites—are of English importation ; while also theological difficulties were, and are, an impediment to progress ; but their not being political was a still

greater hindrance. Indeed the Foresters, who appear to have taken some part in political and religious matters, were (and are) the most popular, which popularity was heightened by the playing of "patriotic" airs in processions, and the wearing of green sashes and other emblems; the latter indeed is the practice of the Order all the world over; but then in Ireland it was, in popular sentiment, interpreted as having something to do with those whose opinions and purpose were indicated by the "wearing of the green."

It may be thought that because the Orders are secret Societies, they might, like the Freemasons, have been placed under the ban of the Church of Rome; but the attitude taken by the Irish priesthood has been, so far as can be ascertained, pretty much the same as that since taken, for instance, towards the American Order of the Knights of Labour:—the Church holds that, if a man joins a society, swearing never to reveal any of its workings, no matter how criminal, and to obey the dictates of its officers blindly, he surrenders his personal liberty, becomes a slave of his fellow-men, and cannot partake of the Sacraments of the Church. On the other hand, if a man joins an organization, swearing to keep secret its workings, with the proviso that nothing therein shall be contrary to the laws of the land, to his conscience and religious tenets, the Church holds his action to be perfectly justifiable. Everything depends on the proviso.

The Centralized Class, which had just come into existence at the close of the period prior to the one under consideration, now greatly added to its numbers; and the type in the General Sub-class was also much improved by the establishment of such excellent societies as the *Hearts of Oak* (1842), the *Patriots' National Benefit Society* (1843), and, standing by itself, the *Rational Sick and Burial Association*

(1837). These three societies are clearly marked off from their associates in kind, which follow at a distance. In the *Hearts of Oak*, membership is confined necessarily, from the amount of premium charged, to the ranks of professional men, and those of skilled labour. Five trades were interdicted at this time, viz. drug or colour-grinder, water-gilder, worker in white lead or quicksilver, gunpowder or firework-maker, and type-founder. There is a remarkable use of the word "respectability," and all it implies, in the earlier codes of rules. The general committee and the secretary were compelled "to attend meetings in a clean and decent manner, or be fined one shilling." Again, "no Irishman shall be allowed to become a member of this society unless recommended by one or more members, nor after such recommendation unless that person be known to be a respectable and good mechanic." Is this last a sly cut at the "Young Irish Party" of that day? The society conducts business with its widely-scattered members through the medium of the post, without the aid of local agencies. There are three characteristics about the society which demand a passing notice. The first is, the remarkable economy of its management expenses, these being kept down to four per cent.; the second is, a far-reaching system of fines, which (with the charging members for postage and stationery) helps to keep the working expenditure at a minimum figure; the third is, the early recognition of the value of a medical association. So far as we are aware, it was the first society, by many years, to see the importance of securing an additional assurance in the way of medical attendance for its members, on an organized plan, for the payment of a small quarterly or annual fee. Contributions are made quarterly, and to facilitate the receipt of these at

head-quarters, each member, on admission, has assigned to him a distinctive number and division, and the payments for these several divisions are extended over the quarterly months on a uniform plan. Over-pressure is in this way avoided at the office, and the work of the secretary and his staff spread equally over the whole year.

The *United Patriots* was established one year after the *Hearts of Oak*. This society is remarkable for the breadth of its operations, possessing six divisions, so as to meet the wants of all classes of the industrial community—a ladder having many rungs that *all* may find a friendly footing. It has also local branches, through which country members (the central office being in London) can transmit their contributions and receive their benefits, and meet for purposes of mutual counsel. Another leading feature is the care taken to retain membership under all circumstances of reverse or misfortune. The plan adopted is that of a “gift” fund, to which all members contribute a trifling sum per annum, which goes to pay the subscriptions of those who, from force of circumstances, would otherwise drop out of membership. We shall see, when we come to present-day history, the vast importance to a society of such a fund, and of other measures which are taken by the Patriots to retain their members. Both the *Patriots* and the *Hearts of Oak* make provision for permanent sick pay, or a pension, to those members who may require it; they also insure loss by fire of the tools or implements belonging to the trade or calling of the members, and an allowance for accouchement of wife of member. Signs these of an advance towards a complete assurance against the casualties affecting industrial life, much beyond that of the rank and file of their competitors in the race for public support.

There remains, however, yet another society of the general or amalgamated type that merits special notice, on account of the particular position which it occupies—a sort of half-way house standing between the fully-developed Order and the Ordinary Class, possessing branches yet sending all moneys to one central fund. In the same year that witnessed the accession to the throne of Queen Victoria, and on the first day of it, was instituted the *Rational Sick and Burial Association* (Manchester). The obscure, and for the most part mythical, history of the origin and early practices of the oldest of the Orders contains nothing, we are persuaded, more romantic, or of so much interest in the present, as the true account of the foundation and rise of this society; and as such an account has never, so far as we are aware, been previously given to the public, and will be new to the vast majority of the members themselves, we shall describe somewhat fully this unique episode in the history of the Friendly Society movement.

Some fifty years ago there existed a party, we can hardly say a sect, styled Rational Religionists, of which the late Robert Owen, of New Lanark, was the prime mover and propagator. Among other ways of carrying out his principles into action, Mr. Owen established the Rational Sick and Burial Association, and, in all probability, himself drew up the original code of rules. So wide was the scope of his benevolence that he aimed at something little short of a millennium. The society was to embrace in its folds not only the strong and healthy, but also the blind, the halt, the lame, and the sick; none were to be excluded save the vicious. The scheme had very shortly after its organization to be modified, since the number of physically-unsound members soon exceeded the number of philanthropically-

disposed healthy. But in other features no great alteration was made for many years. An old copy of rules now before us bears on the frontispiece a view of one of Robert Owen's "Villages of Harmony," in which the brethren dwelt together. In the centre are the school and the lecture-hall, and these are surrounded by the cottages of the members living in some imaginary Arcadia. The association was founded on the cultivation of moral and social principles, "for to be social is to be good, and to be good is to be happy," and justice and charity are declared to be the basis of the structure. In the prefatory address to the general rules we find a jeremiad on the then existing state of society, which is to be remedied through the agency of the programme of the Rationalists, and pauperism to be extinguished. The association was to provide (as it does at the present time) a full provident insurance on the mutual principle, there being for the purpose no less than five classes of graduated payments and benefits, and a general fund for the relief of distressed brethren, the members being under no necessity of attending public-houses to pay their money. Then comes the special object to which we desire to direct attention, and which we give *ipsissima verba* : "By applying the surplus stock or funds for the purchase or rental and cultivation of land, whereon to establish a hospital or home for the reception of the sick and superannuated members, or for the purchase or rental of dwellings or other buildings wherein the members shall, by united labour, support each other under every vicissitude." The purchase and cultivation of land, which shall ever remain the property of the legally-instituted societies of the working classes, and the unquestionable security against the "ills that flesh is heir to," that would thus be obtained, are

enlarged on and enforced in the preface; and land is declared to be "the only lever by which the present oppressed and degraded working-man can be effectually elevated to his natural and rightful position in society." We can understand why in a great measure the plan failed. The times were not ripe for its general adoption, and the land could not be obtained in sufficient quantities at a reasonable cost. Yet for all that we believe several of the homes referred to in the rules were carried on for years. One was situated, aptly enough, in Kent, "the Garden of England," in which it is said old members now living once resided. Perhaps some of our readers will be able to throw a little more light on the subject, and give us the benefit of their own or others' experience.

Then schools, too, were to be provided for the orphans and fatherless. Sundry other social reforms are referred to, and the squandering of money in useless and senseless strikes is strongly condemned. Finally, all are to realize a full reward for their toils, and to enjoy the sweet repose of undeviating friendship: the evening of life would thus pass pleasantly away, amidst the friends and associates who had become endeared to each other by natural sympathies and the continual practice of kindness.

There is much in these sentiments that is Utopian, but still there is reason and method also in much. School Boards have taken the place of the old reformer's education department, but the erection of pleasant and healthful homes, or hospitals, in the country, rather than in the crowded town, is in entire accordance with the sanitary reforms and medical advice of a later day. While the land question is the burning question of the hour, and, in a modified form and under altered circumstances, some plan,

perhaps, not impossible to work on a limited scale, might be tried, that should combine a system of provident insurance and a means of obtaining a livelihood out of which the insurance might be made good.¹ The loss of membership through non-payment of subscriptions is a terribly growing evil. But we must not anticipate. For the present we can scarcely do better than commend to serious reflection the closing sentiments of Robert Owen's preface—sentiments which may well claim for the Rational Sick and Burial Association the honour of being the first pioneers in the great co-operative movement in Lancashire: "Let us 'live for our fellow-creatures, in order that they may live for us,' for 'to be good is to be happy'—in conformity with our principles and precepts. Let the uprightness and general bearing of our characters be supported by the regularity of our conduct; then, as citizens of the world, and friends to each other, we shall not only be zealous and successful in our cause, but receive universal approbation. Let us, therefore, guard our conduct, lest we injure the institution to which we belong. Let each of us be watchful in and out of season, lest we transgress. Let us not presume to infringe on any of the precepts which we have taken as guides through life, but let each of us, in his separate capacity, endeavour to transmit our principles to succeeding generations, without spot or blemish, to flourish to remote ages, and to convince mankind how essential it is to practise the holy virtues of friendship, love, justice, charity, and truth." The parallelism between the aims of Robert Owen and those of General Booth will at once strike the reader.

A few more of the patronized Mutual Thrift institutions

¹ Written before the publication of *In Darkest England*.

of the Centralized Class were added to the lists, but the number was, and always must be, of a strictly limited nature. With Particular Trade Societies the case was far different. We have now to chronicle the rise of two groups belonging to this class of vast importance and interest — Railway Company Societies, and Miners' Permanent Relief Funds.

We have already noticed and placed among the Affiliated Societies, the admirable Locomotive Steam Engineer and Firemen's Society. This Society is wholly different in constitution and government from the Railway Societies of this group. Here membership is not open, but confined to the *employés* of the different companies, and besides is still more or less directly made compulsory, contributions being stopped out of wages. At the same time the payments of the *employés* are augmented by subsidies of directors and shareholders, the rates themselves not being commensurate with the benefits insured. Considering the special nature of the risks and the hazardous character of the occupation of the members, it is only equitable that this should be so; but it is not difficult to see objections to such a course, and the whole matter will be dealt with later on, when more ripe for discussion. In management, the committees generally have a treasurer and trustees, appointed by the directors and, as such, *ex officio* members. In some cases, a certain proportion of the committee is nominated by the directors. Some eleven companies have benefit societies attached to them, and most of them more than one. For instance, the Great Western has three; the *Locomotive and Carriage Department Sick Fund Society*, the *Medical Fund Society*, and the *Engine-men and Firemen's Mutual Assurance, Sick, and Superannuation Society*; and the London and North-Western no less than seven; but as some of these are of more recent

date than properly belongs to our present chapter, a consideration of them must be postponed.

Turning to the second main group in Particular Trade Societies, Miners' Permanent Relief Funds, we find them only in their infancy at the close of the period before us. These thrift institutions deal almost exclusively with the coal-getting miners, and bind together the workers beneath the soil, through the large mining districts, for the purpose of providing against the terrible accidents and risks their occupation is subject to.

The associations are, like the Railway Friendly Societies, subsidized, and, in some of them, a portion of the miners' wages is taken to pay his contribution. But in many respects the case of the miner, who is a member of one of these thrift institutions, is different from that of the railway *employé*. They are something like the County Friendly in government, but possess the popular element of large deputy meetings, in which local branches are represented, as is the case of the Affiliated Orders. Besides, all these societies are, or were, in the first instance voluntary, the men going to the masters, asking their pecuniary assistance in establishing them and keeping them going, and begging them to portion off a part of their earnings to pay for their share in the concern. But their peculiarity consists in being the first Societies of the kind to separate accident from sickness insurance on a large scale, and to confine their operations to the former. The only Fund at this period was the *Northumberland and Durham Miners' Permanent Relief* (1862), and the objects of the Society, as stated in the rules, are "to provide in cases of fatal accident for the widows and children or other dependent relations of the deceased; and in cases of accident, not fatal, but where

the member is permanently disabled, to make suitable provision for him as hereinafter provided ; also a payment, in cases of fatal accidents, to the relatives of the deceased, for the purpose of defraying funeral expenses." With an increasing trade, local Particular Trade Societies grew and flourished, but their character did not improve ; and these Mutual Thrift agencies contrived to but very imperfectly fulfil their mission.

Of the purely Local Class, as a rule, a high birth-rate and a high death-rate will fitly describe the condition of its members. Directly increasing years began to put any strain on the funds, the " box " became empty, and that particular club disappeared only to make way for another, conducted on the same plan and equally short-lived. Besides, the very *raison d'être* of the vast majority of these benefit clubs was against them. The public-house was not only their home, but the *cause* of their existence. These were drinking-days ; and as an evidence of the value of benefit clubs to the publican, we find the establishment of such advertised as one of the assets, when the " house " was put up to auction. Then there was the competition of rival houses ; the " Blue Boar " must have its " friendly " as well as the " Black Lion " over the way, till the number of clubs as well as the number of public-houses got beyond the requirements of the parish or village, and deterioration was the natural result. Some few clubs, however, there were which were conducted on very different principles, and yet did not belong to the patronized type. Various attempts were made to solve the old age difficulty by means of almshouses, which were purchased for the residence of decayed members, partly from the society's funds, and partly from subscriptions. The experiment, however, did not answer ; though it has

recently been revived, on a very limited scale. Other superior trade Local Societies invested in buildings or land, and owing to the steady rise in the value of these, have done well; a few, indeed, have become rich; so much so, that they decline to admit new members, fearing too great subdivision of their wealth.

There is one more benefit association on which, moved by second thoughts, we must bestow a few words, or else our publishers will most assuredly hear from the founder. We refer to the *Stroud Working-Men's Conservative Friendly Society*, an evil example which has in Gloucestershire been too readily followed. Now, on principle, we strongly object to the introduction of politics into the Friendly Society world; fortunately they are rigorously excluded from the lodges and courts of the Orders. Why should working-men be obliged to become members of the Conservative party—or, for the matter of that, of any political party—before they are allowed to partake of the benefits of a Provident association, which Mr. George Holloway, its originator and founder, claims to surpass all other similar societies in the kingdom? Mr. Holloway tells us that other societies are dying out all around. Indeed, it would seem as if the founder believed his scheme to be a veritable Aaron's rod, that should in time swallow every Oddfellow and Forester in the land. The Stroud association has secured most unique benefits to the working-men of that borough and neighbourhood who are fortunate enough to wear the correct colours. There is sick pay; death pay; divided, but not distributed, surplus funds; no liabilities beyond actual assets in hand; surrender values to leaving members; and absolute security to old age. But the one point Mr. Holloway insists on and again is the importance of an annuity and the

non-success of members of other Friendly Societies to secure for their members such a benefit. Yet—"tell it not in Gath, publish it not in the streets of Askelon"—we see, from the eleventh annual balance sheet before us, that a sum of £908 was paid to *retiring* members, and further learn, from a Government return, that the association was "exempted from valuation, having no existing annuitants." Verily, its constitution and management are too great for the writer! May he be pardoned, if he has grasped neither theory nor practice, and must leave both to the *Conservative* working-men of Stroud! Additional light, however (from *Hazell's Annual*), shows that Mr. George Holloway is M.P. for the Stroud Division for Gloucestershire. The society has evidently done its work well, after all.

In Scotland permanent Ordinary Benefit Clubs did not flourish during this period; for one thing, custom in agricultural districts was against them, the contract of service in agricultural labour was by the year, and in cases of sickness the employer was chargeable with the maintenance of the labourer and bound to pay him his wages;¹ such pay was not therefore a matter of prime importance to the younger labourers who were in full work. In towns the case was different, but here Dividing and Loan Societies spoil the business of higher class thrift organizations.

The case of Ireland as to Mutual Thrift is peculiar; Friendly Societies are of a later growth than in Great Britain, and a special feature with regard to their condition and working overshadows and affects them all. There is an "almost total absence of any feeling of sympathy or interest in these institutions on the part of the wealthy and influential classes in this country. Not only have the upper classes in

¹ *Friendly Societies Commission*: Report by G. Culley, Esq.

Ireland hitherto held out no helping hand, either in the shape of money or intelligent advice, to those who were then endeavouring to protect each other against want and the workhouse, but even when the purpose of these societies was pointed out and explained, their great utility and importance, if properly contracted, both to individuals and the empire shown, an entire apathy, an utter want of interest in the subject, was still most strongly and painfully manifested.”¹

The science of “vital statistics” was unknown; actuaries unheard of. The Friendly Societies Commissioners report, as a consequence of this apathy and want of scientific knowledge, that both managers and members of societies were “in a state of utter darkness as to the fundamental principles of life or sickness insurance”; while the existence of the societies themselves has been altogether ignored both by the public press and by “writers on social and political economy on both sides of the Channel.” The Registrar for Ireland reported that in 1857 there were upwards of 1000 societies upon his books, though many of these were evidently not in existence. Many had disappeared; “the office of clerk of the peace being held upon the pleasure of the Lord Lieutenant of the county, there being no public office, and no safe custody for the records.”² We may state, in passing, that, unlike the condition of things in Great Britain, there appears neither to have been, nor to be, such a thing as an unregistered society in the country. There are no county societies, no village clubs; indeed, the rural population of Ireland have never taken kindly to Mutual Thrift investments; the troubled state of the country has been

¹ *Friendly Societies Commission*: Report by E. Lynch Daniell, Esq.

² *Friendly Societies Commission*: 2nd Report—Mr. F. W. Little-dale’s evidence.

against them, and they adopted the practice of *hoarding* any small savings they may have been able to make from their scanty earnings, as the securer method ; and this practice has been, doubtless, increased by a long system of arbitrary evictions, the present reign having been, so far, the most disastrous since that of Elizabeth.¹

This brings us to the peculiar type of Friendly Society most common in Ireland, known in Dublin as “Tontines,” but in any other towns simply as “Friendly Benefit Societies.” These hold a sort of half-way position between the British ordinary Local Society and the Dividing Society. Hence we have classed them with the former, as being much superior to the latter.

As nothing can well exceed the lucidity with which Mr. Lynch Daniell has treated of these societies in his Report, we have done little more than summarize his statements. The secretaries and members do not consider a Friendly Society a financial institution under which they agree to pay certain periodical contributions to secure them certain pecuniary benefits, but an institution into which the practice of charity also enters. Consequently it is a fruitless task to endeavour to teach the members to take a strictly financial view of the aims and objects of their society ; philanthropy and charity are always a more or less disturbing element in the calculations. It must be premised that the term *Tontine* has nothing in common with its use in England, but is simply a Dublin name for a Friendly Benefit Society. The distinctive feature of these societies is the annual division at Christmas of nearly all their surplus funds. Their contributions have been calculated with a view of not only meeting sick and burial claims, and generally

¹ Mulhall's *Fifty Years of National Progress*.

giving a small superannuation allowance, but creating also a surplus to be divided every year, and which, on the average, amounts to about 18s. each member. When considering financial principles, it will be seen that the periodical divide, owing to the smallness of the numbers in each society, is a more just thing than to accumulate a fund out of the payments of the younger members to be devoured by the older members, since, under the uniform system of contributions in vogue, a member entering at twenty will pay the same annual premium as one who enters at forty-five. Another point of difference from the ordinary Local Friendly Societies in England, is that the Dublin Tontines are universally small in size (thirty to one hundred and thirty members), and hence, the Irish people being quick-witted and alive to their own interests, the societies are specially safe-guarded against malingering or sham-sickness claims. The divide, when paid, is taken home by the member to his family, to be expended in some little additional comfort, some small article of clothing, or in any other way suggested by the circumstances or necessities of the poor family. Loan funds are also added to many societies, and, as in the case with Scotch societies, the system works well.

The Deposit or Savings Bank system of Friendly Society became further extended, being added as an additional branch of insurance to two of the County Societies, the *Wiltshire* in 1866, and the *Hampshire* in 1868, while in the latter year the *Surrey County* was established and worked entirely on the Deposit principle.

Dividing Friendly Societies grew and multiplied at a prodigious rate, coming quickly upon the scene, and most often as quickly disappearing, leaving the older of their members sadder if not wiser men. In Scotland, where these

clubs had taken such a strong hold, they continued to be much patronized by the mechanics of the towns, largely owing to the loan system included in their operations.

Female Societies increased their numbers more during this period of our history than at any other time in the century; indeed, 1834-70 has been the only period in which Friendly Societies of Females can be said to have flourished at all, and in 1870 we find them existing in 35 out of the 52 counties of England and Wales, and in largest proportion in Lancashire, Durham, Leicester, Stafford, and Derby. Of the Affiliated type there were Odd Sisters, Odd Females, Female Foresters, Female Druids, United Sisters, Female Rechabites, Daughters of Temperance, Ancient Shepherdesses, Comforting Sisters, and a few others. It is evident that women were provoked to jealousy, and determined to have their secret societies, with initiation, ritual, sign, and password. The male secret societies took alarm, and stringent rules were passed prohibiting members from aiding and abetting such unorthodox proceedings. Here is a rule out of an old copy of the general rules of the Manchester Unity:—"That any brother of the Independent Order who shall be found guilty of assisting any secret society of women, or attending their meetings, shall be suspended twelve months for the first offence; and for the second offence, he shall be expelled the Order for ever. Any lodge lending any part of their regalia to any secret society of women, shall for the first offence be suspended six months; and for the second offence be expelled the Order."

But pains and penalties, however severe, are not always effective. Readers who are members of the Ancient Druids will be able to gauge how far their secrets were

divulged to the founders of the Female Druids. At initiation all the scenic appliances of the theatre were there, and the young neophyte was conducted through the usual trials of fortitude. As soon as she reached the summit of the symbolic mountain, she was bidden prove her constancy by plunging from the precipice into the abyss below, at the bottom of which a double row of sharp steel spikes were visible. At the given word the neophyte plunged into the steep descent, but before she arrived at the bottom of the dark gulf, the scenic machinery had revolved and she alighted on a piece of velvet herbage, beneath which was concealed a bed of softest down. Darkness gave place to light, and all around her was a fairy scene of green fields, shady trees, and babbling fountains. Essences were at hand should she be prosaic enough to faint. The Grande Maitresse and other officers were seated on gorgeous thrones, while the sisters were all clad in white and adorned with badges and scarfs of various colours. But we must not be guilty of revealing any more secrets. It is sufficient to say that these societies did not take; members, except on occasions of special display, did not attend; and this late revival of last century ritual and ceremonial did not succeed.¹ Secret societies of women soon began to dwindle and grow small in numbers and smaller still in funds. They never were financial. Too much money was spent in drink; 2*d.* a member, at each monthly meeting (generally consumed in spirits), was the usual compulsory payment, and at the quarterly meeting 6*d.* worth of liquors was the allowance for each delegate; while a limited morality rule was generally the only one in operation—*e. g.* “any member hereof having a child by another woman’s

¹ *Druidic Reminiscences*: Order of Druids’ Journal, vol. x.

husband shall receive no benefit whatsoever, but be excluded. Any married woman having a child by any man but her own husband, the same.”¹

The Rechabites, indeed, started independent Female tents, but the daughters of Rechab showed apparently too much independence, got beyond all financial control, and the tents were dissolved; while the “Daughters of Temperance” did not lead an altogether happy existence under the control of the Sons. A combined male and female Order is not a thing to be desired. There was a want of organization, a looseness of government, and absence of sound financial arrangements, about most of these Female Societies, so that they never secured firm footing, had no “staying” powers, and by the end of the period had already much lessened in numbers. Factory and shop clubs did best, but then that best was very poor, as regards a real provision for sickness and want. Weighed in the balances and found wanting, must be the verdict passed on Female Societies.

The period before us witnessed the rise of Juvenile Thrift in the form of courts and lodges of the leading Orders, specially adapted for the male children of their respective members, but this fresh branch of Mutual Thrift insurance only came into prominence during the present period (1871-90) in the history of the Friendly Society movement; we shall therefore, at present, merely introduce it to the reader, leaving all details for subsequent notice. Thirty years ago the pioneers of the movement were scoffed at and subjected to much ill-natured criticism for their audacity in connecting children with the adult Orders. Who will now say that the great faith of those enthusiasts

¹ Rules of Female Secret Insurance Society of Oldham, Saddleworth, &c. Rule 9.

has not been abundantly justified? The "Children" of the early days of these Societies are the *men* of to-day. When the first Juvenile Foresters Society was formed is not exactly known, but it is over a quarter of a century ago. The Juvenile Societies are simply, so far as benefits are concerned, adult Courts in miniature. For certain contributions certain benefits—medical aid, sick, and funeral—are promised. Up to a certain age the benefits are generally confined to medical aid and funeral, whilst the sick benefits are allowed at or near the time when the youthful member commences, or is supposed to commence, to work.¹

So far the Foresters, who have always been *facile princeps* in this matter; while of the Oddfellows, the Grand United Order possessed Juvenile branches as far back as 1842, and the Manchester Unity followed close after. Other societies, whether of the Affiliated or other classes, do not appear to have seen the importance of providing good "nurseries" for the adult branches till a much later date.

There yet remains to briefly state the circumstances and nature of the rise of the General Collecting or Burial Societies. English Mutual Thrift, for the last half century, may be said to have steadily flowed in ever-increasing volume into two main channels, and as these grew, they caused, as a rule, a corresponding decrease in those other channels in which tendencies to the practice of economic duty, as understood by the mass of the people, had previously run. The first of these main currents we have considered, that of the Affiliated Orders, we have now to deal with the other—that of the great Collecting Burial Societies. Leaving for the present a more detailed account

¹ *Foresters' Directory.*

of their methods of working, and expenses of management, it will be sufficient to sketch the general characteristics of this class, and point out the manner in which it originated.

“Perhaps the most important fact to be borne in mind in characterizing the Collecting Burial Societies, is that they differ from the Local Burial Clubs, and from the funeral funds of the Affiliated Orders, in subsisting primarily upon insurance of the lives, not of the working-men themselves who pay the contributions, but of the women, and especially the children in the working-men’s families. It follows that the sphere of the Collecting Burial Society is distinct from that of the ordinary Friendly Society, and that their respective operation is in some respects antithetical. The money invested on the insurance of a child’s life, which in most cases far exceeds the usual expense of its burial, partakes of the character of a speculative investment, and the policy is to that extent a gambling policy. The excess received, over and above the cost of burial, is too often squandered upon the funeral feast. A sort of natural instinct which has no doubt a healthy origin seems almost to preclude a parent from putting the money so acquired to any profitable use. Under these circumstances the thrift represented by the large receipts and hundreds of thousands of members of these societies, though considerable in quantity, cannot be considered to be of high utility. Much credit is claimed for them on the general ground that they bring home ‘the benefits of insurance’ to a class of too narrow resources to profit by the ordinary insurance companies, or even by the Friendly Societies; and perhaps of too limited intelligence to keep up a subscription on any terms than those offered by the agent, who will ask for every penny when it falls due. It is also urged that they are more stable than the

local burial clubs, which indeed for the most part contain few elements of stability. This seems to be correct enough. The class from which they draw members is by general testimony that *of the poorest and least resourceful of the community*. Widows, for instance, who cannot enter a sick club, will welcome the prospect of securing to themselves, on terms ostensibly within their reach (however exorbitant in reality), a funeral not at the expense of the parish.”¹

It is true that some of the large Collecting Societies, when they began business, offered also a sickness insurance; but such was a mere blind, and never became a reality. Indeed, the managers of these clubs have admitted that the difficulties in the way of such organizations having anything to do with sick claims are insuperable, even if it were desirable that they should undertake this insurance. In a few years after starting, all sick branches were closed. It will be abundantly clear that the class of provident insurance before the reader is not the invention of the working classes for themselves, but that the Collecting Societies are in reality “trading” bodies, “projected and worked” in the first instance by a few individuals who make their profession, their living, out of the business they have created. There are, as a rule, two distinct staffs of officials, a general and a local. The general or central staff consists of elected directors or committee men, with more or less permanent officers in the shape of secretaries, treasurers, and trustees. The local staff is composed of collectors or canvassers, who have separate districts assigned to them, extending throughout the kingdom. These collectors go from street to street, and from house to house, gradually, if it be possible,

¹ *Friendly Societies Commission*: Report by Sir G. Young.

drawing into the society's net, first one, then another, till all the younger members of a family have been secured, and the wife, if not the husband. The canvassing is well done, the society well served, simply because the service, if not one of love, is one of livelihood. The collector gets paid (we shall see in another chapter to what extent) according to results, so works for results, especially new memberships, as yielding him the larger profits. The dread felt by the most necessitous poor, of being "buried by the parish," is so great as to lead them to welcome this class of insurance as within their means, and they pay the man who calls every week or fortnight for their pence and half-pence, as they would pay the rent-collector. The special characteristics which mark off these bodies from the Friendly Societies proper of whatever class have been admirably stated in brief form, by the present Chief Registrar, thus :—

FRIENDLY SOCIETIES.

COLLECTING SOCIETIES.

Combine relief in sickness with life insurance.	Limited to life insurance ; relief in sickness discontinued, except in some cases to original members.
Monthly, or, in some cases, fortnightly meetings the rule.	Meetings, whether district or general, practically disregarded by members.
Management inexpensive ; officials generally appointed by intelligent consent of the members.	Management rarely costing less than 40 per cent. of premium income ; members practically excluded from voice in election of managers.
Promoted and conducted for benefit of members.	Promoted and conducted for benefit of managers.

Before 1870 there existed thirteen societies with a membership extending to five figures, and out of these, four had reached to a membership of six figures ; viz. *United Assurance* (commonly known as *St. Patrick's*), (Liverpool,

1832), *Liverpool Victoria Legal*¹ (1843), *Royal Liver* (Liverpool, 1850), and *Scottish Legal* (Glasgow, 1852). The range of the *Royal Liver* and the *Liverpool Victoria Legal* extends over the three kingdoms; the *Scottish Legal* to Scotland and Ireland, and the *United Assurance* to England and Ireland. Further details must, for the present, be left, till the whole question of management can be dealt with. A quotation made from a pamphlet issued in 1868, by Mr. Jno. Tidd Pratt (Registrar for England), will, however, give the reader an insight into what he may expect to find. The writer has in his mind twelve of these Collecting Burial Societies, which it would appear "consisted of more than *one million insurers*; that the amount of the insurances could not be less than *three million pounds sterling*; that their gross receipts from the insurers in the last year were £247,935; the amount paid for benefits assured, £138,151; the amount of expenses for management, £94,763, and that the *whole of their funds*, including the value of their property, and the money in the hands of treasurer, agents, and collectors, was only £181,166, or the amount of about three-quarters of a year's premium."

This is not the place to enter into any lengthy history of Industrial Life Assurance Companies, but as there is very little difference in the actual manner of working between them and the great Collecting Burial Societies, and as the people who put themselves, or their children, into them do not trouble themselves to see any difference at all, some account of their operations in their bearings on the thrift of the poor must be given. While the Collecting Friendly Societies are registered under the Friendly Societies Acts, and have to make their returns to the

¹ Promoted by a Scottish collector of the *Royal Liver*.

Registrar, these others, doing business explicitly on the joint stock company system of insurance, come under the authority of the Board of Trade, with which Government office they deposit statements of accounts, and actuarial Reports. They are defined under the Life Assurance Companies Act (1870) as companies which grant assurances on any one life for a less sum than £20, and which receive premiums or contributions by means of collectors, at less periodical intervals than two months. There is, indeed, this difference between the Industrial Company and the Collecting Friendly Society, that in the latter the insurer has certain rights of membership, and can, in extremities, press for a special investigation in the case of alleged abuses; while in the former the insurer remains a mere policy-holder in a company of which he is not a member. But, then, owing to the extensive and scattered range of membership, and other difficulties put in his way, and his want of knowledge how to proceed, the rights of membership are of very little practical use. The keenest competition often exists between the two classes of bodies.

Before 1870 there existed, at one time or other, fourteen companies, but of this number no less than five had been dissolved, or absorbed by the remaining companies. One of the most notorious of these was the *Friend-in-Need* (Glasgow), which woefully belied its comforting title. It was started in 1853 as a registered Friendly Society, but nine years later was converted into a company, and then within five years it suddenly shut up its office, and sold its insurers to the scarcely less notorious *Empire Insurance Company*, which itself failed twelve months after. Of the rules of the *Friend-in-Need*, an Assistant Royal Commissioner has well remarked that they were “calculated

to reduce to a minimum the number of members who would be able to claim full, or in fact any, benefit." Then there arose the *National and Provincial Union*, and this also, suddenly, without giving its insurers warning, passed away—"a notorious swindle, with liveried servants and discharged prison-warders for directors and officers." Among the number of defaulters—somebody took and kept the funds—there was, however, one respectable failure, the *Safety*. "It is stated to have been established by Sir Joshua Walmisley, and to have had Mr. Bright and Mr. Cobden among its directors—but the attempt made to collect at 10 per cent. seems to have been a failure, and after two or three years they were obliged to give up."¹ The bodies that remain unto this day (exclusive of the *Prudential*) are *Wesleyan and General* (1841), *British Legal* (1863), *Pearl* (1864), and *Refuge* (1864). But the most notable company, even in those days, was the *Prudential*, which began business in 1854, and was the first company to insure infant lives. By 1867 it had over 350,000 policy-holders in its Industrial branch (the company has always had an ordinary Life Assurance branch as well), an annual premium income of £154,000, and an assurance fund of £147,000. "The Prudential Company has one clear advantage over the bulk of Burial Societies, viz. that the collectors and agents, or the officers who fill their office, are absolutely excluded from any share in the management. The company is a proprietary one, in the hands of thirty shareholders, and no officer of the company, except the secretary, is permitted to hold a share."

Many Local Collecting Burial Societies were already going down before the rapid increase of the General type,

¹ *Fourth Report of F. S. Commission*, p. 130.

and the rate of absorption was to become much more rapid afterwards, though they were vastly more economically managed. One local society, however, the *Blackburn Philanthropic Burial* (1839), quickly assumed gigantic dimensions, and by 1870 possessed over 100,000 members. Other large societies were the *Original Legal Friendly Burial* (Preston), *Burslem Mutual*, *Chorley Family Funeral*, and *Tunstall Benevolent Burial*.

It is time now to gather up the threads. We have already shown that the period which has been before the reader was one of remarkable numerical increase, both in the numbers of Friendly Societies, and in the number of the members of societies. During the thirty-six years, the number of lodges or branches of the Manchester Unity had increased by over 3000¹ and the membership by over 386,000, while in the case of the Foresters the increase in the number of courts had been more than 3500, and of members 360,000. And at the close of the period the funds of these two great "Workmen Orders" stood respectively at £2,902,000 and £1,217,744 (Great Britain and Ireland alone).

The same tale has also to be told of the General or Centralized Class, as evidenced by the growth of its leader, the *Hearts of Oak*, which in 1842, ten years after its establishment, possessed 2,180 members, and a reserve fund of £2,136; and by 1870 these figures had increased at a rate hitherto unprecedented in the annals of Friendly Societies, to 21,484 members with a worth of £67,321.

With a few notable exceptions, the time had been one of *numerical* and not proportionate *financial* strength. It is difficult to bring forward reliable figures, but it has been

¹ See p. 108.

calculated that fifty years ago there were, of one sort or another, at least a million members of Friendly Societies; and in 1857 Mr. J. Tidd Pratt informs us that there can be little doubt that there were above 20,000 societies (this number must have included branches of the Orders which the Registrar insisted on reckoning as separate societies), with a membership exceeding two millions; that £1,000,000 a year was disbursed in sick allowances, and that the subscribed capital of these societies was £9,000,000 sterling.

We commenced this chapter of our history by indicating certain advantages which were on the side of the thrift of the working-classes in the community; we close it by a reference to disadvantages which sorely tried the stability of the fabric. Weakness of finance was not the only enemy that had to be fought. Epidemics of a virulent nature raged throughout the country. No less than 843,000 lives were destroyed in England and Wales alone during the ten years 1857-66, during which eight epidemic diseases visited the kingdom. Then there were frightful colliery accidents that heavily punished the funds of many societies. And to crown all, there was the Lancashire cotton famine, and the consequent loss in wages, which at Christmas, 1862, was computed to be at the rate of £200,000 per week; while over 220,000 persons employed in the different branches of the trade were out of work, and many a Friendly Society contribution had to go unpaid; yet at a time like this, the Manchester Unity raised a fund of £10,000 to succour distressed brethren; nor were the Foresters and others of the Orders behind in the work of relief. Think you not, too, in the remarkable demonstration "that crime can exist without poverty, and that poverty can exist in its bitterest form without being associated with crime," in the calm,

patient bearing of the suffering thousands under their terrible trial, that the training and the education received in the lodges and courts of the great brotherhoods (in which every man is valued at his true worth, and all worthy men are brothers) had its share in the humanizing and ennobling of the industrial community?¹

¹ Wilkinson's *Friendly Society Movement*, p. 62.

CHAPTER IV.

1870—1890.

WE now enter upon the last period of our history, one in which not only numerical strength has advanced "by leaps and bounds," but there has also been in many quarters a corresponding improvement in financial strength. And undoubtedly this latter improvement has been largely due to the influence of legislation and Parliamentary action ; though the reader will see how much enlightened opinion in the Friendly Society world assisted that education which it is so necessary should precede beneficial legislation.

It was seen by the most casual observer of the social economy of the people that the great consolidated measure of 1855 had largely failed, and failed in one quarter, at least, where its promoters had been at special pains to remedy past defects in Friendly Society legislation. We have already shown that, so far as the Affiliated Societies were concerned, its beneficent action had been marred by the perverse and one-sided *ruling* of the chief of the Government office, whose business it was to regulate and encourage national thrift. The position of the vast self-governing branch of the Friendly Society tree, so far as State recognition and support went, was little better than during

the period in which the law refused all countenance. But it was the way in which Collecting Burial Clubs were managing their affairs—the open and notorious robbery of the poor man's pence by the collectors, agents, secretaries, and committee-men of these clubs, "under colour as though" they were all working for the "benefit" of their members—that ultimately led to further Parliamentary action. The Earl of Lichfield—a staunch friend, of many years' standing, of sound Friendly Society finance—had just introduced a Bill into the House of Lords "to amend the laws relating to Friendly Societies, and to small Government annuities, and the assuring of payment of money on death." At great cost the collectors and officials of the Collecting Societies opposed the measure, as one calculated to do injury to their rich harvest of gains and perquisites. The measure was withdrawn. The question was felt to be one of much difficulty, owing to the widely different and differing bodies to be dealt with. The Government of the day were undecided, for the moment, whether they would proceed by way of legislation or institute a preliminary inquiry by way of Royal Commission. Presently (February 1870) they determined on the former alternative, and a Bill was introduced to the House of Commons by the Chancellor of the Exchequer, the Right Hon. Robert Lowe (now Lord Sherbrooke). The great Registrar, Mr. J. Tidd Pratt, was dead, and the office lay vacant. The Bill proposed to abolish both Registrar and his certificate, and delegate to the Board of Trade the duty of merely registering a society's rules, as showing that there was nothing in them which transgressed the law. Any judicial functions that the Registrar had possessed were to be handed over to the local judge. Now, though it has been customary to speak

lightly of such a measure, which was received with little favour by Parliament, yet, from one point of view, Mr. Lowe had a good deal to say for it, always premising that the Government declined to grasp the "nettle" that seemed almost to invite their attention. The signature of "John Tidd Pratt" had, as we have noticed, conveyed a fictitious security to the minds of members of societies, especially those of a local character and supplying the wants of agricultural districts. "Poor and ignorant people," said the Chancellor of the Exchequer, in his opening speech, "who principally supported these societies, believed that the certificate meant that the society had received the approbation of the Government, that it was founded on sound principles, and they might safely invest their money in it without the risk that attached to other societies not so certificated." All which things, as Mr. Lowe remarked, were illusions of a harmful nature. No doubt the language of the Chancellor of the Exchequer might have been more precise than to suppose that nearly *all* Friendly Society members were "poor and ignorant people," but, exclusive of the Orders and some other classes, the drift of the right hon. gentleman's observations was not without warrant; and he further proposed to withdraw a pretence of Government assistance and security, and to leave every Society to stand on its own merits. The time, however, was not ripe for the doctrine of *laissez faire* to be applied without reservation to mutual Provident Societies in the bulk. The adoption of such a line of policy would have meant the handing over of the savings of the most necessitous of the poor to the tender mercies of so-called Friendly Societies that might, with more correctness, be designated a class of trading office clubs, without any attempt on the part of the State to

protect those who had not sufficient knowledge to protect themselves.

A Royal Commission was appointed to make full inquiry, of which Sir Stafford Northcote (the late Lord Iddesleigh) was the chairman, and J. M. Ludlow, Esq., the secretary. The steps taken by the Commission, and the result of their arduous labours, extending over a period of four years, have been fully treated elsewhere; ¹ we shall, therefore, only note the principal alterations made in the Act of 1875, which embodied the results of their prolonged examination—an examination greatly enhanced in value by the labours of six assistant commissioners, who visited typical districts of the country, obtained evidence, and prepared exhaustive reports. The Commissioners themselves, in their fourth and final Report (1874)—an indispensable historical document to the student—summed up at great length, treating of many other bodies, such as working-men's clubs and building societies, with which we have nothing to do.

We must, however, before passing to the Act which was the outcome of this prolonged and searching inquiry, mention a provision in the Married Women's Property Act, 1870, which conferred a long-needed privilege on female members. By this Act a married woman, or woman about to be married, may have the benefit for which she is insured in a society entered in the books in her own name, and such benefit is then deemed her own property, and is to be paid to her as if she were an unmarried woman; the only proviso being, that if the benefit has been obtained by her by means of her husband's money without his consent, a court may order it to be paid to the husband.²

¹ *The Friendly Society Movement*, pp. 64—84.

² *Pratt's Law of Friendly Societies*, p. 36.

The new Act, after being amended on several vital points in the interests, and at the instigation, of the Affiliated Orders, became law in 1875: One of its most important advances on prior legislation, was the full recognition of Societies with branches as "registrable units"; in other words, the law, for the first time, recognized the constitution and government of an Affiliated Society—a fact fully acknowledged by the new Registrar, Mr. J. M. Ludlow, the late secretary of the Commission, to whom, with its chairman (the late Lord Idedesleigh), the Friendly Society cause owes a long debt of gratitude.

But the old ruling of Mr. J. Tidd Pratt still stood in the way to prevent the Orders taking advantage of legal recognition. Mr. Ludlow was obliged to determine that, as all branches have previously been considered as separate societies, and registered as such, a process of registration must be gone through before the office could legally hold them to be *de jure*, what they—many of them—had been *de facto* for fifty years past. Now under the Act, owing to an unnecessary advertisement process that had to be got through, and the printing of new rules, &c., this registration became a most costly affair. It was discovered that the expense of the conversion of branches would amount to £40,000 for the Manchester Unity and the Foresters alone. A short supplementary Bill had to be brought in by our old friend, so well known to members as "Sir Stafford," to simplify the process: this became the Amendment Act of 1876 (to be read with the Act of the previous year), a measure which did its best to remedy the past. The effects of that past, however, have lingered long after the introduction of the remedy, and the tedious process of calling special meetings, securing a certain high percentage

of members in favour, and alteration of old rules, entailed on secretaries of branches much extra labour, which they might have been spared if the Legislature had accepted branches as such, unless they gave notice, within a certain specified time, that they desired to secede from the Unity, to which, by their own rules, they already belonged.

The following are among the principal alterations effected by the Acts of 1875-76 :—

One Chief Registrar and three assistants, instead of three separate and distinct Registrars for England, Scotland, and Ireland, with co-ordinate authority.

Deposit of rules by unregistered societies no longer allowed.

Registered office required.

Yearly audits required.

Valuations of assets and liabilities required every five years.

Public auditors and valuers to be appointed by the Treasury, but their employment not compulsory.

Various provisions to secure to members a knowledge of their rights and obligations, and assist them in cases of prosecution for fraud and misappropriation.

The power of Registrar, on application of a certain proportion of members, to order inspection of affairs or call special meetings.

Minors under sixteen not to be members of any future adult society. No minor under three to be a member of any *future* society.

Power to acquire land to any amount.

Disputes may be referred by consent to the Registrar.

The number of members who can apply to the Registrar for an award of dissolution reduced. Further powers given to the Registrar on this point.

Societies with branches, *i. e.* Affiliated Orders, legally recognized as such.

And not only societies with branches, but also societies employing collectors, societies having a custom of periodical division of funds, and societies having deposit funds, were specially recognized and legislated for. Societies receiving contributions by means of collectors at a greater distance than ten miles from the registered office were made subject to special provisions, which were to be set forth in their rules.

Such a society—

1. Must furnish every member or family with a copy of its rules for one penny, and a printed policy for one penny.
2. Cannot enforce forfeiture of a policy or benefit without written or printed notice given at least fourteen days before forfeiture.
3. Cannot transfer a member to another society or company without his written consent, and remains liable to the member if it attempts to transfer without such written consent.
4. Cannot accept a transfer, even by consent of the member, without notice to the society from whom the transfer is sought to be made.
5. Must hold at least one general meeting of the members in every year, notice of such meeting to be given by advertisements or by letter or post-card sent prepaid to every member.
6. Must have open for inspection for seven days preceding the meeting, a copy of its balance-sheet, and must deliver or send prepaid a copy to any member on demand.

7. Must obtain the certificate of a public accountant, not an officer of the society (other than auditor), to the annual returns.

In any dispute arising in a society of this class, the member has the option to appeal to a County Court, or Court of Summary Jurisdiction, in the place where he resides, notwithstanding anything in the rules to the contrary. No collector is capable of taking part in the management of the society or in the proceedings of any of its meetings. Contravention of this provision, or of those as to the transferring of members, is an offence punishable by a fine of from £1 to £5. The section (30) applies not merely to societies established after 1st January, 1876, but to those in existence at that date.

The provisions restraining transfer of members apply not merely to registered societies but to unregistered societies ; and all the provisions of which an abstract is given in the last section (except those as to delivering of rules, policy, and balance-sheet) apply not merely to Friendly Societies, but to Industrial Assurance Companies.

Societies having a custom of periodical division of funds could not have rules for that purpose certified under 18 & 19 Vict. c. 63, but it is now provided that a society (other than a benevolent society or working-men's club) shall not be disentitled to registry by reason of any such rule, if the rules contain distinct provision for meeting all claims upon the society existing at the time of division before any such division takes place.

Societies having deposit funds (heretofore legalized by an authority of the Secretary of State) may provide by their rules for accumulating at interest, for the use of any member, any surplus of his contributions to the funds

which may remain after providing for his assurance, and for the withdrawal of such accumulations.¹

In the same year that the Friendly Societies Acts of 1875-76 came into operation was passed an Act which at first sight does not appear to have anything to do with the subject before us; but the action of the Guardians of the Poor soon proved to the contrary. The measure in question was the Divided Parishes and Poor-Law Amendment Act of 1876, into which an additional clause—known afterwards as the “Mellor” clause—had been introduced, enabling the Poor Law authorities to claim the benefits of a Friendly Society member who had become a pauper or pauper lunatic, and repay themselves any expenditure caused by that member. Such a line of policy was not dictated by either economic or moral considerations. In claiming the unfortunate member’s sick pay, the guardians pauperized his wife and family, and so, in the end, did not lessen the burdens thrown upon the poor-rates, but it rather increased them; while, so long as the money remained in the hands of the society of which the pauper or pauper lunatic was a member, it was within their power to relieve his family, out of the savings he had invested as a provision for those dependent on him, as well as himself. It took Friendly Societies three years’ agitation to undo the wrong done them, so much easier is prevention than cure in the matter of Parliamentary action. Indeed, it was only four years ago, we believe, that the mischief done was undone, so far as Scotland was concerned.

We now draw the influence exercised by Friendly Society legislation to a close.

The action that has been recently taken by a Friendly

¹ Pratt, *Law of Friendly Societies*, pp. 20—22.

Society Conference assembled in London, in which the leading Affiliated and General Societies were represented, to remedy some defects in the working of the Act now in force, and to amend it in favour of juvenile thrift, will presently be noticed ; we need do no more here than state the bare results. The great hindrance to the registration of Juvenile Societies was removed ; such societies were allowed to retain their members till the legal full age of twenty-one, instead of having the door shut against them, as previously, when they had reached the age of sixteen (Amendment Act of 1887).

The influence exercised by Parliament on Friendly Societies during the period 1870-1890 has certainly been the most beneficial since the time when the provident associations of the working-classes first received legal recognition and protection—now ninety-eight years ago. The education of legislators had, to a considerable extent, preceded legislation, with consequent good results. Foremost among a small band of statesmen stands out the late Lord Iddesleigh (better known as Sir Stafford Northcote), who was never weary of learning, and never above acting up to the information given him. As chairman of the Royal Commission, and from his place in Parliament, “Sir Stafford” from first to last earned the sincere respect of the picked Friendly Society constituency, by his undeviating support of self-help and self-management in the institutions which the people had built for themselves ; and by his steady refusal to hamper and impede freedom of action and the inherent principle of reform, by excessive and clogging State control and interference.

But, as the reader is aware, there are other bodies coming under the operation of the Friendly Societies Act of 1875,

than those which the mass of the people have raised for themselves; and we shall consider further the working of the Act when dealing with questions of finance and government. We must, however, in the first place bring the threads of history up to date.

It is evident that the Royal Commissioners were greatly impressed with the necessity of *financial reform* in the Friendly Society world, and put in the forefront of their recommendations, so far as State action was concerned, a periodical stock-taking by means of a valuation of the assets and liabilities of a society or its several branches every five years. (In another chapter the reader will see what constitutes a "proper" valuation and its methods.) In so doing, the Commissioners were only reiterating the warning advice given by Mr. Henry Ratcliffe so far back in our history as 1850,¹ and making it obligatory on all societies (except those specially exempted) which sought the benefits of registration. Two societies only, so far as the writer is aware, can lay claim to the honour of having made an examination of their financial condition by means of valuation before its operation became compulsory—the Manchester Unity of Oddfellows, and (partially) the Order of Druids. In 1871, at the Bury St. Edmunds Annual Movable Committee, Mr. Henry Ratcliffe, to whom the Order already owed so great a debt of gratitude, was directed to make valuations of all the branches of the Unity. Five years later a second valuation was made by the same skilful hand; and in 1884 Mr. Reuben Watson's Report of the 1880 valuation—the third—was presented to the A. M. C., and ordered, as the preceding ones had been, to be published; so likewise was the fourth valuation Report,

¹ Page 94.

presented in 1889. These four valuations, based on the Society's own sickness and mortality experience, and openly given to the world, place the Manchester Unity in an unique position as the financial leader of the great Affiliated class.

Meanwhile, a steady increase has been kept up in the number of members. We give figures showing, in the first place, the increase in the British Isles—

	No. of Benefit Members.	
Jan. 1st, 1890	...	579,297
" " 1873	...	<u>436,918</u>
Increase in 17 years	...	<u>142,379</u>

But there has also been an increase, in some cases to a large extent, of membership in the British Colonies and Dependencies, and especially in Australasia. In 1864 the number of members had been only 15,887, they had risen to 44,295 twenty years later, and they now exceed 62,000. The Dominion of Canada comes next, but at a large interval, with its 2,644 members. The only other considerable group of lodges, outside the United Kingdom, is that of the United States, numbering 2,034 members. And taking the Unity as a whole, we arrive at the following comparison—

	No. of Benefit Members.	Total Amount of Funds.
Jan. 1st, 1890	651,890	£7,358,853
" " 1873	<u>470,043</u>	<u>3,223,323</u>
Increase in 17 years	<u>181,847</u>	<u>£4,135,530</u>

The amount of wealth received, and disbursed, and

possessed by the Unity (the returns almost entirely relate to Great Britain) during the past seventeen years, will give an idea of the vast monetary transactions of the Order. During that period there has been received the sum of £12,457,000 for contributions and for the interest on invested capital, and there was expended for sickness and funeral benefits the sum of £8,803,000. The capital of the sick and funeral funds was on the 31st of December, 1873, stated to be £3,412,000, while on the 30th of December, 1889, the capital of such funds amounted to £6,786,000. It will therefore be seen that after disbursing the very large sum of £8,803,000 in ordinary benefits to members, the capital had increased to the sum of £3,374,000. The larger amount of close on seven millions and a half given as the grand total of the accumulated capital, is made up by the addition of management funds (£94,000), widow and orphan funds (£377,000), funds of Juvenile Societies (£57,000), and benevolent and other funds (£33,000). One more statistic must suffice to show the great financial increase of the Order; the funds have grown in the last twenty years at the rate of over 136 per cent.

The language used of the Foresters in one of the Reports of the Royal Commissioners, that "in most respects they were half a generation behind the Oddfellows, Manchester Unity," fairly represented their financial condition at the beginning of the present period; and as the consequence of putting off to a later date than their great twin "Workman Order" a policy of thoroughgoing reform, they did not suffer from a long series of secessions, and now began steadily to forge ahead of the Manchester Unity in point of membership. It was not till January 1872 that the

Nottingham High Court Meeting passed an amendment of General Laws enforcing the adoption of graduated scales of contribution for new members ; hitherto a uniform scale at all ages of entry had been the too general practice of courts. But, as we shall have reason to see, this partial financial reform, as a whole, was most half-heartedly and carelessly carried out. In the same year, however, there was presented to the annual meeting a preliminary Report on the actual sickness experience of the Order, which step the Manchester Unity had taken more than twenty years previously. The return related to 276,911 members, who experienced 2,206,053 days of sickness, and was tabulated by Mr. Francis G. P. Neison, F.I.A. And in 1878 the Order took in hand a complete and exhaustive analysis of quinquennial returns of sickness and mortality (1871-75), and again called in Mr. Neison to their aid. The result was a luminous work—a splendidly printed quarto which appeared four years later¹—a volume worthy to take its place by the side of Ratcliffe's Oddfellows' Experience. Great praise is due to Mr. S. Shawcross and his son, permanent and assistant-secretaries of the Order, for the great labour they undertook, and the pains they were at to prepare the different schedules for the learned actuary. As a consequence of this financial Report, new and improved tables of contributions were calculated by Mr. Neison and adopted by the Order, and became known as "The Birmingham Tables"; to be replaced in 1886 by the further improved "Leicester Tables."

For six years the important question of the admission or non-admission of men of colour to the Order more or less

¹ *Rates of Mortality and Sickness of Ancient Order of Foresters Friendly Society*, F. G. P. Neison, F.S.S. &c., 1882.

agitated the Society, the Subsidiary High Court of the United States having passed a law prohibiting such admission; and in so doing followed the example set by the American or Baltimore Unity of Oddfellows, while the British Grand National Order (which had by this time become a powerful society in the States) kept its doors open to white and black alike. Eventually, the annual meeting of 1887 carried almost unanimously a rule that "no subsidiary high court or district should have power to prevent the admittance of any man to membership on account of his colour, creed, or nationality, where a court was willing to receive him, but that any subsidiary high court or district might prescribe such contributions to the funeral fund as might be ascertained to be necessary to provide for any additional liability thereby incurred." Meanwhile delegates had been sent over from the United States, and had put the views of the Subsidiary High Court at great length before the High Court meeting; they urged the social distinction which obtained in America between the whites and men of colour, and commented in vigorous terms on the low moral condition of too many of the coloured people. There can be no question that theoretically the British members were in the right in the sentiment they expressed when they held "the equal right of all honourable men to become and remain Foresters, without reference to creed, colour, or country," but, on the other hand, it must not be overlooked there were many practical difficulties in the way; but none that would not in time have been overcome, as the open rule of the British Unities of Oddfellows having lodges in the United States evidenced. The American brethren, however, remained firm in their decision not to give way on this point; and, as a consequence, the whole of the

Courts of the United States were suspended in 1888 for non-compliance with General Laws. This suspension affected 42,000 members; but courts which were willing to strike out the defining term "white" from their rules were to be assisted in being re-instated in the Order, and the following year a new Subsidiary High Court was, on application, granted to the courts on the Pacific Coast of the United States; while shortly afterwards the bulk of the American brethren met in council and formally declared their severance from the Order, taking to themselves the title of "The Ancient Order of Foresters in America."

This year of 1889 was indeed, in many ways, an important one to the Order, since, besides the final severance from the main body of the American Foresters, the Permanent Secretary, Mr. S. Shawcross, saw fit to hand in his resignation after forty-six years of devoted service. What the Order owes to their ex-secretary no outsider can ever fully estimate, but such was the nature of those services that some have not hesitated to affirm that, for many years, Mr. Shawcross was the backbone of the Society, and that its wonderful numerical increase was largely the result of his unwearied labours, his ever-ready sympathy, and his unvarying courtesy. Nor was the universal regret among the members at his resignation unshared by those who were in a position to "know." The Chief Registrar referred in his official Report to Mr. Shawcross in eulogistic terms, and affirmed that he "had no hesitation in saying that in the successful carrying out of the great changes as respects the Affiliated bodies, introduced into the law by the Acts of 1875-76, and which has so greatly furthered their development and strengthened their organization, the Registry

Office has been much indebted to the intelligent assistance of Mr. Shawcross, and sees with regret that he has felt himself obliged to resign his functions."¹ We proceed to give a few statistics which may be compared with those previously given in respect of the Manchester Unity—

	No. of benefit members in Great Britain and Ireland.	Worth of funds. £
January 1st, 1890.	642,888	3,909,266
" " 1873	401,907	1,520,941
Increase in 17 years	<u>240,981</u>	<u>2,388,325</u>

It will be noticed that the figures showing the increase in worth of funds are those of the United Kingdom *only*; the returns of the colonial members of the Order are not published. The great numerical growth of the Foresters is still more clearly seen when we compare the total strength of the Society as a whole, the number of members being 421,988 on January 1st, 1873, and 702,272² on the same date in 1890. The total increase in worth of funds in the United Kingdom during the last ten years has been 55·4 per cent., and the average funds per member is now £6 8s. 5d., giving an increase of £1 6s. 6d. per member for the ten years, while the figures for the Manchester Unity are respectively £10 10s. 11d. per member, as against £8 17s. 4½d. It will be seen that though the Foresters have made so great an increase in the numbers of their members, the Manchester Unity is still, far and away, the wealthiest Friendly

¹ *Reports*, 1888.

² This total is inclusive of 36,354 members of the *now* distinct American Order.

Society in the world, and a body of capitalists of no mean order.

The small share which Ireland still has in these Mutual Thrift Institutions is at once evident, when we find that the most popular of the Orders, the Foresters, has but a membership of 2214 in the sister island, as against 40,982 in Scotland, while the Manchester Unity has only a membership of some 700 in Ireland.

In the colonies the Foresters have 50,841 members, of which grand total Australia contributes 25,753—say one-half.

We have up to the present omitted to make mention of the Ancient Order of Shepherds, an organization which till 1887 was a kind of Society within a Society, being strictly confined to Foresters, and used as a second "degree" of Forestry to enable members to make increased sickness and funeral insurances, in amount of about half of those already contracted for as Foresters. This method of obtaining a second insurance without being obliged to go to another distinct and disassociated society is an old one in practice, branches (known as Sanctuaries) having been attached to the "Royal Foresters" who preceded the existing Order. But this connection did not always work smoothly. An arrangement was entered into by which the retiring executive of the Foresters became the executive of the Shepherds; but as the latter did not always keep pace with the former in the matter of reforms, friction between the two combined bodies would sometimes arise; and at length in 1885 the members of the Leicester Executive Council of the Foresters declined to become the executive of the Shepherds, who proceeded to appoint a distinct executive body, the members of which were taken from Leicester and its immediate neighbourhood.

But the Shepherds of the "London" district, with 140 sanctuaries out of the total of 440 for England, raised objections, and finally a complete severance of the connection with the Foresters was resolved on. The Ancient Order of Shepherds is now an entirely open body, admitting members who are not Foresters. It has not, however, flourished numerically since the date of the severance, and has diminished in members since 1888, when the Order attained its maximum of 30,939 members.¹ Moreover, as almost all its members are Foresters as well, they cannot be reckoned in the grand total of the *numerical* strength of the Affiliated class, though the worth of funds they possess goes to swell the grand total of *financial* strength. The separate items of these totals we now proceed to give as at 31st December, 1889, and for the purposes of comparison the grand totals of five years ago—

Date of Establishment.	Name of Order.	No. of Benefit Members.	Worth of Funds.
Reorganized.			£
1834	Ancient Order of Foresters	675,918	4,392,662
1812	Independent Order of Oddfellows (Manchester Unity)	651,890	7,301,186
Before	Grand United Order of Oddfellows ...	171,092	554,362
1792	Loyal Order of Ancient Shepherds (Ashton Unity federated with Wis- bech Unity)	88,883	328,391
1827	Independent Order of Rechabites (Salford Unity)	88,667	348,680
1835	National Independent Order of Odd- fellows	53,984	200,582
Amalgamated.	Order of Druids	52,566	155,706
1858	United Ancient Order of Druids ...	52,220	251,875
1781	National United Order of Free Gardeners	49,447	138,155
1820	Nottingham Ancient Imperial Order of Oddfellows	41,831	201,600
1810	Ancient Noble Order of Oddfellows (Bolton Unity)	28,393	83,077
1832			

¹ Reports, 1889.

Date of Establishment.	Name of Order.	No. of Benefit Members.	Worth of Funds.
			£
1849	Sons of Temperance (National Division)	25,089	91,331
1836	Philanthropic Order of True Ivoirites (St. David's Unity)	19,307	101,205
1877 ¹	British Order of Ancient Free Gardeners	16,200	26,628
1867 ¹	British United Order of Oddfellows... Merthyr Unity Philanthropic Institution	13,500	35,786
1840	Independent Order of Oddfellows (Kingston Unity)	13,000	60,000
1862	United Order of Total Abstinent Sons of the Phoenix	12,122	34,217
	Independent United Order of Mechanics	12,000	11,000
1839	Locomotive Steam Enginemen and Firemen's Friendly Society... ..	11,545	36,414
	Improved Independent Order of Oddfellows (London Unity)	10,984	90,354
	Grand United Order of Total Abstinent Sons of the Phoenix	8,078	34,067
1820	Improved Independent Order of Oddfellows (S. London Unity)	8,076	4,089
1849	Independent Order of Oddfellows (Norfolk and Norwich Unity)	7,402	30,000
1878	St. Andrews Order of Ancient Free Gardeners (Scotland)	6,500	28,000
	Derby Midland United Order of Oddfellows... ..	5,908	7,500
1833	Ancient Order of Romans	5,500	15,000
1834	Leeds United Order of Oddfellows	5,069	15,100
1861 ²	Ancient Independent Order of Oddfellows (Kent Unity)	4,454	11,829
	Ancient Order of Comical Fellows (City of Rochester)	4,246	14,922
	Independent Order of Mechanics	4,065	7,627
	Independent Order of Mechanics	4,000	15,600
	Scottish Order of Oddfellows... ..	1,200	16,500
	Minor Orders of Oddfellows	1,200	24,500
	Minor Orders not given above	10,750	24,500
	Ancient Order of Shepherds	47,250	120,500
		[27,824]	86,000
	Grand total at December 31st, 1889	2,216,160	14,892,820
	" " 1884	1,921,249	11,821,125
	Increase in the five years	294,911	3,071,695

¹—1 First formed into a separate Order.

² A small percentage should be deducted for double membership, but nothing that will materially alter grand totals.

The number of branches is somewhere between 19,000 and 20,000. The comparatively large *financial* increase as compared with numerical during the past five years is at once apparent. Indeed, the net numerical increase, as compared with that of the fourteen years between 1872 and 1886, has been comparatively small, during which period we find the membership in the United Kingdom *alone* of eighteen of the larger Orders had increased from 1,200,845 to 1,706,131, making a total of 505,286. We say *net* increase, because there is here much room for "searchings of heart." The principal Orders indeed have so augmented their bulk that it now requires a goodly number of initiations to bring up the increase to any large percentage. For the year ending December 31st, 1889, over 44,000 new members were admitted into courts of the Foresters located in Great Britain, and 38,659 into lodges of the Manchester Unity. Yet the *net* increase in membership was only 9,885 in the case of the former society, and 10,986 in the case of the latter. The reason of this is well known, and has repeated itself many times of late years. The Orders have been unable to retain their members, losing in the Foresters 25,601 from non-payment of contributions, and 20,602 in the Manchester Unity. Causes and their remedies will be dealt with when the question of management comes under review. The amount of lapsing, however, large as it looks, has never exceeded a maximum of 3.47 per cent. of the total membership.

If the total membership for the United Kingdom is required, remembering always that a mere handful will suffice for Ireland, we must subtract 215,873 from the number of members given in the table, and £693,000 from the worth of funds, thus reducing the grand totals respect-

ively to 2,000,287 and £14,199,820. The three Orders, in addition to the Foresters and the Manchester Unity, that possess a large colonial and foreign membership are the Grand United Oddfellows, the Rechabites, and the United Druids. These figures, however, are far from being complete, since the colonial branches, as a rule, make very imperfect returns to the central authority, and we have also to enumerate independent societies both in America and Australia, if a correct estimate of the position of Friendly Societies in the colonies and the United States is to be made. For example, we obtain from the returns made to the Registrars of Friendly Societies for the different Australian colonies, exclusive of those of an Australian Order of Foresters, and another of Druids, a membership of 170,000, with a worth of funds of £1,670,000;¹ while in the United States we have the American Unity of Oddfellows, with a membership of over 535,000, and an annual income of \$6,000,000; and the American branches of the Grand United Order, with their contingent of 73,620 members, and £109,462 funds. The new Ancient Order of Foresters in America has already been noticed. Nor has the enterprise of our American brethren of Oddfellowship confined its operations to the States; the New World Unity has its members in the Pacific, Australia, New Zealand, and Peru, and has even carried the principles of the fraternity back again to the Old World, whence it first received them, having members in Germany and Switzerland. Altogether, taking the Affiliated Orders as a type of mutual thrift peculiar to Great Britain and countries peopled by the English-speaking race, we shall not be far wrong in estimating the total membership at home and abroad at three millions,

¹ Cf. *Reports*, 1889.

and in setting down the wealth of the societies at over eighteen millions sterling, or capital at the rate of £6 per member.

As instances of remarkable growth both numerically and financially since the beginning of the present period, we may take that of the Temperance Orders, as exemplified by the Rechabites and the Sons of Temperance. We give the figures showing this increase in the former society—

1872.		1875.		1889.	
Members.		Members.	Capital.	Members.	Capital.
10,000		30,433	£141,214	88,667	£348,680

And statistics relating to a couple of smaller societies will show that the above satisfactory order of things has not been confined to the great leaders of the Friendly Society world.

	1872.		1889.	
	Members.	Capital.	Members.	Capital.
		£		£
British United Order of Odd-fellows	7,350	12,196	13,500	35,786
Locomotive Steam Engineers' and Firemen's Friendly Society	6,633	38,217	10,984	90,354

The same tale is again repeated, namely, that the increase of wealth has been much faster than that of membership. Financial reforms have begun to tell. We have already noticed the steps taken in this direction by the Manchester Unity and the Foresters, and the work in connection with these bodies undertaken by Mr. Ratcliffe and Mr. Neison the younger. We have now to add that the Rechabites also have placed their returns in the hands of the latter

efficient actuary, and have published to the world their sickness and mortality experience for the ten years, 1878—1887, and compared it with that experienced by the Manchester Unity of Oddfellows and the Foresters. We have, therefore, at present, three large Societies that have so tabulated the sickness and mortality experienced by their members, as to be able to use the same for the purpose of the periodical valuations enforced on registered societies under the Friendly Societies Act of 1875. The importance of this experience, so skilfully dealt with by Mr. Neison, will be apparent when we compare the sickness and mortality risks of the Temperance Order with those of other and open societies.

The most popular Orders in Scotland are the Shepherds, Foresters, Free Gardeners, and Oddfellows.

From the latest complete returns made to the writer (for 1886), the total annual income of twenty-six of the Affiliations was £2,786,000, with disbursements in sick benefits and funeral allowances alone of £1,735,000. But some critics, going to the latest official blue-book, containing the annual and quinquennial returns of the Orders for the period ending 31st December, 1886¹—three years prior to the figures given in our comparative table—may well wonder what we have done with the vast majority of the members of this class, since mention is there made of no less than 136 Orders, of which 35 are designated Oddfellows. As the sum of bodies enumerated in the table is only 34, the question naturally arises—Where are the other 102? An explanation should be forthcoming. We will begin with eliminating from the official list four

¹ Issued, 1890-91.

important societies that in strictness have no business there, having only nominal branches passing on monies received to the central funds—The *Dorset* and *Hampshire* County Friendly Societies, the *Rational Sick and Burial Association*, and the *United Patriots*—all members of the Centralized class. Then there are a number of pretentious aspirants to the good title of “Orders,” some of whom have made no returns (and have, several of them, doubtless ceased to have a separate existence); others there are with high-sounding titles, that range from 36 to under 300 in membership—65 societies are thus accounted for; they consist of offshoots which, for various reasons, have severed themselves from the parent body to which they belonged; a few because they had large funds, and dreaded that an appeal to their brotherly feelings might be made on behalf of companion lodges in distress; many more because their members refused to walk in the narrow pathway of financial reforms inaugurated by the body to which they were attached. As a rule, the same end appears to overtake them all—they are failures, they do not prosper; and eventually, after a lingering and precarious existence, drop out of the ranks, or are reabsorbed in some other body; while a few others are female Orders, belonging to the Temperance sub-division of the class, to be noticed later on.

We now pass on to the Centralized, or Amalgamated, Friendly Societies. Let us see how it has fared with the little group of three—all first-class societies—the account of the rise of which has previously been given—the *Hearts of Oak* (the leader of the class), the *Patriots' National Benefit Society*, and the *Rational Sick and Burial Association*. The figures given will speak for themselves—

	Members (Adult):	Capital.	Year's Dis- bursements.
1889. The Hearts of Oak	130,991	£ 1,081,245	£ 198,298
1872 	32,837	93,839	43,320
Increase in 14 years ...	98,154	987,406	154,978
The United Patriots' National Benefit Society			
1889 	19,343	87,397	19,068
1872 	7,508	8,800	
Increase 	11,835	78,597	
The Rational Sick and Burial Association			
1889 	52,411	159,944	36,448
1872 	15,657	36,986	13,041
Increase 	36,754	122,958	23,407

The magnitude of the operations of the first of these three, as a single society, undivided into branches, will be realized, when we are told that, since establishment, it has paid in claims to its members upwards of £2,000,000 sterling, and yet has reserves to the total of over another million. This little group stands out so by itself, so far and away in front of the other members of the class, that we are tempted to inquire into the probable "why" and "wherefore." I cannot help thinking that the answer is to be found in the principle of management which has guided all these alike—the single-hearted good of the members at large, rather than taking first thought for committees of management, for officials, their remuneration and powers. However this may be, undoubtedly no Friendly Society was ever better served by its secretary than have been respectively the *Hearts of Oak*, the *United Patriots*, and

the *Rational Sick and Burial Association*. And a great loss has been sustained by the first of these societies in the recent death of Mr. Thomas Marshall, a faithful servant, who saw the rise and, latterly, the rapid progress of this unique Mutual Thrift Institution. His voice was not heard outside the society's work; indeed he did that work so quietly and unostentatiously, that we think the members themselves scarcely realized the debt of gratitude they owed him, and how well he helped to steer the course in the sometimes troubled waters of the past. And to the late Mr. Marshall we have to add another old servant, who devoted the best years and energies of a long life to the welfare of the members of the *Rational Sick and Burial*—he too has recently been called to rest from his labours—Mr. J. Pickford. The third of these worthies, Mr. George Wheeler, still holds his post at the *United Patriots*—a more devoted and single-hearted promoter of its members' best interests never officered a Friendly Society. These three veterans deserve places of honour by the side of the late Henry Ratcliffe, of the Manchester Unity, and Mr. Samuel Shawcross, of the Foresters. It is to such we must turn if we desire to see the path of progress and reform trodden, not to the proposed State interference and supervision advocated by a growing class of Friendly Society would-be legislators.

Besides these first-class samples there are some dozen more, the larger being the *Royal Standard*, *Royal Oak*, *United Kingdom*, *London Friendly*, and *Loyal King's Lodge Improved Order of Old Friends*. What the financial position of these institutions is we shall see when we come to apply the valuation test, which has been the strong point of the Act of 1875. In this place it will

be sufficient to observe that, neither in membership nor in funds, have the last-mentioned societies much improved. Indeed, some of them have gone back, the total annual expenditure exceeding the total annual receipts. Let us look at these five societies. Their total membership for the year ending December 31st, 1885, was 19,278—it was close on 16,000 fourteen years before—and the total worth of funds, £183,971. Some members of this class, also, like the great collecting burial societies, gather in their members' contributions by means of collectors, and largely advertise themselves in the newspapers. Provident and sick benefit associations of this character may be designated "trading" Friendly Societies, and cannot be said to be, as a rule, at all desirable receptacles for the working-man's thrift provision, being, the vast majority of them, in a bad financial way, and, as well as most expensive, possessing a form of management with which the insurer has little or nothing to do.

Turning to the County sub-class of this division, we find the same story of no numerical progress during the present period; rather the reverse. The four largest societies—the *Wiltshire*, *Hampshire*, *Essex*, and *Hereford*—had a total membership of 22,921 in 1871, but only 18,888 in 1885, all the societies having a greatly lessened numerical strength, with the exception of the *Hampshire Friendly*, by far the most successful of its class. Times have changed in rural England, and the new generation of "toilers on the land" show a decided preference for joining an Affiliated Society; for instance, in the typical county of Dorset, we find the old County Society with a membership of something over 2,000, while Foresters and Oddfellows alone can claim out of "despised Dorset" a membership 20,000 strong. The

good work of these societies should be gratefully acknowledged ; they stopped a gap ; but the time of high tide has passed with them, and it will never come again.

We come last of all in this division to "patronized" societies, which, without being quite "county" in their geographical area, are more than purely local. There are now about thirty benefit institutions of this character ; and what was said of the County Societies must be repeated, only those remarks should be qualified to the extent that, as a whole, these societies are not in the comparatively good financial condition of the larger County. A notable exception, however, must be made in favour of a fine old specimen of its class, the *Stoke and Melford Union Benefit Association* (1828), having an area of membership extending over an important agricultural district of East Anglia. It possesses a membership of 1,700, and has an invested capital of over £54,000, paying away in one year sickness claims to the amount of £1,100, and also in superannuation allowances, to members 65 years of age and over, the grand total of £1,350. This last item is, we believe, unique in the history of mutual benefit societies ; and it is a fact deserving of public recognition and commendation that an association of the kind should have not only survived thousands of rivals, but should have, so early in its long life of 60 years, undertaken, in the then dim light of actuarial knowledge, such financial reforms as not only to have stood the ordinary strain on the funds of a sick club of many years' standing, but also the payment of, relatively speaking, vast sums in securing its old members absolute immunity, when their working days were over, from the assaults of poverty and want. The good tree planted long ago, still continues sound and hearty ; still spreads its protecting

branches; while others—once companions in the wood—have gone down before what—to it—was but as an evening breeze.

The Railway, or older, group of the general section of the Particular Trade class has made considerable increase in number of members, though, as we shall see, the financial increase cannot be said to have kept pace with additional numerical strength. We find ten societies having a membership of 22,402 in 1872, while nine societies yield for 1885 a membership of 54,368, and funds to the worth of £164,754. The bearing of this group, with that of the next following, upon the operations of the Employers' Liability Act, will be best left till we consider the questions of management and finance.

The most remarkable growth of the present period is undoubtedly that of the other main group in Particular Trade Friendly Societies (Miners' Relief Funds), which were only in their infancy at the time of the inquiry undertaken by the late Royal Commissioners; three associations alone (as we then learnt) were in existence, and one of those was established during the inquiry. The growth of this branch of the national thrift tree has been very noteworthy. In 1870 the number of members had hardly reached 20,000, while the total at the end of 1887 amounted to 229,514, giving an increase of over 209,000 in the seventeen years. There are now seven different societies connected by a central association and holding an annual conference of delegates: the operation of the societies is mostly confined to coal-miners; the *North Stafford*, however, includes a small body of iron-stone workers. The total capital of the united societies is £252,367. The benefits received by the members vary somewhat in different dis-

tricts, the fullest appear to be given by the oldest established societies, those of *Northumberland* and *Durham* and *West Riding of Yorkshire*, and to include an allowance to widows, children, and other dependent relatives, in cases of fatal accidents to the breadwinner; members having no dependent relatives are insured merely for a funeral allowance; while there is a superannuation benefit for old members and a disablement fund; to these insurances the *Lancashire and Cheshire Society* add medical attendance and medicines. One society, the *Midland District*, deals with fatal accidents only. The other societies that have not been mentioned are the *North Wales*, *Midland Counties*, *South Staffordshire*, and *Monmouthshire and South Wales*. Their importance can only be estimated when we consider that, taking in a few local societies as well, we are dealing with a membership of a quarter of a million out of a total enumeration of 523,376 persons returned as coal-getting miners. The annual revenue in 1887 was £181,315; the worth of funds, £252,367; 1,863 widows were in receipt of annuities; 3,454 children were being provided for and educated; and the number of disablement cases, setting aside fatal accidents, reached during the year to 39,855. It will behove us, therefore, bearing in mind how very largely the poor-rates must be saved through the right feeling and right action of these workers, to inquire whether the masters—the colliery-owners—are contributing their fair share to meet the liabilities in their subsidies. We shall also have a word to say to the landlords of the mine-owners.

There has been a recent development of Particular Trade Societies, and certain of the professions, copying the example so long set them, have established thrift institutions of a

similar character, e.g. the *Medical Sickness Annuity, and Life Assurance Friendly Society* (1884), and the *Clergy Friendly Society* (1882). The total membership of the former is 1,050, with a worth of funds £40,500. The chairman of the Executive Committee is Ernest Hart, Esq., and the secretary the present brilliant and indefatigable High Court Ranger of the Foresters. Under such guidance as Mr. J. C. Radley's the society has, so far, been a great success, and has proved that all needful and far-reaching mutual insurances, both sickness, annuity, and life, can be obtained in one society with only one management to be paid for. Such an institution is a distinct boon to medical men, and they have not been slow to avail themselves of the advantages it offers them. The second society is, as yet, of smaller dimensions, having at the end of 1888 only 87 members, and a capital of £936. The President is the Archbishop of Canterbury, and its membership is restricted to clergymen of the Church of England. In starting a benefit association of the kind, the clergy are only following the example set them very many years ago by Nonconformists, especially the Unitarian body. I cannot, however, help thinking that in these days the clergy of the Church of England would do better, be of more use to their working-class parishioners, if they joined, as benefit members, some one of the Orders, and put in an appearance in lodge and court-room. We, of the clergy, are a distinct class enough, without even in appearance emphasizing that distinction. The more we come down out of our pulpits the better for us.

The Local Particular Trade Societies have greatly increased in numbers, but are of so low a type of thrift investment, and so wanting in staying powers, that there is nothing more

to be said of them, except that they check the flow of membership into free and open societies, and should make room for something better, something more equitable and more lasting.

Purely Local Societies, whether of town or country, need not detain us long. The public-house clubs, once as plentiful as blackberries, are passing away; their day is over, and their place is being occupied by something better. Speaking generally, the vast majority, being unfinancial, could not bear the strain of increasing years; while those that remain and are in a fair condition, have lost their popularity. They do not belong to a period in the history of the labour classes in which association and co-operation on a large scale are the order of the day, in which "union" is essentially the bond of strength, and no new societies (besides those based on the lines of tontine and dividing associations) are to be met with, save a rare exception or two which go towards proving the rule. Young men will not join them. The workman is no longer stationary, and he needs a club that will go with him wherever he moves. But even if we include dividing clubs, there will be found to be a large falling off of numbers from the time—nineteen years ago—when the last Royal Commissioners began their inquiries. It has been estimated that Local Benefit Clubs, of all sorts and conditions, numbered some 2,000,000 in the year 1872, and that figure has gone down at least 700,000 since the above date, while £2,800,000 would be a sufficient estimate to cover the amount of reserve funds possessed by this old-fashioned and dying-out type of mutual provident institution.

As the Orders are often credited with possessing a monopoly in curious and out-of-the-way nomenclature, we select at

haphazard a few titles of societies of the Ordinary class, under the conviction that these latter will bear away the palm:—*Select Society of Free and Easy Johns* (we leave our lady-readers to discover the whereabouts of the Society of “Sweet Williams”), Chester-le-Street; *Tree of Knowledge*; and *Righteous Path Friendly Society*.

The Deposit system has continued to slightly increase in the County Societies which possess branches, as the *Wiltshire* and *Hampshire*, while the *National Deposit* (or *Savings Bank*) *Friendly Society* (our old friend the *Surrey County*, in a new dress) has increased from 1,793 members in 1873 to 6,536 at the end of 1888, with invested funds to the amount of £32,902. But a system so artificial and complicated can never be popular, though the Report of the Friendly Societies Committee of the Convocation of Canterbury, Lower House (1884), under the influence of their chairman, Rev. Prebendary Salmon, sought to galvanize it into increased activity. It will not do for a democratic age; a large number of its members are young women in domestic service, induced to join the society through the representations of their masters and mistresses.

Of societies insuring for both sick pay as well as funeral allowance only those of Females and Juveniles remain. Of the former, the old-fashioned imitations of the male Orders, already introduced to the reader's notice, such as Oddwomen, Odd Sisters, Loving Sisters, and Female Foresters, are slowly disappearing, while the Shepherdesses are not doing well; the absence of a sound constitution and efficient management are telling against them. For instance, there was (and perhaps is) a society called “The Reformed Order of Oddwomen,” established at Wolverhampton. The objects of the Order are quaintly

put in the introduction to the rules as being, "The cultivation of friendship, the pleasures of good company, and the improvement of the morals . . . for the attainment of which a number of individuals of the first respectability have formed themselves into a fraternity." Rule 2 has also an old-world flavour about it—"Every Oddwoman cheerfully subscribes her art to enliven the meetings, as well as her money to defray the expenses of the lodge, and entertains as with a song, amuses as with a tale, or instructs with advice her sisters assembled." The spirit of such a rule carried out in general society would undoubtedly do much to improve its quality. Again, there is a local society near Nottingham which meets in the sanded parlour of a way-side inn, where its members take their "pints" and smoke their "churchwardens."

But besides the attempts of the temperance reformers, there has been three recent endeavours to establish an adequate and sound Friendly Society for women—one in Westmoreland, by workers connected with the Oddfellows (Manchester Unity), another at Oxford, by certain philanthropic ladies, and a third in Scotland by the Countess of Aberdeen and others. The first society is still in a flourishing condition, but being purely local, the members decided to join the *United Sisters Friendly Society (Suffolk Unity)*. The second, the *Working Women's Benefit Society (Oxford)*, is also local in character, and has unfortunately been based on a trade rather than a Friendly Society model, giving only eight weeks' full sick pay within twelve months; while the third is a singularly ill-advised attempt to float a Collecting Society under the guise of "The Scottish Women's Benefit Society" for its title, and, ignoring the verdict of past experience, to attach a sickness assurance

benefit. The constitution and the rules which govern the society are of so remarkable a character that description and comment must be reserved until we have to consider the question of management and finances.

I hope I have now shown that the ground for a suitable Friendly Society agency for women is as yet unoccupied; that the rights of women to an adequate place in the great thrift army, which is engaged in daily warfare against the preventable ills that beset human life, have not been recognized; that their share in the manifold blessings of *bonâ fide* Friendly Society membership has been denied to them; that these rights, which, as we have seen, they had a hundred years ago (which they held in the old Mediæval Trades Guilds), should be restored to them.

The Royal Commissioners in their Fourth Report, estimated the membership of purely female benefit clubs at 23,000; it is a high figure to put it at 15,000 at the present time. A well-known statistician has compiled an elaborate return of the industries of Great Britain, but he left out of his account all the women in them. Now, according to the late Prof. Leone Levi, we have in our midst a veritable nation of working-women of over 4,500,000—a host equal to the combined population of Scotland and Wales. Of this number over a million and a half are employed in the industries, and another million and a half in domestic service. Besides, there are 196,000 women returned at last census as professional, 64,000 as agricultural, and 19,000 as commercial.

An allusion has been made to the *United Sisters Friendly Society*; it is from this harvest-field that the U.S.F.S. seeks to gather its members. None can say that the ground is occupied. The society, an open Affiliated Order, was

founded by the writer six years ago, in the township of Long Melford (Suffolk). It now possesses nineteen branches or courts in the counties of Durham, Cambridge, Northampton, Norfolk, Nottingham (3), Somerset, Suffolk (3), Westmoreland, Wilts, and Worcester; in London (2), in the Isle of Man, and in Scotland (2). For purposes of convenience, I may perhaps be allowed to complete the account of this society, so that it may not be necessary to make detailed reference to it again. The society consists of local courts which form branches of a central body, called "The Unity." The government of the Unity—that is, of the society *as a whole*—is carried on by an annual committee of representatives of courts, from which a working executive is yearly elected, consisting of a president, vice-president, and other officers, together with six representatives. Of the present executive committee, the vice-president, one of the trustees, and five of the representatives are women. Besides this, each court has a committee of its own, charged with carrying out the by-laws of the court, the aim of the U.S.F.S. being to teach the members to manage their own affairs, and not merely to bring their contributions and leave them, like school-children, in other hands. The funds, exclusive of management, are three in number, the Sickness Fund, the Funeral Fund, and the Superannuation Fund. In ordinary courts, sick benefits range from 4s. to 10s. per week, funeral allowances from £3 to £6, and a superannuation or pension of 4s. or 5s. weekly. The Sickness Fund remains in the court, and is under Court management, in accordance with the General Rules that govern the society, but the Funeral and Superannuation Funds are entrusted to the Unity; the society, as a whole, bearing the risks. The

London Court, "Work and Leisure," No. 15, of which Miss Louisa M. Hubbard is the president, has been established for women in the professions, and, therefore, gives higher benefits. One of the Nottingham Courts, also, the "Cowen," has been set on foot by Mrs. Cowen, member of the School Board, in order to provide the teachers (female) employed in elementary education with a sound mutual provident insurance organization. All classes of women, consequently, who are dependent on their own earnings, whether of brain or hand, will now be in a position to unite in a National Friendly Society for mutual thrift purposes.

I claim, therefore, that the U.S.F.S., however inadequately it may be fulfilling its mission, is on the right track in attacking the *sources* of suffering and poverty, in aiming at prevention rather than seeking to erect a barrier between the individual and the consequences of her neglect of economic duty.¹

It is a matter of interest that of the four medals awarded to British Friendly Societies at the Paris Exhibition, in the British section devoted to Social Economy, the U.S.F.S. secured the bronze medal, while the Foresters and Oddfellows (Manchester Unity) each took gold medals, and the Hearts of Oak the silver medal.

Of the Orders whose members profess temperance, the following are restricted to women—Daughters of Temperance, Family Temperance Benefit Society, Order of Daughters of Temperance, Original Grand United Order of the Total Abstinent Daughters of the Phoenix, Original Grand Order of the Total Abstinent Sisters of the

¹ *A Friendly Society for Women.* A Paper read at Newark-on-Trent Rural Decanal Chapter (1890).

Phoenix, South Durham and Cleveland Grand Union of the Daughters of Temperance, and United Order of the Total Abstinent Sisters of the Phoenix. Some do not make returns, and the total membership of those that fulfil their governmental obligations is only—197. The “sisters” and “daughters” do not appear to have got over that weakness of women’s work, the besetting sin of isolation; there is no cohesion about these attempts at Mutual Thrift. It must be remembered, however, that the originally distinct female tents or branches of the Order of Rechabites have, for the most part, been amalgamated with the male tents. Still the number of female members is very small. Out of 432 branches of the Order, possessing a membership of 37,783, only 675 are female members assured for sickness and death benefits, and 144 assured for death benefit only. The female element, small however as it is, did not go unrepresented at the last held High Movable Conference, or biennial parliament, where, for the first time in history, two ladies (Lady Henry Somerset and Miss G. E. F. Morgan) were among the number of representatives from the several districts of the Order. Male societies, especially those in Lancashire, Yorkshire, Cheshire, and other manufacturing districts, continue to admit female members, but they bear a very small proportion to the total membership; while in a county like Durham there are thirty societies of females; eleven of them, however, make no return, and are probably dead; the remaining twenty have a membership of 3,688.

Societies of Juveniles have increased by leaps and bounds, till no Order of any pretensions is without this “feeder” to the parent and adult lodge or court. This branch of Mutual Thrift is confined to the Orders and a few societies of the Centralized class.

The Ancient Order of Foresters has taken the lead in this important branch of thrift. At the end of 1872—our starting-point in the matter of returns—the number of members in the Juvenile Courts was 18,651, and the worth of funds £10,000; by the end of 1889 the membership had reached 83,180, contained in 1,360 branches, and possessing funds to the worth of £102,069. There is a Juvenile Foresters' Federation, uniting the separate societies together, and serving as a medium of transfer and interchange of ideas and experience in management. There is also issued a compiled statement of the financial returns of the societies for the year ending December 31st, 1885, and a statement of the sickness and mortality experienced by the members. The Manchester Unity comes next with 56,583 members and £61,514 in funds, while the yearly transfer to adult lodges is over 3,000, and in the Foresters over 4,500. Then, omitting the United Order of Odd Fellows as not having in our possession the latest returns in Juveniles, we have the Rechabites with 40,694 members, and a worth of funds amounting to £21,371. The Sons of Temperance, the other large total-abstinence society, is also strong in "cadets," to the number of 8,791. Indeed, the other Orders will have to look well to it that the temperance societies do not carry off the best of the rising youth of the industrial classes. "Who bids for the boys?" is the cry that should nerve one and all to do their best to secure juvenile recruits. Summarizing the returns of eight of the Orders and of three Centralized Societies, we obtain a Juvenile membership of 211,757, with funds to the worth of £208,969; and it will be a fair estimate to put the total number of children who are assured for benefits in societies which give sickness as well as death benefits at 250,000, and the funds at £225,000

We are now in a position to gather up the whole strength of the Friendly Society system so far as *societies assuring for sickness as well as death benefits* are concerned ; but as the Chief Registrar in his Report for the year 1888 has already done so, it will be the better plan to give the results of his abstract of the return for the quinquennium, 1881-85, the latest issued from the Registry Office. This abstract has been quoted again and again in public speech and in newspaper article. I shall, therefore, give it as nearly as possible *ipsissima verba*. "This abstract has now been completely published as far as ordinary Friendly Societies are concerned. *It must clearly be understood that these publications do not extend to the Affiliated Orders with their numerous branches.*"

"The results are not favourable to the isolated societies, as far as the observance of the law is concerned. For England and Wales and the Channel Islands, out of 12,848 ordinary Friendly Societies on the register, 5,733, or 44·6 per cent., made no returns during the quinquennium, and only 3,174, or 24·7 per cent., made all the five required by law. The members of the returning societies [7,115] were 1,850,841 ; their funds at the date of the last return were £8,005,769 ; but no less than 1,107,953 of the members, and £5,301,265 of the funds belonged to the societies making their returns regularly ; so that under 25 per cent. of the total number of societies, being those that most punctually observed the law, had between them nearly 60 per cent. of the members and over 66 per cent. of the funds returned ; whilst, on the other hand, the 1,078 societies which most loosely obeyed the law, making only one return in five years, amounting to a little over 8 per cent. of the total, returned only under 9 per cent. of the members and a little over 8 per cent. of the funds. From this it may be inferred that

the absolutely non-returning societies are, on an average, insignificant, both in point of membership and funds. Moreover, as from want of means of total information, societies are very frequently kept on the register for years after they have ceased to exist; a deduction, which it would probably not be safe to reckon under 20 per cent., must be made from the number of non-returning societies still on the register, to obtain the probable number of actually existing ones. This would reduce the number to 4,587, and it would probably not be safe to reckon the average membership and funds of the class at more than one-half of that of the societies making one return in the quinquennium, or 77 members and £304 funds. This would make an addition of 357,100 members and £1,394,445 funds, carrying the total membership to 2,204,040 and the funds to £9,400,217, subject to a deduction of very uncertain amount for double or multiple membership, probably not reaching 10 per cent. This would, probably, be a fair estimate for the isolated Friendly Societies of England and Wales. It is probable that the returns of the branches of orders, when made up, will make an addition of at least 1,200,000 to the membership, and £7,000,000 to the funds, so that (excluding Collecting Friendly Societies, which will be presently adverted to) the total membership of Friendly Societies, whether isolated or affiliated, in England or Wales, may be estimated at over 3,000,000, and their funds to over £16,000,000."

These figures refer only to England, Wales, and the Channel Islands; for Scotland, we must add, for ordinary society membership, 107,834, and the amount of funds, £524,350; and for Ireland, mostly "tontine" societies, 68,446 members, and £152,629 funds. This would bring the figures for the *United Kingdom* to 2,380,320 members, and funds,

£10,077,196. We have made no allowance for non-returning societies in Scotland and Ireland ; but the Registrar informs us these are very few in number.

Since the publication of the annual blue-book for 1888, details respecting the branches of the Orders have been issued, and are now, with the abstract, completed. We will compare the actual figures (having done clerk's work and added them up) with the Registrar's estimate, for England and Wales alone.

No. of Members ...	1,371,044	Funds ...	£9,744,843
Estimated ...	1,200,000	Estimated	£7,000,000
Difference ...	171,044	Difference	£2,744,843

The estimate as to membership is not so far beside the mark, but that of funds is two millions and three-quarters too little. Next we will compare the returns of the blue-books for the United Kingdom, for 1886 (the latest official figures) with those of the actual full returns we have tabulated, still keeping to the branches of the Orders—

	No. of Members.	Funds.
¹ In "Mutual Thrift"	2,000,287	£14,199,820
In Blue-Books ...	1,470,116	£10,154,242
Difference ...	530,171	£ 4,045,578

But a reduction of the members and funds of four Centralized societies, which appear in the blue-book list of Orders, has yet to be made, and this increases the difference to 601,100 and £4,367,641. The Chief Registrar's estimate, accordingly, as above, of the strength of the branches of the Orders for England and Wales, is hopelessly incorrect, *being certainly half a million too low as to members, and six millions sterling too low in funds.*

¹ Page 163.

The most extraordinary statement, however, is that of the members and funds of the “isolated Friendly Societies of England and Wales,” by which the Chief Registrar means, roughly speaking, all societies not having branches, which he brings to the enormous totals of 2,204,040 and £9,400,217 for 10,320 societies. This, too, requires to be looked into.

Mr. Ludlow is careful to warn the reader that the abstract of the return on which these figures are based does “not extend to the Affiliated Orders with their numerous branches.” It must be clearly understood that they relate only to “the isolated Friendly Societies of England and Wales.” But what does the non-friendly society reader find when he turns over the pages of the actual returns which are labelled “Lists of Societies, *other than Societies with Branches*,” (to him) a jargon of strange nomenclature ; *e. g.* Reports, 1886, Part II,—(D) 103—III.—on page 22, he will find the following—U.O.F.G.—A.O.F.—N.I.O.O.F.—A.N.O.U.O.F. B.U.—G.P.A.L.O., and he reads the word “lodge” in one place and “court” in another. In his bewilderment, the reader turns to a memorandum prefixed to the volume, and there finds the explanation of these and other initials to the total of 93 combinations—*all of which represent titles of Orders*. Turning back to page 22, he discovers that it contains, out of a total of 48 societies, particulars of 27 branches of Orders. Continuing the process of classification for the whole of Yorkshire, the county under inspection, *we have 871 branches of Orders, 145 more than the total number of societies which made returns, and more than half of the societies on the lists purporting to contain only isolated bodies. The same tale is repeated throughout the whole of England and Wales*. Each page of these blue-books contains, on an average, 48 societies, and out of these 48, there

are 27, at the lowest estimate, which are branches of the Orders; in some instances only 10 societies out of a total of 47 have any right to be there.

What is the explanation? We are face to face with the ill results of the policy of the Chief Registrar's distinguished predecessor towards the Orders; his refusal to treat of branches as other than isolated societies, over which the general rules of the body to which they belonged, and that gave them birth, had no binding authority. The Orders were first recognized as such under the Friendly Societies' Acts, 1875-76, but branches already registered were obliged to re-register themselves before they could be considered to be *de jure*, what they had always been *de facto*, branches of an Order, and not isolated societies. It was as though the law had recognized, for example, the existence of the separate territories that make up the United States of America, but refused to recognize the *Union* that made them one federation. Hence, for the last fourteen years there has been going on a process of conversion, where no conversion was called for—a process that has not yet been completed. Fortunately, after thirty years of needless labour and vexatious delays caused by the interpretation put by the late Registrar upon the law, the Supreme Court of Appeal have at last put an end to the farce (*Scholfield and others v. Vause and others*, April 6, 1886). "Registration," pronounced the judges against the defendants, "under the Act of 1855 did not constitute them a *separate* body [as Mr. Tidd Pratt had ruled], therefore they had no separate existence to protect." As a consequence upon this judgment, the Chief Registrar consented to receive all returns to the office through the central bodies of the several Affiliated Orders, whether branches had undergone

conversion or not. *And yet we have them in these latest returns still treated as isolated ordinary societies.* Indeed, in the Chief Registrar's comment on the same returns we find him affirming: "The larger Orders, having by this time practically converted into legal branches nearly the whole of the other bodies connected with them, but registered as separate societies, the publication of the abstract may afford a suitable opportunity of giving some details as to the various Affiliated Orders." But, on his own showing, there are in the returns of isolated societies for Yorkshire, no less than 131 branches of the Ancient Order of Foresters, while those of the Grand United Oddfellows, the third largest Order, swarm on the pages, not having yet been at the trouble and expense of re-registration. Still the officials at the Registry Office might, as public servants, see that the returns, when issued, were *in some way* correct, though in accordance with a legal fiction, *and those branches of the Orders which have re-registered might in justice be credited as having done so. Such, however, is not the case.* The actual number of courts of the Ancient Order of Foresters in Yorkshire which had *not* re-registered as branches of the Order under the Friendly Society Act, 1875, was, at the time of these returns, only 83 instead of 131. This tale is repeated throughout the kingdom. Branches, at the time re-registered as such, are again and again to be found on the "list of societies other than societies with branches"; for *their* appearance there is no excuse.

But we have not finished with these official returns yet. The actuary attached to the Central Registry Office comments, in his memorandum on the return, on the fact that out of 12,848 ordinary Friendly Societies on the register, 5,773, or 44·6 per cent., made no annual returns at all during

the five years, 1881-86—were, in short, defaulters to their governmental obligations. This is a serious accusation, and one that public speakers of the stamp of Canon Blackley and other friends of compulsory State Insurance are never weary of making. Public men also who have to speak on the subject of Friendly Societies naturally go to the blue-books for their information. The Right Hon. Joseph Chamberlain, when presiding at a Friendly Society jubilee at Birmingham recently, made the same statement in a speech that attracted at the time considerable attention. And this is not the first time either that such a charge has been laid against those societies which have claimed the benefits of registration. But even a Chief Registrar, however zealous a public servant he may be, *cannot awaken the dead*. The vast majority of the 44·6 per cent. that made no return have long ceased to exist. They were once *bonâ fide* isolated local societies—public-house clubs many of them—but their day was short. Unfortunately there is no machinery in the Friendly Societies' Act for compelling societies to announce to the Registry Office their own decease. It is a common custom (so I have read) in Russia for a man, when he dies, to send his compliments to his friends, and acquaint them with the mournful fact. Might not the ex-secretary of a defunct society do something by way of informing the Registry Office of the fact? I have estimated that quite *four-fifths* of the older societies on the register, and not making returns, should be numbered among the dead. At present the pages of those blue-books contain a terrible mixture of dead and living, the former having never been struck off the roll. Indeed, the Chief Registrar, commenting on the abstract of the Chief Actuary, seems dimly conscious of the fact, and would allow for a reduction of

20 per cent. from the number of non-returning societies; but a 20 per cent. allowance is not of much use. Again, no allowance whatever is made for societies—they are not few in number—which have migrated in the course of years, changed their public-house place of meeting, and which consequently make a double and sometimes three or fourfold appearance on the register.

All these circumstances make considerable inroads into the “list of societies other than societies with branches,” and show, among other things, that the Chief Registrar has greatly under-rated the strength of the Affiliated Orders, and issued official returns in which they are deprived of a more or less number of their branches; and these branches have gone to swell the figures of independent isolated societies. When our estimate of the relative strength of the different classes of Friendly Societies is given, it will appear that the purely Local Clubs are yearly growing less in number, and giving place to some other form of Mutual Thrift under the Friendly Society system.

Enough has been said to show that the Friendly Society position cannot be gauged from official returns, which are in fact worse than useless; misleading lights along a not too easy path; a waste of public money. We are forced to the conclusion that these returns are not efficiently supervised—not corrected up to date. In considering more directly the financial items contained in them, we shall be fortified in this opinion. It must clearly be understood, however, that we do not lay the blame on the present Chief Registrar. Mr. Ludlow has had to contend against red-tapeism; his great predecessor's mistaken dictum, as to the interpretation of the Act of 1855; and perhaps more than all, he has had to struggle through the heavy and multiform

work of a Government Office, under-clerked and starved by the Treasury. Circumstances have been against him.

In making a comparison between the official returns and estimates and those given in this work, it must also be borne in mind that no distinction has as yet been drawn, on the one hand, between registered and non-registered societies or branches; whereas, on the other, the Registry Office can only take knowledge of registered societies. It is a mistake to suppose that the old extreme feeling against the interference of Government in any way with voluntary combinations for the purpose of mutual assurance has died out. In some quarters it is as strong as it was forty years ago. There are still whole Orders of Oddfellows unregistered, notably the Ilkeston and Erewash Valley Order; while the Bolton Unity of Oddfellows, out of 299 lodges making returns to the central body, has 111 unregistered, either as separate societies or branches. Taking this and other circumstances which have been urged into consideration, the reasons for the difference between the figures of the Registry Office and the correct figures in the instances given below, will be plainly understood—

1886. BOLTON UNITY OF ODDFELLOWS.

	Branches.	No. of Members.	Funds. £
Correct Returns	370	29,920	83,429
Reports	102	11,550	38,642
Difference	268	18,370	£44,787

1886. ORDER OF RECHABITES (SALFORD UNITY).

	No. of Members.	Funds. £
Correct Returns, United Kingdom	51,226	296,900 (about)
Reports " "	19,930	79,921
Difference	31,296	£216,079

Having cleared the ground and explained the position, we proceed to give an approximate estimate of the whole of that branch of the Friendly Society system which assures for sickness as well as death benefits—

	No. of Members.	Worth of Funds.
		£
Affiliated Societies	2,216,160	14,892,820
Centralized Societies	300,000	2,455,000
Particular Trade Societies :		
(a) Railway group	57,000	144,000
(b) Miners' Permanent Relief Funds	230,000	253,000
(c) Others of a general character	17,000	100,000
Local Benefit Clubs, inclusive of Dividing Clubs	1,300,000	2,000,000
National Deposit Friendly Society	6,536	33,000
Stroud Working-Men's Conservative Association Benefit Society ...	3,000	25,000
Societies of Females	15,000	40,000
Societies of Juveniles	250,000	225,000
	<u>4,394,696</u>	<u>20,167,820</u>

In the above figures, those having reference to the Affiliated class may be taken as absolutely accurate, only it should be remembered that, inclusive of the whole strength of our colonies and America, the full numerical strength will be, for membership 3,000,000, and for worth of funds £18,000,000 sterling. As the figures stand, they represent little more than covers the area of the United Kingdom. In point of members, the Orders are a clear million ahead of the Local class, since nearly the whole of the Juvenile branch of the thrift tree belongs to them. And while the Local Societies have decreased quite half a million since 1872, the growth of the Orders has been both steady and strong. In the Centralized class, the *Hearts of Oak*, with its million of funds, takes the lion's share. 'The

estimate of the Local class must not be understood to be more than approximately correct, as there is no means of getting at the actual figures, especially as many societies are unregistered.

The *National Deposit (or Savings Bank) Friendly Society* and the *Stroud Working-Men's Conservative Association Benefit Society* stand alone, each occupying an unique position. With the former should have been associated the *Abbott's Ann Provident*, but as this, the original of the system, has not complied with its obligations as a registered body, we can say nothing about it. Perhaps it is dead, or perhaps its "National" daughter has swallowed it up. Landlordism has attempted in several quarters to imitate the Stroud Association (described in a former chapter), but we are pleased to say with very imperfect success.

The Local class and Women's societies have steadily decreased in numbers since 1872. The other classes have, one and all, increased with more or less celerity, the most rapid rate of progress having been made by the Miners' Relief Funds and Societies of Juveniles.

In considering Burial Societies, we have to take into account the operation of the special provisions of the 30th section of the Act of 1875, which extended to societies receiving contributions by means of collectors at a greater distance than ten miles from their registered office. These may be considered as more or less general in the area from which they draw their members in distinction to strictly local societies, which would be returned among ordinary Friendly Societies in the official lists. They form a very small group in comparison with the total number of societies registered under the Friendly Societies' Act, but in point of members they exceed that of any other class, while

in finances they cannot be compared with the Orders; nor, indeed, relatively, with the Centralized class. "They amount for England to only 47, out of about 24,000 or 25,000 different bodies registered either as societies or branches. In Scotland they amount to five out of about 900. In Ireland there are no longer any, out of about 400."¹ The statistics of the larger bodies for different years are given on the next page.

To sum up: During the past twenty years the larger Collecting Burial Clubs have increased from a million and a half membership to one of three millions and a half, with a growth of capital from under half a million to over two millions and a half sterling, giving an additional two millions of members and more than two millions of funds; and this though the number of societies under observation has been reduced from seventeen to eleven. We are unable to give statistics of *membership* as at December 31, 1889; these bodies, after the manner of Insurance Companies, prefer to advertize their finances, the amount of money they have in hand, and the amount of the claims they have paid; and it is difficult to obtain later figures than those of the official returns. The game, however, is in the hands of a very few players. The figures relating to twelve only out of a total of fifty-two societies (as at Dec. 31, 1887), have been given; but the remaining forty of bodies in England and Scotland under the thirtieth section of the Act possess a membership of only 136,000, and a worth of funds of £72,000. In other words, four societies of over 200,000 members, and the next eight of over 10,000 members, include nearly 98 per cent. of the total membership of the group, and over 97 per cent. of the funds; while the four giants,

¹ Evidence of Chief Registrar. *Report of Select Committee, 1888.*

MUTUAL THRIFT.

	Dec. 31, 1871—2.		Dec. 31, 1880.	
	Members.	Funds.	Members.	Funds.
1. Royal Liver	550,000	264,795	932,912	668,953
2. Liverpool Victoria Legal ...	200,000	49,159	568,102	282,123
3. Scottish Legal	216,343	54,982	405,192	221,598
4. United Assurance (Liverpool)	140,000	15,311	181,093	11,345
5. Blackburn Philanthropic ...	130,370	8,725	123,624	80,659
6. United Legal (Liverpool) ...	50,000	12,370	37,841	14,424
7. Loyal Philanthropic (Liverpool)	45,800	18,373	42,544	29,926
8. Liverpool Protective	48,132	16,978	53,412	39,433
9. Integrity Life Assurance (London)	42,000	2,675	79,327	7,675
10. Royal London Friendly ...	25,000	4,961	211,579	59,762
11. City of Glasgow Friendly ...	24,000	7,571	65,934	34,822
12. St. Anne's Catholic	20,000	1,477	12,755	638
13. Swansea Royal and S. Wales Union	17,600	428	33,067	7,431
14. People's Life Assurance (Dudley)	11,474	7,011	10,571	8,011
15. Mutual Provident Alliance ...	—	—	16,317	80,302
16. United Family Life Assurance	8,550	1,002	(ceased to exist).	—
17. Aberdeen Northern Friendly	—	—	21,862	7,673
	<u>1,510,269</u>	<u>465,821</u>	<u>2,794,130</u>	<u>1,554,773</u>

	Dec. 31, 1887.		Dec. 31, 1889.			
	Members.	Funds.	Funds.	Collects.	Exs.	Costs.
1. 1,211,259	937,932	1,065,404	384,431	148,614	38'65	
2. 1,003,787	533,335	633,442	384,626	182,427	47'42	
3. 397,947	221,598	252,825	100,495	37,246	37'09	
4. (Closed, 1885)	—	—	—	—	—	
5. 123,624	79,675	96,476	26,644	5,972	22'41	
6. 33,519	13,394	14,503	—	—	—	
7. 52,180	38,122	42,576	16,429	6,803	41'43	
8. 53,519	44,258	45,091	15,856	7,977	50'30	
9. (Closed, 1885)	—	—	—	—	—	
10. 448,600	187,611	246,962	178,899	78,663	43'97	
11. 82,220	75,413	88,978	21,217	7,773	36'63	
12. (Absorbed, 1881)	—	—	—	—	—	
13. " 1886)	—	—	—	—	—	
14. 7,639	5,161	—	—	—	—	
15. 12,074	55,180	51,188	8,342	3,330	39'91	
17. 27,671	22,362	28,175	6,041	1,717	28'42	
	<u>3,454,119</u>	<u>2,241,031</u>	<u>2,565,620</u>	<u>1,142,930</u>	<u>480,522</u>	

by themselves, two of them with over a million members, "comprise between them over 90 per cent. of the members, and over 88 per cent. of the funds." These four are—*The Royal Liver Friendly Society*; *The Liverpool Victoria and Legal Friendly Society*; *The Royal London Friendly Society*; and *The Blackburn Philanthropic Burial Society*. It is a case of the greatest bodies working out, to a great extent, the next largest—a process that is steadily going on.

It would, however, be a high estimate to put the *adult* membership at over half that of the total of three and a half millions; a million and a half individual members not belonging to other societies, and these mostly females, would probably be nearer the mark.

Leaving, for the present, the question of management, it is evident that the new requirements and obligations which the special clauses in the Act of 1875 imposed on these societies have not operated as thoroughly as the Commissions had hoped, and that they need strengthening and amending. Large bodies still continued to close their doors, break up, and leave their members out of benefit; while others became amalgamated with insurance companies. The *United Assurance*, the old *St. Patrick's*, is the most notorious instance of the former. This society could never have been in a sound condition, since it never possessed any funds worth mentioning, and when it broke up, in 1885, it had 148,627 members, and only £5,203 capital. Other societies suddenly foundered, without warning; besides those which, the creation of discharged collectors carrying a small percentage of members with them, within a few months vanished out of existence.

In 1888, a Select Committee of the House of Commons was appointed to inquire into the operation of section 30 of the Friendly Societies Act 1875, and into the organization

or general condition of societies and companies to which the section applies. And a return was made, at the instance of the Committee, from which it appears that, within the last few years, no less than 201,301 members have been thrown out of benefit, and 89,164 transferred, *volentes volentes*, to other associations. It is possible that a society managed in the interests of its promoters and officials, and so rightly named "a trading" Friendly Society, may, by amendment of the law, be made to better serve the interests of its members, and those interests may be better protected. But what shall we say of the bogus Friendly Society? There is no "mending" here, only "ending." In the former there may be blundering and greed on the part of its officials, but the latter is an organization that starts in life with the hidden intention of plundering its unsuspecting members. The latest and completest specimen of this class is the *Independent Mutual Brethren Friendly Society*, whose doings the Rev. R. H. Hart-Davis was the first to expose, at his own risk and cost—that of a heavy law-suit. The exposure has been completed under Mr. Sutton, the Government Actuary; and the results have become a State document. This Society was registered in 1873, and is not yet legally dissolved. In 1882 it became a "Collecting" Society, giving sick pay as well as funeral money, and the year following, its chief promoters, if not founders, made arrangements to convert it into an Affiliated Society. Old men of over fifty were accepted as members, on merely paying a higher entrance fee, which went towards management expenses. Such a chance was not to be missed. Straightway benevolent clergymen and other kind friends helped elderly working-men and women, too old for any other club, to enter and participate in the promised

boon. The sad end of such a society was only too certain, but it might have been long delayed, had not the malpractices of its moving spirit been brought to light. Now, we have been fortunate enough to trace the life-history of this individual, and as it is not contained in any report and has never been written, we will shortly epitomize its chief features, leaving to our readers the moral. The chief promoter first saw the light, we believe, in or near Ely. There he was put to school, and his exploits are not yet forgotten. The fiends of cheating and fraud seems to have early taken possession of him. He became a letter-carrier, only to lose his situation and undergo a severe term of imprisonment for stealing letters. Subsequently, the man entered the service of the "Industrial Prudential," but had eventually to be dismissed. Being at a low ebb, the subject of our biography sought to rehabilitate his character by becoming a Methodist preacher, and apparently he succeeded; at all events, he was in a position to commence the formation of the *Independent Brethren*. The sums of money he managed to extract out of this Society and his methods, behold, they are written in the State Chronicles of Great Britain and Ireland. At the present time, we are informed that the individual in question is the owner of a prosperous wholesale business in fancy goods in the City of London.

Some few of the larger bodies under section 30 of the Friendly Societies Act 1875, insure a small proportion of their members for a sickness benefit; but the total amount of such insurances is very trifling as compared with the amount of that insurance at death, which it is the business of these organizations to effect and their promoters and officials to live by.

Of the strictly Local Burial Societies, they alone "really

have something of the character of Friendly Societies." "The others, though working under the Friendly Societies Acts, are really insurance offices, started without any capital, and under the control of no shareholders, and conducted principally for the benefit of the office-holders, and only incidentally for that of the assured."¹

The better class of Local Burial Society is limited to the north of England; in the south and the east, the rude and unscientific form of a "levy" obtains, with one or two "deaths in hand" to meet sudden calls and prevent delays of payments. But the one great characteristic is that both classes are essentially organizations of the artisans and the labourers for themselves, and managed by themselves, not commercial and trading concerns; and as such they are economically managed. In 1870 they covered considerable ground, but have not increased since. Whether employing collectors or not, these small concerns have had no chance against the well-organized and extensive machinery employed to bring in members by the great Collecting Burial Clubs, and the Industrial Assurance Offices. In some respects they have certainly deserved a better fate than being gradually driven off the field; the collecting business is done much cheaper; working-men, who have some spare time in the evening and on Saturdays, getting in the premiums: not making their living out of the payments they obtain, but merely supplementing the wages of their ordinary calling by small extras. The larger, however, of these clubs have been found to have their share of the drawbacks that attend the newer type, and cannot be recommended. Many of the older Local Burial Clubs have disappeared; a membership of half a million should include

¹ *Report of Hon. Lyulph Stanley.*

the numbers insured in them in England and Wales ; while from 30 to 40 per cent. should be deducted from this number for children. Indeed, there are several societies on the list of registered bodies composed of infants alone.

The returns of the Industrial Assurance Companies are made to the Board of Trade. There is power to compel the return to be made, but none whatever to insure the accuracy of the figures. The following statistics, showing the recent growth of these companies, must therefore be received subject to this proviso—

	£
In 1878 the Premium income was	1,488,829
In 1887 it reached	4,181,852
In ten years the Annual Premiums received amounted to	28,156,760
The Life Assurance Funds in 1878 amounted to	726,743
In 1887 to	5,982,601
The Capital in Moneys 1878	50,032
In 1887	293,251
The difference mainly arises from profits transferred to the Capital Account.	
The Interest on Investments in 1878 amounted to	28,957
1887 to	197,784
In ten years a total was received of	980,425
In 1878 the Death Claims paid amounted to	508,012
1887 to	1,664,281
In ten years to	10,576,195
In 1878 the Commissions paid were	480,373
Expenses of Management	287,460
Equal to 51·57 per cent.	<u>£767,833</u>

			£
In 1887 Commissions were	...	...	1,146,265
Expenses of Management	...	...	709,598
			<hr/>
Equal to 44·38 per cent.	...	...	£1,855,863
In ten years the sums paid were for Com-			
mission	...	...	7,978,866
Expenses of Management	...	...	4,731,808
			<hr/>
Together	...	...	£12,710,674
			<hr/>
Or, equal to 45·41 per cent.			

Three-fourths of the entire business done by these companies, fourteen in number, is in the hands of one of them—the *Prudential*. The cost of management varies again from 41·47 per cent. of the premium income in the case of the *Prudential* to 90·32 per cent. in that of the *Yorkshire Provident*. This latter company, however, with two or three others—none of them of any dimensions—have since the date of these statistics (1887) disappeared from view. The reduction in the average cost of management in the ten years from 51·57 per cent. to 45·41 per cent. is due solely to the reduction shown by the *Prudential*.¹ But in the face of this reduction, we have to put the large sum of £152,000 which has been paid to agents, for promotion and extension purposes, by one company alone, the *London, Edinburgh, and Glasgow*, which sum has been treated in the returns sent in as assets. It is instructive to compare also the total of premiums paid in the ten years—£28,156,760 with that of the commissions and expenses of management—£12,710,674.

¹ Report of Select Committee (1889).

The total number of insurances in force, in 1887, it is not easy to accurately determine, but they must have been over 8,983,000; the funds in hand, it will be seen, amounted to £5,982,601. In order to show the advance made since 1887 (beyond which date the Select Parliamentary Committee already referred to had no evidence), the following statistics are taken from Mr. Bourne's admirable Manual—

INDUSTRIAL COMPANIES.

Date of Formation.	Name of Company.	Year ending	Funds.	Increase or decrease in year.	Premium Income.	Commission and expenses of management.	Cost per cent.
1883	Blue Ribbon	Dec. 31, 1889	£ 23,362	£ 2,616	£ 16,916	£ 10,535	62·27
1863	British Legal	June 30, 1889	80,658	7,435	44,520	20,166	45·29
1866	— Workman's	Apr. 30, 1890	118,537	6,414	243,889	125,735	51·55
1881	London, Edinburgh & Glasgow	Dec. 31, 1889	68,691	19,124	181,653	86,589	47·66
1869	London & Manchester	Mar. 24, 1890	36,231	3,637	48,023	25,315	52·71
1864	Pearl	June 30, 1890	237,093	30,001	264,100	129,714	49·11
1848	Prudential	Dec. 31, 1889	7,149,207	876,646	3,336,742	1,337,549	40·08
1864	Refuge	Dec. 31, 1889	295,201	62,769	564,866	284,136	50·30
1854	United Brothers ...	Mar. 25, 1883	2,562	...	2,711	3,340	123·20
1841	Wesleyan & General	Dec. 31, 1889	132,722	11,145	170,433	88,263	51·78
			8,144,264	1,019,787	4,863,853	2,111,342	

The approximate number of insurances for the whole term of life is 9,216,000, and the amount insured for, £83,006,000, or an average of £9 2s. 3½d. per life. It is interesting to compare the insurances effected by the upper and middle classes of the community in the way of ordinary life assurance business. The total of insurers is 749,961, and the amount insured for, £395,184,006. We are now in a position to compare the statistics for 1878, 1887, and 1889, and see, at a glance, the marvellous growth of this branch of Mutual Thrift—one entirely of the last few years:

MUTUAL THRIFT.

	Funds.	Premium Income.	Commission and expenses of manage- ment.
1878	£ 726,743	£ 1,488,829	£ 767,833
1887	5,892,601	4,181,852	1,855,863
1889	8,144,264	4,863,853	2,111,442

The question naturally suggests itself whether, especially in a day of trade and agricultural depression, the poor of our country can, from an economical point of view, afford to make a most primitive and scanty thrift provision at a cost to themselves of $4\frac{3}{4}$ millions per annum, and expend on those who kindly undertake to make this provision for them over 2 millions out of that vast sum. In plain language, whether our poorest poor are in a position to maintain in comfort and luxury the vast armies of local collectors and agents that overrun the country, as well as the central bodies of directors, secretaries, solicitors, and clerks, at the rate of from 40 to 123 per cent. on the premium income paid, and at the same time provide for the wants of the "eternal now." Further, the past has not been without warnings that these so-called thrift institutions for the benefit of the working classes will not stand any real strain which may come on their by no means large reserves.

It is at once evident that the *Prudential* is the "leviathan" among the companies, letting its ordinary branch alone. A little additional information with reference to its working will throw farther light on the subject of collecting bodies doing insurance business. It must be premised that it is the most efficiently managed and most thoroughly organized piece of machinery it is possible to conceive of. A visit to the offices at Holborn Bars reveals a building wonderfully

adapted for the home of this gigantic commercial undertaking, consisting of a Forwarding Department, Policy Department, Paying-out Department, Claim Department, Book-keeping Department, Correspondence Department, Library, Letter House, Proposal House, Statistical House, Audit Department, Consulting Rooms, Pay Office, Administrative Department, Registration Department, Workshops, Stationery Stores, and Pneumatic Service. There is only one postal delivery daily at the *Prudential*. The reason for this will be sufficiently obvious when we state that every morning the average is 4,000 letters. The delivery is by special cart, the contents of which are taken to an "opening room," an almost exact reproduction of one of the sorting-rooms of the General Post Office. In the Statistical House takes place the quinquennial valuations, at a cost of £41,000. The Pneumatic Service is a remarkable saving of time and labour. There are thirty-one stations, besides a central station, where the groans and noises are most bewildering and mysterious. It is situated in the middle of the building, and each packet comes here to be forwarded to the department for which it is destined. There are electric signals to show whether each tube is "blocked" or "clear." The parcels make their journeys in periods varying, according to distance, from two to fifteen seconds. It would require a goodly sized pamphlet to give the reader a clear idea of the machinery and working of the Prudential Offices, which is largely the creation of the late secretary and present deputy-chairman, Mr. Henry Harben, assisted by Messrs. Dewey and Lancaster, the present manager and the secretary of the Industrial Department. In the secretary's office all business connected with the investments of the company is transacted. And, in the matter of ground-rents, we are

informed that such rentals bring in the *Prudential* £150,000, while the whole of the property, consisting of houses in London, on the expiration of the leases, will revert to the shareholders. The Manager's Room is furnished with an elaborate system of electric signals, affording instant communication with each department, and its little army of clerks. Altogether the head office expenses amount to over £193,000 per annum.

How the transfer of the shareholders' benefits to the Capital Account affects that account will be obvious when we state that the shareholders' capital twenty years ago was under £6,000, and that now it is over £200,000. Taking the last ten years (1876—1886), while the business done has increased three times, the profits of the shareholders have increased twenty-five times. The number of policies in force on December 31, 1881, in the Industrial Branch was 4,822,519; at the close of 1886 the number was 7,111,828; three years later it stood at 8,693,513, and now it cannot well be short of 9,000,000; *a fourth of the population of the United Kingdom are policy-holders.* This enormous institution is quite a little world to itself, with the heart in Holborn, and arteries extending from Land's End to John o' Groat's House, from the Humber to the Mersey, from Dublin to the Devil's Glen, embracing every town and village throughout Great Britain and a portion of Ireland.¹

Reserving the question of the proportion of children to that of adults, we turn to the profits of life-assurance business as carried on in the *Prudential*. It must be remembered that the *Prudential* has an Ordinary Life Assurance Branch as well as its vast Industrial Branch, and

¹ *A Visit to the Offices of the Prudential Assurance Company.*

when it comes to sharing out the profits, those of the Industrial section (not taken by the shareholders) are handed over to the insurers in the Ordinary Branch. The proportionate division of profits is as follows—

BONUS TO ORDINARY BRANCH POLICY-HOLDERS.

Amount Allotted by way of Bonus		£	£
1861		5,954	
Ditto	1866	18,277	
Ditto	1871	48,000	
Ditto	1876	67,027	
Ditto	1881	171,946	
Ditto	1886	320,400	
		631,604	

BONUS TO SHAREHOLDERS.

Amount Allotted		£	£
1861		1,488	
Ditto	1866	4,569	
Ditto	1871	12,000	
Ditto	1876	16,756	
Ditto	1881	118,053	
Ditto	1886	399,600	
		552,466	

In all, £1,184,070. But as the large profits are the result of the business of recent years, we will take those of the last quinquennium ending in '1886 by themselves. The total amount of profit made by the company in both branches was £771,879, whereof the sum of £720,000 was divided, £435,000 coming from the Industrial Branch. Of the total amount divided, the policy-holders of the Ordinary Branch received £320,400, while the remaining £400,000 went into the pockets of the shareholders, whose total amount of capital in the concern was at the time only £80,000, and on which a 6 per cent. dividend was paid.

“It appears, therefore, that, in addition to the annual dividends, the shareholders got distributed amongst them during the last quinquennium profits equal to five times the amount of their capital. Before such a colossal return as this the yield of the richest gold or diamond mines pales into insignificance.”¹ But this is not all: the bonus to shareholders has become so large a growth that, apparently, there is no need to wait till a five-yearly valuation reveals its exact amount; for we find in the annual report for the year ending 31st December, 1888, the following item on the expenditure side: “Dividends *and Bonus* to shareholders—£50,000.” In short, the increased capital from £6,000 to £200,000 has been made up by the addition of bonuses, and the number of shareholders has increased from 30 to 135. It is superfluous to add, that the shares do not come into the open market, but are still, almost entirely, owned by the relatives and connections of the original promoters of forty years ago. As regards the distribution of the profits derived from the Industrial Branch, we can but emphasize the language of the Friendly Society Commissioners of nearly twenty years ago, “that the ordinary, that is to say, the wealthier insurers, as well as the shareholders, derive an advantage from the industrial business to which it is difficult to see how the former at all events have a claim.”

But the question will be asked: “Have the directors done nothing for the industrial policy-holders who have brought them such gigantic profits?” They have given improved terms from time to time outside and beyond the letter of the contract. The manager of the branch informed the Select Committee on Friendly Societies (1889), that the value of these improved terms, given within the last

¹ *Economist*, March 18, 1888.

ten years, would be £1,385,000. Most of such value is made up by revision of tables, and the granting of free policies to holders of five years and over (who are of adult age), and who do not or cannot keep up their payments. A certain sum, calculated on the value of the policy at the time at which the holder ceases payment, is paid at death. Such a policy was recently held by a woman who had attained the age of 106, and who died in her 112th year. By far the larger proportion of lapsed policies occur before adult age is reached. This liberal treatment beyond the letter of contract is, of course, a good stroke of business which the directors, as we have seen, can afford to make without intrenching unduly on their own profits; while the handing over of large sums earned by the Industrial Branch to the policy-holders of the Ordinary Branch acts as so much bird-lime, and enables the Company to successfully compete with its rivals in the ordinary life assurance business. The shares which are now standing at £5 paid, have a present market price of £28, or £500 for every £100 of capital. What this successful commercial enterprise has brought its original promoters, their relations and connections, may be gauged when we consider the present value of the 4000 shares held by Mr. Edgar Horne, and the 3460 held by Dr. Fraser. And from the rate of increase in the business, the bonus to shareholders at the end of the next quinquennial period will not be far short of a million sterling. It is quite true that in ordinary Life Assurance Companies, such as the *Star*, the *Sun*, the *Rock*, and the *Law*, the present market price per £100 capital ranges from £1,000 to £1,600; but the reason why we have dwelt so fully on the *Prudential*—its offices, its expenses, its profits—is because each and all have been built

up with the millions on millions of pence extracted by 10,000 collectors from the least resourceful and most necessitous ranks of the poor—under dread of a pauper funeral.

It remains to gather up the present numerical and financial strength of bodies that, under the Friendly Society system, assure for a sum at death alone, and, as a rule, do not attempt a sickness assurance; and to add the totals to the division which offers sick pay as well to its members—

	No. of Members	Worth of Funds
1. Societies assuring for a sickness allowance, as well as sum at death	4,394,696	£ 20,167,820
2. General Collecting Burial Societies	3,500,000	2,565,620
3. Local Burial Clubs	500,000	130,000
	No. of Policy holders	
4. Industrial Assurance Companies	9,216,000	8,144,264
	17,610,696	31,007,704
General total as at 31st December, 1886	14,175,000	25,310,000
Three years' increase	3,435,696	5,697,704

One portion of our task is done, and the reader is, for the first time in the history of the Friendly Society world, in possession of the extent to which Mutual Thrift, under the Friendly Society system, is practised by the working classes of Great Britain, and (to a comparatively small extent) of Ireland. It will at once be obvious, on looking back, that the tendency of such Mutual Thrift is to flow in two deep and ever widening channels, viz. that of the Affiliated Orders, and that of the several collecting societies and companies doing industrial assurance business. All other channels, with the exception of that of Miners' Relief

Funds and the partial exception of the General sub-division of the Centralized class, are steadily lessening in volume.

The following statistical estimate made by the manager of the Industrial Branch of the *Prudential* gives interesting information as to the proportion of children in England and Wales, under ten years of age in the aforesaid grand totals, and compares such with the return made at the last census of the population—

The number of children under 10 years of age in England and Wales at the Census of 1881 was	6,668,260
Deducting 25 per cent. for children belonging to classes who would not insure	1,667,065
	<u>5,001,195</u>

The number of children under 10 years of age assured in England and Wales is—	
Prudential	2,099,369
Other Companies, Affiliated and Registered Societies (about)	1,300,000
Unregistered Societies, Local Clubs, &c. (about)	750,000
	<u>4,149,369</u>

The population of England and Wales at the Census of 1881 was	25,974,439
The number of children in England and Wales under 10 years of age was	6,668,260
Percentage of children to population	— 25.67
The total number of policies in force in the Prudential on 31st December 1889 was	8,693,513

The total number of policies in force in the Prudential on the lives of children under 10 years of age was. 2,336,527
 Percentage of children to total number — 26·88

The following shows the number of Policies existing on 31st December, 1889, in the *Prudential Assurance Company*, on lives under 10 years of age.

Age.	Males.	Females.	TOTAL.
0—1	135,773	134,311	270,084
1—2	130,865	129,763	260,628
2—3	126,089	125,237	251,326
3—4	124,382	122,889	247,271
4—5	117,895	117,813	235,708
5—6	114,423	113,637	228,060
6—7	111,622	112,243	223,865
7—8	106,961	107,063	214,024
8—9	102,270	103,651	205,921
9—10	98,713	100,927	199,640
	1,168,993	1,167,534	2,336,527

As to the percentage of adult females to males in the societies and companies assuring for small sums at death, it is impossible to give anything like a correct estimate; but, in my opinion, two-thirds of the lives insured are female lives.

The present period has been noteworthy for a closer drawing together of Friendly Societies of the Affiliated and Centralized classes for matters of common interest and natural protection from undue legislative interference; and the consequent establishing of an annual Conference in London, which, on the first occasion of its meeting (1887)

represented 1,928,000 members with funds to the amount of £13,054,000. Various amendments of the Acts of 1875-76, in the first instance put forth by the Manchester Unity, were submitted to the Conference, and subsequently a Bill was brought in by the Government embodying these recommendations, which soon became law as "The Friendly Societies Act 1887." Most of the amendments consisted of verbal alterations for the better interpretation of the Act of 1875-76. The most important alteration consisted of the substitution of the words "twenty-one" for the word "sixteen" in the proviso of the section relating to Societies of Juveniles, and hence enabling such registered bodies to retain their members to the legal full age. This step was a much needed one, as it bridged over the interregnum which occurred between juvenile membership and the time when a youth was in a position to make a good insurance for himself in an adult society.

The next year the Collecting Friendly Societies had their turn at attempted legislation, but were unsuccessful. They had the effrontery to embody the whole Act of 1887, which had reference almost entirely to Affiliated Societies, and to give their Bill, if it became an Act, the title of "The Collecting Friendly Societies Act"—a procedure which gave rise to strong opposition on the part of the Orders.

In 1889 another Friendly Society Conference was held in London, at which resolutions were adopted asking for an elimination of any reference to Collecting Societies in the Friendly Societies Act 1875, and for the excision of Clause 3 of the Employers' Liability Bill, which encouraged the formation of shop clubs, to which all the hands would be compelled to subscribe.¹ These matters were left in the

¹ Mr. T. Ballan Stead in *Foresters' Directory*, 1890.

hands of a specially-appointed Parliamentary Committee, consisting mainly of the agents of the leading Orders, whose business it is to watch over the interests of their respective societies in Parliament, and to see that no legislative proposal be allowed to become law in a form calculated to be injurious to those interests.

CHAPTER V.

BODIES INSURING SICK PAY AS WELL AS SMALL SUMS AT
DEATH — CONSTITUTION — MANAGEMENT — BENEFITS —
FINANCIAL PRINCIPLES.

WE have reserved a consideration of the questions affecting the constitution and management of the different bodies working under the Friendly Society system, while giving the main outline of the present position, in order that the historical portion of our inquiry might not be overloaded with details which would tend to obscure the leading features. We shall now confine our attention to the condition of things during the existing period, 1870—1890, since to go in any detail further back would be to run the risk of confusing present issues—with which alone we have to deal. It will be readily understood that the present constitution and management of Friendly Societies are the result of a development, more or less rapid, as this or that society caught the spirit of the times. There has been no standing still, nor, on the other hand, any defined method of advance ; but improvements have been introduced and have made their way under the pressure of altered circumstances and an ever-changing environment. We may at once dismiss the case of the *Old Rogate* Friendly Society as being unique in our little history, the closing rule of which is as

follows: "Any member proposing an alteration in the foregoing rules shall at once be expelled from the Society." The secretary, in his eighty-second year, still manages his business well, but we fear that funds are running short, and the members themselves are not far behind their secretary in point of years, yet this law of the Medes and Persians has, up to the present, effectually barred the way to the application of remedial measures.

A society in which every man is valued at his true worth, and all other worthy men are brothers, is not easily established, and still less easily preserved in vigorous and healthy growth. Yet this idea is sought to be attained by the brethren of the Orders.

First comes the aggregation of members called lodges, courts, tents, or senates, possessing an independence of management (subject only to general laws), and retaining their respective sick funds; sometimes their funeral also. Then succeeds the aggregation of lodges forming the districts—the limbs, as it were, of the body—local gatherings of branches within a certain given area; and lastly the Order or Unity which embodies the whole, and is governed by an annually or biennially elected parliament of delegates, with a working executive. Of course there are modifications of this arrangement, as in the Nottingham Imperial Order of Oddfellows, and the Locomotive and Steam Enginemen's and Firemen's Friendly Society. The former still preserves the old Free-masonry form of Grand Lodge with autocratic authority; or rather did so till the last two or three years, when strong reforms, in the direction of those made in other Unities of Oddfellows forty and fifty years ago, were carried. Other lodges outside Nottingham obtained a share in the govern-

ment. A properly constituted governing body of delegates, with authority to make and unmake, has been established, as also a representative Board of Directors. The old-fashioned ornamental head of the Order—some peer of the realm—has been abolished, and the vetoing power of the Grand Lodge removed. At present, however, there is a deadlock, since new rules, or alterations of old ones, can only be registered with the sanction of Grand Lodge, which sanction that Lodge has declined to give. It is much to be wished, in view of pressing reforms, that an arrangement, in the best interests of the members, be speedily arrived at. In the latter of the two societies named, the several lodges have direct communication with the central body, without the mediation of districts.

The general working of a Friendly Society of the federated type (or Orders, as they are frequently termed) is as follows. Members join lodges in various parts of the country, and are primarily members of their own lodge, to which they pay their contributions, and on the funds of which they have a claim when they become entitled to benefits. Each lodge has separate control over its own funds, and a separate set of trustees. It manages its own affairs under a committee of its officers who are elected by ballot. Meetings are usually held fortnightly in towns and monthly in the country. The Friendly Society year has thirteen months in it; that is to say, meetings must be held, at least, once in every four weeks; the system of regular monthly contributions necessitates this. In order to constitute a meeting no less than five subscribing or financial members must be present, or no business can be transacted, except the receipt of contributions and the payment of sick and funeral benefits. It is within the discretion of the district to which the lodge

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belongs what time between six and eight it shall open, and also at what period between nine and half-past ten it shall be closed, but the lodge shall not remain open, except at a specially summoned meeting, after half-past ten P.M. Strictly financial business is taken first in order, such as the receipt of moneys, payments, and any proposition having reference to sick or distressed members. Lodge-meeting is opened and closed in the prescribed form ; members are admitted on giving the pass-word and signs peculiar to the Order. The lodge is governed by officers chosen by the members themselves, the most important being the president, the vice-president, the secretary, treasurer, and sick-visitor. The president, and consequently his *vice*, is known by different titles in accordance with the nomenclature adopted by the Order. For instance, among the Odd-fellows, he is Noble Grand (Master) ; among the Foresters, Chief Ranger ; among the Druids, Noble Arch ; among the Rechabites, Chief Ruler ; and among the Mechanics, Illustrative Grand. The duties of this officer, and in his absence those of the vice-president, are obvious.

An efficient secretary is the officer most necessary to the well-being of a lodge ; his duties are an hundred and one. He is a permanency, not appearing and disappearing every six or twelve months like so many of his brother officers. He has to receive all contributions and fees, and pay over the same to the trustees every lodge night ; to keep all the books ; to answer all communications addressed to the lodge ; to issue summonses ; to prepare balance-sheets, and all returns for the district and for the Board of Directors, and also the returns for the Registrar ; receive certificates for sick members declaring on the funds, and enter full particulars. If the lodge is one of any size, he may have an assistant,

called the "elective" secretary, to aid him in his duties. But besides these official duties, the permanent secretary is the friend and general adviser of the members and their wives; the financier of his lodge, who has the difficult task of making a good many members understand that an accumulation of funds is a necessary for future and heavier calls, though it is to be feared even he does not always sufficiently appraise the results of a valuation, the data for which he has to furnish the valuer with. His remuneration, if regarded from a commercial point of view, considering the amount of work done, is almost nominal, from two to fifteen pounds being the annual salary, varying with the size of the lodge; the average would be about five pounds.

The treasurer is another important officer in a lodge. He is a member who can easily be got at, whose residence is accessible—as sick members require their orders for sick pay to be cashed without delays. He is often a tradesman in a small way of business, as then he is easily to be found at his place of business. Care, moreover, should be, and is, exercised lest a sort of truck system be introduced. We believe, however, that the vast majority of such treasurers are above suspicion. Were any practices of the aforementioned character common, the treasurer would quickly hear of it from his lodge. The pay is purely nominal, covering merely expenditure or loss of time incurred.

The office of sick visitor or sick steward (termed in the Foresters, Woodward), as the agency for safe-guarding sick claims, is one of the specialties of societies of the Affiliated type. A sick visitor is appointed either at the half-yearly or yearly summoned meetings, and, if found to fulfil his duties to the satisfaction of the lodge, from time to time re-appointed to office. He is the messenger who carries

the relief to the members ; each week-end sees him in the homes of the sick brethren. His duties, with the exception of those of the secretary, are the most arduous in the whole range of lodge offices. Week by week, in all weathers, he has to visit the sick, sometimes twice, but always once a week. In town his distances are generally limited by a fixed radius of three miles. He has to attend lodge on each lodge night, to report the condition of sick members, and to see to their fulfilment of the obligations laid upon them—such as, that they are not from home in the evening later than six o'clock from the 1st of October to the last day of March, and not later than seven o'clock during the remainder of the year. The remuneration for these, sometimes, I am afraid, thankless services—for if there are any black sheep in the fold of the lodge, they do not love a conscientious sick steward—is generally according to the amount of work done, varying in amount from five shillings to a pound per annum.

The duties also of the doorkeeper in a secret society are by no means light. According to the terminology of the society of which he is a member, he is either a Tyler, Inside Guard, or Beadle. In the earlier days of the older Orders, the doorkeepers were armed with swords. Their duty is to attend to the door of the lodge ; admit no member without the password, nor during discussion without the consent of the presiding officer ; prevent the admission of any member in a state of intoxication ; and, often an onerous task in lodges where the members' average rate of attendance stands low, to carry the contributions brought to the door by wife or daughter or other member of the family, to the secretary. The other officers are such as stewards, levites, lecture-masters, minstrels or bards—these three last

names being the titles of the persons to whom is intrusted the instruction of neophytes, and the delivery of the lecture or charges, which belong to the different degrees or ascending steps in the Orders.

Supposing a certain number of persons in a locality or town (they are generally not more than from one to two dozen in number) are desirous of opening a new branch of one of the Orders. They may do so in any public or private room, or in a building erected or hired for the purpose, but the lodge cannot be opened in any place that has not received the consent of the district. The application is made to some existing lodge in the district, who forwards it to the Corresponding Secretary of such district. All the other lodges in the district receive a notice of the petition and may raise objection, either in writing or by deputy, at the next district meeting. This course of procedure is rendered necessary in order to prevent an injudicious number of lodges within a given area, to check a supply beyond real demand, or vexatious rivalry with some existing lodge. But if the district sanction the opening of the new lodge, the necessary papers, accompanied by the scale or scales of contributions and benefits in use in the district, one or more of which must be adopted, are forwarded to the Corresponding Secretary of the Order, so as to be received twenty-eight days before the day fixed upon to open the lodge; and if no objection be received by him within seven days, he is authorized to send a dispensation constituting the proposed lodge, under regularly-defined conditions, part and parcel of the Order, and belonging to the district in which it had been opened.

The lodges vary a good deal in size, ranging from ten members in a lodge to exceeding a thousand. Some Orders

have a greater number of small lodges than others, the Order of Druids being an instance in point. This Order possesses 272 lodges in Lancashire, and the average number of members in each lodge is 54·230, while in some other counties the average goes down so low as 41·7. The greatest variation exists, perhaps, in the Ancient Order of Foresters, which, in 1889, out of 4,148 courts, had 44 of 10 members and under, 1,415 of between 100 and 200 members, 68 of between 500 and 750, and 22 of still greater growth—a few exceeding 1,000 members. The Manchester Unity, also, possesses several large lodges, but fewer very small ones than the Foresters. The average throughout the whole body of Affiliated Societies is perhaps from 120 to 140 members. These local branches are known in the Oddfellows, Druids, Shepherds, and most other societies, as lodges; in the Foresters, as courts; in the Rechabites, as tents; and in the Romans, as senates.

They are grouped together in districts. The funeral benefit is generally reinsured in the district, which also exercises supervision over the affairs of its lodges, and sees that the general rules of the Order are carried out. The business of the district is transacted by representatives of its lodges at half-yearly or, more usually, quarterly meetings, and it elects officers out of this body of deputies. The district corresponding secretary is usually a member who has had his experience and won his spurs as an efficient lodge secretary of some years standing. "On him falls nearly all the labour, and it is to this class especially that we must look for the good management and working of the Order. The body as a whole, through its board of directors, looks to the district secretary as the person through whom correspondence is conducted, and who is responsible for forwarding returns.

The general secretary issues yearly duplicate forms of printed balance-sheets to be sent to every lodge secretary through the district secretaries. These forms are to be filled up and returned to the district secretary, who sends one of them to the Registrar of Friendly Societies ; the other he retains, and condenses from all the lodge returns a financial statement which he sends to [headquarters], from which the general secretary of the Order compiles the annual financial report.”¹

The district also (or a committee appointed for that purpose) acts as a court of arbitration in all disputes between lodge and lodge, or between members of a lodge and its officers, and hears also appeals from lodge-meetings—a “summoned” lodge-meeting being a court of first instance in disputes. An important function of the district is to appoint auditors or “book examiners,” whose duty it is to visit the different lodges in compliance, and to report any financial infringement of the rules binding on the said lodges, or bad book-keeping. As a considerable feeling exists among outsiders that public and official persons should be employed as auditors of Friendly Society accounts, and as such auditors are appointed from time to time by the Treasury, under the Friendly Societies’ Act, we quote the language used by one of the Assistant Commissioners on this point, showing how the work is better done from within rather than from without—“The check and supervision afforded by [this audit] is not only invaluable, but it is far more effective and far more likely to be submitted to willingly than any independent audit by a Government official. The district auditors, as a rule, are chosen among the most efficient and active members of the

¹ *Report* by the Hon. E. L. Stanley.

district ; they have a special knowledge of its affairs and of the character of the lodge management and of the rules of the Order, which no outside auditor, such as the Poor Law auditor, could hope to attain to. Their advice is accepted willingly, because it is the advice of brother members who have been chosen by the suffrages of the society itself, and their work is done cheaply, whereas no official audit could be otherwise than expensive, and an official audit would be worked in a pedantic spirit and with a considerable amount of "red tape," whereas these district auditors have a good deal of tact. They will use persuasion ; they will take infinite pains to explain and put a lodge secretary in the right way when he is rather stupid, rather perverse, and rather suspicious ; but an official auditor, coming to the same class of man, would probably excite all his antagonism and set him working the lodge to prejudice all the members against these new-fangled technicalities, of which they do not understand the importance."¹

The cost of management of a district is met by levies for current expenses, on the management funds of the several lodges. These expenses are light, and consist mainly of rent for the room of meeting ; of payment of the delegates' travelling expenses and loss of time ; of printing of reports (generally containing most valuable information respecting the welfare of the lodges) ; and of the salary of the district secretary—no great amount.

The size of districts greatly vary. Taking the Manchester Unity as an instance in point, we meet with them consisting of from one, two, or three lodges, with a total membership of 100 to 300, up to those composed of from thirty to fifty-nine lodges, with a membership of from 3,000 to 13,000. It

¹ *Report*, by the Hon. E. L. Stanley.

is very obvious that a very small district of two or three lodges cannot accomplish the purposes for which it exists.

The whole government of the Order is entrusted to a committee (called the Annual Movable Committee (A. M. C.) in the Manchester Unity, the High Movable Conference in the Order of Rechabites, and the High Court Meeting in the Foresters) consisting, as a rule, of deputies elected from the various districts of the Order, and meeting generally annually, or sometimes biennially (as in the case of the United Order of Oddfellows and the Rechabites), at some town named in the previous year. In this annual or biennial parliament is vested the power of revising the rules of the Order, and of making levies on the Order at large. The central body of government is a board of directors composed of the president, vice-president, permanent secretary, the late president, and from six to nine directors elected by the annual or biennial committee. The board constitutes a supreme court of appeal, or arbitration court, for the Order. This privilege of arbitration and right to settle their own disputes (and to have that decision enforced, if necessary, in magistrates' and county courts) has now been in existence for a hundred years. Nothing could well have worked better. It is necessary to state this fact, since the late Mr. John Tidd Pratt, Registrar for more than forty years, never wearied of endeavouring to get this privilege cancelled, and have all cases of dispute sent to the nearest County Court for settlement. The time which the County Court Judge would have to occupy over, in many cases, trivial matters, the costs of counsel and solicitor, would have placed an average member entirely beyond the reach of justice. I am sorry to say that several County Court Judges have, from time to time, held that they have powers

to decide such cases, although the rule providing for arbitration in the society itself has been clearly pointed out. In these instances recourse has been had to the Court of Appeal, which has speedily put matters right. The injustice, however, of not being able to obtain costs against a County Court Judge still remains. The law on the point requires amendment.

A recent case will show how the arbitration rules of an Order are calculated to deal out justice to an individual member, and defend his rights. The dispute was between a member and his lodge, and the member desired an appeal to be laid at a special district meeting; but the district rules provided that if a member desired his case to be heard at a specially summoned district meeting he should, unless the district committee considered him to be in such poor circumstances as to be unable to afford to pay, first deposit the sum of £4 4s. 0d., to meet expenses. This the petitioner declined to do, pleading inability (which plea the district would not allow), and appealed in writing from the district to the board of directors. The board directed that the member's appeal to the district should be allowed without the deposit being insisted on. The district declined to obey the direction of the board, and the latter at once sought the aid of the Court of Queen's Bench to enforce their decision; the Judges directed the district to hear the case, and commended the board for the manner in which they had dealt with it.

The foregoing description of the constitution and government of an Order must be somewhat varied to suit the Ancient Order of Foresters. Here the district system sits much more loosely, and there are a considerable number of courts or branches so far independent of district as to

have direct communication with the central body, and direct representation at the High Court Meeting, instead of through the mediation of the district. Again, the centre of the society moves with the annual parliament every twelve months, and the executive is chosen from the officers of the branches in the locality where the High Court is appointed to be held, and not from the whole Order, as is the case in the other Affiliations. This practice has its advantages; and though troublesome and expensive, "has the effect of diffusing life through the whole of the Order to a degree which the sister Order [of Oddfellows] cannot wholly reach."¹ The area of districts in the Foresters is also more diffuse and scattered. Indeed, the Order can boast of the existence within it of one district, the *London United*, which is, in its way, an Order in itself, with 500 courts, 94,000 members, and a worth of funds of £620,000. Such a district as this must necessarily, from the mere force of its voting powers, exercise great weight in the councils of the Order. In the Grand United Order of Oddfellows there is a most undesirable tendency for lodges of importance (or which consider themselves as such) to leave the district to which they belong and to become "neutral." While in the Bolton Unity matters are in a still more unsatisfactory state, since many lodges are quite independent of the central authority, and refuse to recognize obedience to the general rules of the Order. As to thoroughly carrying out into practice its constitution and government, the Manchester Unity can safely claim to be *facile princeps*. Indeed, a long series of secessions have been the cost incurred in so doing.

The difficulty of getting together a really representative

¹ *Registrar's Report*, 1889.

meeting of the members of the General Class is self-evident, and to obviate as much as possible this drawback, the best societies of the class, headed by the *Hearts of Oak*, have established what are called "country" meetings, or branch agencies; but so scattered a constituency as that of a large General Friendly Society cannot exercise its voice and vote with any thoroughness, and must, perforce, leave the management in the hands of comparatively few members. Hence the danger of a narrow circle of interests being considered rather than those of the society at large.

For the settlement of disputes the *Hearts of Oak* (and some other General Societies) appoint arbitrators outside the society, who are neither directly nor indirectly interested in the society's funds. These are generally persons of public distinction and reputation.

Management in the other classes of society does not call for any special remark beyond what has been said in previous chapters. Only the subjoined advice given societies by the Chief Registrar is much to the purpose: "The most important thing of all for a Friendly Society or court, and perhaps especially at starting, is its management. The best men, both morally and intellectually, should always be selected as officers; . . . and when the best men are found for the really responsible positions they should be kept, and be fairly remunerated for their labour."¹

The comparative advantages of the great Affiliated class over any other are also well put by the same authority. "They can unite the vigilance of local management with the directing and correcting influences of a central authority. They afford a field for legitimate ambition, since every member, by passing with credit through the various offices

¹ *Year-Book of Friendly Societies' Registry Office.*

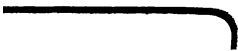
in his own particular branch, may hope to be elected to the higher offices of the district and the central body, and eventually to reach the position of grand master, high chief ranger, &c. of the Order, the elect of a constituency of picked voters, such as no county or borough member of the House of Commons can boast of. They are able to carry out, on a large scale, and therefore at a trifling cost, legal requirements such as those of valuation, which are often felt as a heavy tax by individual societies. They can command good legal advice and aid. They can supply one benefit, viz., relief to members travelling in search of employment, which is beyond the reach of individual societies. By the means of their freemasonry of signs and pass-words they are able to provide friendly and congenial society, and when necessary to convey benefits to their members when away from home, in the case of the largest Orders, almost throughout the three kingdoms and several of the colonies, and many foreign countries. Nor can there be any doubt that, owing to these and other advantages, the federated bodies are every year outstripping isolated societies more and more in the race." And in order to obtain for their members some of the advantages possessed by the large Orders, there has been established an alliance between the County Friendly Societies and several of the semi-County, for the purpose of a transference of members who have obtained employment in other districts than those to which their own society is confined.

We now turn to the question of the benefits to be obtained in those bodies under the Friendly Society system which insure for a sickness as well as a funeral allowance. The two chief benefits to be obtained are the sick and the funeral ; all others may be considered, however individually

important, as supplementary or auxiliary benefits. And in discussing these two chief benefits the additional question of financial principles will necessarily be involved.

Taking the sickness benefit first, as most important of all to a working man or woman, we find this benefit varying in the Orders from 8s. to 20s. per week for a full sick pay of either six months or twelve (generally the latter). The general rules of the Orders give tables showing different scales of benefit; but one, or at the most two, out of the number are in use in the different districts, or branches independent of districts; the most commonly used rates are those of 10s. and 12s. per week for twelve months; then half sick pay for another six months; with quarter pay, or prolonged sick pay, in chronic cases. Town branches offer sometimes a benefit up to £1, which is taken advantage of by tradesmen to a certain extent, and does away with the necessity of these and the highest paid of the skilled workmen joining two societies, in order to effect an adequate insurance.

The Centralized Societies rarely go beyond 18s., in order to suit the skilled members of the industrial class, whose average weekly wages are from 20s. to 24s.; but the average scale of benefit is higher than that in the Orders. A few of the better class societies of the General group, however, such as the *United Patriots*, and the *Rational Sick and Burial Association*, give a choice of five or six sick benefits, ranging from so low as from 2s. 6d. up to 20s. per week; and in this way provide a thrift investment for the different gradations in the "standard of comfort" to be found among our working-classes. And many of the County and semi-County groups, as we have seen, offer a variety of scales in order to suit the wage-earning capacities of both



town and rural members. It must, of course, be understood that an insurance against the loss of wages incurred through sickness is in amount somewhat below the full weekly earnings of the insurer.

The recent development of the Particular Trade Societies, so as to include the clerical and medical professions, has led to the *Medical Sickness, Annuity, and Life Assurance Friendly Society* offering sick pay ranging from £2 2s. to £4 4s. per week; but this is the exception, and not the rule.

Local Societies, some of them catering for a strictly agricultural class, have a sick benefit so low as 7s. per week; but the average benefit is not less than 10s. per week.

The system at work in the Deposit Societies is so unlike that of any other class, that we cannot consider it in common with any other. Reference has already been made to it.

Women's Friendly Societies offer lower scales of sickness allowance in consequence of the lower rate of wages which women receive for labour either of the hand or brain. And since the earnings of women vary so greatly, any Affiliated Order or General Society confined to female membership should provide a choice of different scales to suit different classes of workers. This the *United Sisters' Friendly Society* (U.S.F.S.) does by tables of benefits which range from 4s. to 24s. per week; the scale of 4s. is on purpose to suit women in rural districts. The one Collecting Society confined to women (*The Scottish Women's Benefit Society*) goes so low as 2s. per week scale; but this pittance is a cruel mercy, and means starvation; cutting off, as it must do, charitable sources, and not being in itself sufficient to maintain an independence. The sick benefit of the U.S.F.S. may be considered the next best thrift investment to that of a sick benefit and deferred

annuity combined—the one perfect method. Full pay is given for six months, and should the illness be of longer period there is continuous half pay so long as it lasts.

In Juvenile Societies no sick benefit is, as a rule, given before the age of ten years, and at the rate of from 2s. 6d. to 3s. per week for the first six months, and then often two-thirds, lessening down to one-third after three months' further sickness. Between the ages of fourteen to twenty, the amount of sick benefit is increased from 4s. to 6s. or 10s. per week, and lesser benefit after six months' full pay.

The Railway Group and Miners' Relief Funds of the Particular Trade Friendly Societies will have to be separately considered, as insuring a special provision in cases of fatal and non-fatal accidents contingent on hazardous occupations.

As regards a funeral allowance, or a small sum at death, the Orders offer from £7 to £100, and smaller sums for members' wives and widows, but the average amount of funeral benefit is, for a member, £10 or £12, and for a member's wife half the amount, a widow being allowed to continue the contributions in order that the benefit may not lapse. The Centralized Societies, those whose members are drawn chiefly from rural districts, offer lower funeral benefits as being within reach of the agricultural labourer, while societies like the *Hearts of Oak* give a benefit of £20 on the death of a member, and £10 on the death of a member's wife; and, in the *United Patriots*, a member can select funeral benefits out of no less than six different scales, ranging from £21 down to £6 in his own case, and half the various amounts on the death of his wife. Local Societies cater for local requirements. As a rule, the older established societies, or branches, give the larger funeral benefit with the same amount of sick benefit: e.g. £12

rather than £10, or £14 rather than £12. In Societies of Females small funeral benefits are usually given, since a married member would be also insured in her husband's club. Societies of Juveniles vary in the amount insured with the age of a member, increasing in amount with age, and ranging from £1 under four years of age to £8 at sixteen years and over. The *Hearts of Oak*, as usual, rises to the still higher benefit of £15.

The question now arises, as to whether the annual contributions or premiums which members pay for these benefits are sufficient to enable a society to fulfil its liabilities. For if this be not the case, unless remedial measures are adopted, sooner or later the society will be unable to go on paying the benefits it has promised, and consequently leave its members out of benefit. "When a society by its rules offers benefits in exchange for certain fixed contributions, it is to be supposed that it looks upon those contributions as being enough to provide for the benefits, otherwise it would be dishonestly holding out promises which it cannot keep."¹ There should, therefore, be some financial test by which a society is enabled to take stock of its engagements, and of the means it has for meeting them. We will, at once, clear the ground by enumerating certain *fallacious* tests which either a proportion of members, or the general public, or both, have set up as adequate for the purpose.

We sometimes still hear it said, "The society is safe, because it is registered." This is quite a mistake. A word or two is still necessary in order to show the true value of registration to a society, since that value is often so wrongly estimated. Registration is needed, not because it will

¹ *Friendly Society Year-Book.*

make a society safe, but because there is no safety without it. The true value of registration, as conferring benefits and safe-guarding a society's funds, has suffered much from a mistaken over-value having been placed upon it. Its relation to Friendly Societies has been like that of a bridge over which only a certain amount of weight can with safety pass, but by which, nevertheless, both members and the public have insisted on sending such extra weight that the bridge—not constructed to bear so heavy a burden—has often broken down. The fact of registration has nothing to do with the correctness of tables, or the obligation that societies should use actuarial rates of contributions or premiums calculated to carry the benefit, or benefits, insured.

Again, it is too often supposed that because the annual income of a society, or branch, exceeds its expenditure, has saved money on the past year, and has so much a member, that, therefore, it is necessarily in a sound financial condition. But "the solvency of a Friendly Society depends not upon the money it has in hand, but upon whether its existing funds, together with the future contributions for benefits which the members are bound to pay, are enough to balance the benefits which those members have the right to receive under the rules, together with any other expenses and liabilities."¹ And this knowledge of its true position can only be obtained by the society undergoing periodical stock-takings, or valuation of its assets and liabilities.

For details as to the marks that constitute a "proper" valuation, we must refer the reader to two standard treatises, so far as Friendly Society valuation is concerned, written respectively by Mr. Reuben Watson, the actuary of the Manchester Unity (pupil and successor of Mr.

¹ *Friendly Society Year-Book.*

Ratcliffe) and Mr. F. G. P. Neison. The treatise of the latter is based on his "Sickness and Mortality Experience of the Ancient Order of Foresters"—an elaborate work of great merit. It is necessary, however, to clear up mistaken popular notions concerning valuation, since these notions have caused critics of Friendly Society finance to lead the general public greatly astray.

"Sickness and mortality experience" means, of course, that having regard to the ages of the members at the time of valuation (the doors being shut against all future members), we have to calculate how much sickness they will be subject to, and when they are likely to die; or, as they are termed, their rates of sickness and mortality. The average number of years a member, of a given age, is likely to live is termed his "expectation of life." A recent inquiry into the rates of mortality experienced by the working-classes of the community demonstrates¹—

That out of 100 persons all aged 18 no less than 55 live to 60 years of age						
"	"	"	"	"	45	65
"	"	"	"	"	34	70

And to show how the rate of sickness increases with advancing life, it has been calculated that while the average amount of sickness experienced by a person in passing through the 50 years intervening between 20 and 70 years of age is 126 weeks, the aggregate weeks of sickness for the first 20 years of this period is only 19 weeks, more than one half of the total (126 weeks) being in respect of the 10 years of life from 60 to 70.²

We shall have, therefore, in a valuation to determine in

¹ Neison's *Valuation of Friendly Societies*.

² *Ibid.*

what relation the assets of a society stand to the liabilities it has undertaken to meet, as follows—

Liabilities.	£	Assets.	£
To estimated present value of future benefits to existing members		By estimated present value of future contributions of existing members	
To other liabilities		By funds invested and in hand	
Balance (being surplus)	or	Balance (being deficiency)	

The term “present value” introduces us to the monetary element. “It means the moneys, inclusive of interest, which a society *expects* to receive from its existing members— or, on the other side, it means the moneys which a society will have to pay in the future, remote or near, to its members, in the shape of promised benefits; the more remote these payments, the greater the amount of compound interest to be earned.”¹ As an illustration of the manner in which the calculations that form the basis of a valuation are made, we will take an example. A member 18 years of age, on joining the society, has (according to the Foresters’ Experience) an expectation of life of $41\frac{1}{2}$ years. We find the amount of £1 per annum at, say, 3 per cent. simple interest, payable half-yearly, to be £67 os. $5\frac{1}{4}d.$, while the present value of the same, the sum that would become that amount in $41\frac{1}{2}$ years, if invested at 3 per cent. compound interest, is £22 5s. $2\frac{1}{2}d.$; and such is the estimated present value of the future contributions—taken at £1 per annum—of that member. At 40 years a member would have only $25\frac{1}{2}$ years longer to live, and the present value of his annual contribution of £1 is only £17 10s. $9\frac{1}{4}d.$ These two sums represent the present or immediate value of the sums which, with interest, the society expect to

¹ Wilkinson’s *Friendly Society Movement*. Financial principles are there fully dealt with.

receive from the two members as future contributions. The valuer has also to ascertain and include in the society's assets existing capital, and the rate of interest it may be expected to earn.

Turning to a society's liabilities, the present value of future benefits to existing members may be roughly calculated in the same way. For instance, the funeral benefit to a member of 18 years of age will have to be paid in, say, 40 years' time. According to Mr. Neison's Foresters' Mortality Experience, 6s. 9½d. is the present value of £1 funeral benefit to a member of 18 years of age. In other words, that 6s. 9½d. invested for 40 years at 3 per cent. compound interest, payable half yearly, is equal to £1; or 10s. invested for 25 years is equal to or value for £1 funeral benefit to a member 40 years of age. So in like manner the present value of a sickness benefit is calculated from the probable cost of the average amount of sickness per year per member.¹

When the process of valuation reveals an estimated surplus of assets over liabilities, the society is said to be solvent; if a deficiency, the society is insolvent. But these terms have to be carefully used, since they are as often as not misunderstood outside the Friendly Society world. It must be remembered that the deficiency is not one of realized assets (or funds in hand) alone, but includes both realized and prospective assets (or present value of future contributions of existing members). The case of a deficiency in commercial life is quite another thing; here insolvency means inability to meet claims which have already fallen due; are indeed overdue.

A deficiency is the estimated amount of money the society

¹ *Valuation*; a paper by the late Mr. James Borthwick, of the Ancient Order of Foresters.

will be short of to enable it to meet in full all promised benefits up to the end of the longest life amongst its members. A surplus is of course the reverse. Because a society has a surplus at its valuation, it does not follow that the funds in hand are excessive, and that some hundreds of pounds can with safety be divided among the members; any more than because a deficiency has been brought out, the members must at once subscribe some hundreds of pounds to remove it. The surplus, or, at all events, a major portion, can only be safely disposed of by being used to either increase the amount of benefits or to diminish the rate of contributions. So a deficiency is lessened, and finally disappears, under a lowering of benefits or an increasing of the rate of contributions.

In the light of these warning notes, we shall be the better prepared to consider the tabulated results of the last published valuation blue-books, which give, for the first time with any pretence to completeness, the financial condition of the Affiliated Societies, as at December 31, 1886.¹ Though the Act of 1875 made valuation compulsory on all registered societies, except those specially exempted, yet, because so many branches of the Orders were legally considered separate societies, up to quite recently it has been impossible to ascertain the actuarial status of this great division of the Friendly Society system, with the exception, so far as we are aware, of the Manchester Unity and the Ashton Shepherds. The reader already knows how very far from *actual* completeness these official documents are. And further, these special blue-books are not without serious errors in the totalling of the returns, and also in other information they profess to give. The Manchester

¹ *Friendly Societies, &c.*, 1886. Parts II. A. to II. F.

MANAGEMENT: FINANCIAL PRINCIPLES. 237

Unity has its deficiency exaggerated by £77,559, and its surplus by £4,950; the Foresters by respectively £322,184 and £2,430; and the total errors amount to an excess of over £551,000 in the matter of deficiencies, and a trifling £8,000 in surpluses. The public owe a debt of gratitude to the executive of the Foresters for their acumen in the discovery of these errors, and their insistence in their being put right. We append the corrected abstracts of the valuation of thirty-eight Affiliated Societies—

I.

Name of Society.	No. of Mem.	Total Capital.	Gross Surplus.	Gross Defici.	Net Defici.
Manchester Unity of Oddfellows	518,007	£ 5,367,081	£ 592,341	£ 1,293,067	£ 700,726
Ancient Order of Foresters ...	540,167	3,204,404	135,339	2,448,067	2,312,728
Ancient Order of Shepherds ...	21,756	60,641	1,556	51,041	49,485

II.—OTHER ORDERS OF ODDFELLOWS.

Name of Society.	No. of Mem.	Total Capital.	Gross Surplus.	Gross Defici.	Net Defici.
Kent Unity	4,246	£ 14,922	£ 564	£ 19,504	£ 18,940
Bolton Unity	11,550	38,642	167	33,473	33,306
British United Order	11,508	36,403	3,309	72,647	69,338
Derby Midland Order	4,582	11,814	33	18,081	18,048
Grand United Order	33,729	149,625	869	182,081	181,212
London Unity	8,078	34,607	2,360	54,672	52,312
South London Unity	7,416	27,475	96	35,426	35,330
Kingston Unity	10,661	30,619	589	65,693	65,103
Norfolk and Norwich Unity	5,593	26,142	—	34,343	34,344
National Independent Order	27,132	84,994	1,778	64,613	62,835
Nottingham Imperial Order	29,232	103,527	1,794	112,016	110,222
Scottish Order	1,022	16,642	1,800	—	—
			(11'35 ⁹ / ₁₀)		

There are also 17 other societies calling themselves Orders of Oddfellows, each with less than 1,100 members, ranging from 1,042 in the Sheffield United Order of Oddfellows to 68 in the Bromsgrove Provident Independent Order of Oddfellows. Valuation reports of only a portion of them have been given, and these in every instance show large

deficiencies. Five others, the Albion Order of Oddfellows, Nottingham Unity, the British Equitable Order of Oddfellows, the Independent Order of Oddfellows, Norwich Unity, Independent Order of Oddfellows, Staffordshire Unity, and the United Order of Oddfellows, Basford Unity, do not give any return of numbers or funds.

III.—ORDERS OF SHEPHERDS, GARDENERS, MECHANICS, AND DRUIDS.

Name of Society.	No. of Mem.	Total Capital.	Gross Surplus.	Gross Defici.	Net Defici.
Ashton Unity of Shepherds	53,445	161,186	3,255	318,384	315,628
Walsley Unity of Shepherds	11,543	55,152	845	34,793	33,950
British Order of Free Gardeners	14,195	22,330	—	123,873	123,873
National United Free Gardeners	15,523	46,224	40	93,553	93,523
St. Andrew Free Gardeners	4,479	4,374	—	6,117	6,117
Free and Independent United Order of Mechanics	1,963	7,089	—	4,025	4,025
Independent United Order of Mechanics	11,960	39,347	—	153,197	153,197
United Order of Scottish Mechanics	3,544	15,743	—	25,833	25,833
Order of Druids	14,423	121,219	2,945	115,317	112,372
United Ancient Order of Druids	17,561	73,695	1,157	71,244	70,087

There are two other Orders of Shepherds, five other Orders of Free Gardeners, three other Orders of Mechanics, and five other Orders of Druids, not any of them containing above 1,200 members.

IV.—TOTAL ABSTINENCE ORDERS.

Name of Society.	No. of Members.	Total Capital.	Gross Surplus.	Gross Deficiency.	Net Deficiency.
Salford Unity of Rechabites	19,930	79,921	4,758	30,146	25,388
Sons of Temperance	12,214	41,229	11,233	65,640	54,407
Original Grand Order Sons of the Phoenix	8,076	4,089	—	20,885	20,885
United Order Sons of the Phoenix	4,938	7,692	—	20,768	20,768

There are ten other Orders (male and female) whose

MANAGEMENT: FINANCIAL PRINCIPLES. 239

members profess temperance, not any of them containing 300 members.

V.—WELSH ORDERS AND OTHERS NOT INCLUDED IN THE FOREGOING GROUPS.

Name of Society.	No. of Members.	Total Capital.	Gross Surplus.	Gross Deficiency.	Net Deficiency.
Order of Alfreds	1,771	£ 6,639	£ 429	£ 4,197	£ 3,768
Merthyr Unity, Philanthropic Institution	7,475	26,030	1,083	17,836	16,753
Philanthropic Order of True Ivorites, St David's Unity	8,099	45,083	1,082	3,479	2,397
Comical Fellows, City of Rochester	4,065	7,627	—	51,113	51,113
Eastern Star Provident Association	2,610	21,219	373	9,824	9,451
Grand Executive Lodge, United Order of Comical Fellows ...	2,185	5,528	—	18,831	18,831
Kent United District, Ancient Order of Britons	2,125	2,717	—	5,592	5,592
Locomotive Steam Enginem and Firemen's Society ...	10,248	88,805	23,002	24,847	1,845
Pure Order of Ancient Britons	2,604	1,891	—	587	587

The whole of these figures relate only to those branches of the various societies which are situate in the United Kingdom. Many smaller societies are necessarily omitted.¹

SOCIETIES ARRANGED IN ORDER OF SOLVENCY OR WORTH IN THE £.²

No.	Names of Societies.	Worth in the £.	Deficiency p.c. nat.
		s. d.	
1	Scottish Order of Oddfellows (Surplus of 8 per cent.)	21 8	...
2	Locomotive Steam Enginem and Firemen's Society	19 10	1
3	Manchester Unity of Oddfellows	19 1	4½
4	St. Andrew Order of Ancient Free Gardeners ...	19 0	5

¹ The writer is indebted to the Editor of the *Oddfellows' Magazine* (M. U.) for this tabulation.

² Taken from an informing article by Mr. James Blossom (A. O. F.), in *Unity*, July, 1891.

No.	Names of Societies.	Worth in the £.		Defi- ciency per cent.
		£	d.	
5	Philanthropic Order of True Ivoirities	18	11	5½
6	Independent Order of Rechabites, Salford Unity	18	3	9
7	Loyal Order of Alfreds	17	7	12
8	Ancient Order of Oddfellows, Kent Unity	17	7	12
9	Order of the Sons of Temperance	17	2	14
10	Loyal Order of Shepherds, Wisbech Unity	17	2	14
11	Ancient Order of Foresters	17	1	14½
12	Eastern Star Provident Association	17	1	14½
13	Loyal Order of Ancient Shepherds, Ashton Unity	16	11	15½
14	Ancient Order of Shepherds	16	11	15½
15	Merthyr Unity Philanthropic Institution	16	9	16
16	Kent United District Ancient Order of Britons ...	16	4	18
17	Improved Independent Order of Oddfellows, London Unity	16	3	18
18	Order of Druids	16	0	20
19	Improved Independent Order of Oddfellows, South London Unity	16	0	20
20	Grand Executive Lodge of the United Order of Comical Fellows	15	10	21
21	Nottingham Imperial Order of Oddfellows	15	10	21
22	National Independent Order of Oddfellows	15	9	21
23	United Ancient Order of Druids	15	8	21½
24	Pure Order of United Britons	15	7	22
25	Independent Order of Oddfellows, Norfolk and Norwich Unity	15	6	22½
26	British United Order of Oddfellows	15	4	23½
27	Ancient Noble Order of Oddfellows, Bolton Unity	15	3	24
28	Derby Midland Order of Oddfellows	15	2	24
29	Grand United Order of Oddfellows	14	11	25½
30	National United Order of Free Gardeners	14	11	25½
31	Ancient Order of Comical Fellows, City of Rochester	14	6	27½
32	Independent Order of Oddfellows, Kingston Unity	14	6	27½
33	British Order of Ancient Free Gardeners	13	6	32½
34	Independent United Order of Scottish Mechanics	13	4	33
35	United Order of Total Abstinence Sons of the Phoenix	13	4	34½
36	Original Grand Order of Total Abstinence Sons of the Phoenix	12	4	38½
37	Independent United Order of Mechanics	11	2	44
38	Free and Independent United Order of Mechanics	10	3	48½

We must, however, be careful not to make comparisons between societies which are not admissible. For instance, there is a temptation to compare the financial condition of the Rechabites and the Sons of Temperance, to the disadvantage of the latter society; but as only a third of the United Kingdom members of the former society (as at 1886) are included in the valuation, and over £200,000 of its capital omitted, while the latter is bereft of nearly half its members and £30,000 of its capital, comparison is out of the question; we must leave the comparative actuarial solvency or insolvency of either of these societies as an unknown (and from these blue-books, unknowable) quantity. Or, taking the National United Order of Free Gardeners, it would be a bold task to judge a society possessing at the time over 45,000 members and a worth of capital of £120,000, from a valuation of 15,623 of these members and an allowance of £46,227 capital.

Another common mistake on the part of the critics has been to compare the ratio of deficiencies to capital (or realized assets), and so judge, by a proportion of a society's deficiency to capital, of its relative insolvency.¹ This is to make the deficiency one of funds, and to ignore altogether the prospective assets which should tell in the society's favour just as much as its realized assets, considering that, on the other side, the whole liabilities are taken into account, down to the death of its last member. An instance in point would be that of the *St. Andrew Order of Free Gardeners* (a body established so recently as 1878, and consequently without, as yet, much accumulated capital), in

¹ It is, however, surprising to find the Editor of the magazine of the Manchester Unity taking such an incorrect and non-actuarial line of comment.

which the deficiency so greatly exceeds the capital as to cause the society to take the twenty-fourth place in the order of merit, instead of the fourth, under such an incorrect financial test. It is evident, however, that in a society of some antiquity, if the ratio of deficiency to capital comes to a large proportion per cent., the realized assets must be very poor, much below the store of funds the society should have already accumulated to meet the liabilities it has contracted in the case of its older members. The importance of a properly accumulated fund is still more clearly seen, when an eminent actuarial authority (Mr. Neison, the younger) shows us that, taking a society of a number of young men, all of 18 years of age, and paying adequate contributions for a sickness allowance for the whole of life, and the society being closed against fresh entrants at the close of the first year of its existence; even under these circumstances "a period of *forty-three years* should elapse before the annual expenditure exceed the annual income, and the society commence to encroach upon its capital." The seriousness of the financial position of a society depends largely on how much in the pound is the net cash deficiency, the remainder of the deficiency can at once be annihilated by a readjustment of the rates of contribution to the actuarial experience.

The Scottish Order of Oddfellows has indeed no deficiency at all; but this enviable condition of affairs was brought about while the six branches of this society formed the Edinburgh district of the Manchester Unity. The Order is formed out of a recent secession. Again, the Locomotive Steam-Engineers' and Firemens' Society holds a good position in comparison with kindred societies. It is not, however, a general society, but is restricted to a particular

calling. The other Order which takes apparently nearly as good a financial position as the Manchester Unity, is the Welsh Order of the True Ivorites. This is, however, more apparent than real. Of the 143 branches given in the blue-book only 24 sent in valuation returns—a proportion too small to judge of the Order as a whole. This leaves the Manchester Unity standing alone, with a capital of over £5,000,000 (now exceeding £7,000,000); the result, as we have witnessed, of a long series of financial reforms extending over a period of fifty-six years. The Order has tabulated and published the results of four separate stock-takings extending over twenty years; given to the world the “Ratcliffe” Sickness Experience, extending over 2,948,839 years of lives, experiencing 3,905,346 weeks of sickness; and furnished the Public Valuers, appointed under the Act of 1875, with “standard” tests by which to measure a society’s future sickness liabilities. It is interesting to note that the present value of the sickness and funeral benefits insured in the Manchester Unity (as at 1886) amount to a grand total exceeding £15,500,000. Taking the figures of the society’s valuer, Mr. R. Watson, A.I.A. (as given in the publication of the Order), we get a gross surplus of £604,670, but this sum should not be considered as a set-off against the *gross* deficiency of £1,315,586, since the Order possesses no means of applying it for that purpose. Indeed, as the reader will by this time understand, it is not a *cash* surplus, and does not exist as a hard matter of fact, but is an estimate that depends on the present favourable condition of circumstances continuing in the 1,302 lodges which share it between them, to the end of the longest life of any present member. Besides, the rich and well-to-do lodges

—those of them that can afford to part with a portion of their surplus (having already largely realized it)—do not, save in some few noteworthy exceptions, give to those that need. The possession of a surplus by a society denotes a certain amount of reserve power, and full credit should be allowed for this; but for all practical intents and purposes the real deficiency revealed under the process of valuation is the gross, not the net. And the gross deficiency in the Manchester Unity is £1,368,891; but though the deficiency has increased a few thousand pounds more than that of the valuation of 1880, “there has been a greater proportionate increase of assets and liabilities; for whereas the gross deficiency in 1880 was 9·65 per cent. of the liabilities, it is now reduced to 8·61 per cent.”

The only other Order which has laid its financial condition, as a whole, before its members, is the Ashton Unity of Shepherds (we quote from the valuer's Report to the society, as again being more complete), and the deficiency is given as being £322,722, showing a relative degree of solvency of 16s. in the £, or a deficiency of £5 4s. 3d. per member, as compared with £6 7s. 2d. of the former valuation.

In the Foresters the net deficiency is equal to £5 2s. 5d. per member for the 473,000 members (not 540,167) under valuation; but there are another 100,000 members to come; these are doubtless members of those courts which were still treated by the Registrar as local and separate societies. This would increase the estimated deficiency of the Order to something like £3,000,000 sterling.¹

The reader will have noticed that twelve societies out of

¹ *Foresters' Miscellany*, p. 169; 1890.

the thirty-eight are returned as having no surplus at all. Success (and that only comparative) has been with the "big battalions"; and it has been the smaller Orders—many of them offshoots of older bodies of Oddfellows—that have been left behind in the general advance.

The *Hearts of Oak* holds its unique position among Centralized societies, financially as well as numerically; the valuation, as at 31st December, 1885, showed a surplus of over £40,000, which had grown (according to the valuation just at hand) to over £65,000 five years later. Why this handsome surplus is not admitted to be at all divisible, being more apparent than real, we shall explain later on. All we need say at present is, well may the members of this grand Mutual Thrift organization take "heart of grace" and "go forward," when they reflect that during the past fifteen years the total increase in membership has been 100,000, and that there has been added to reserve capital close on £1,000,000. The two other societies classed with the *Hearts of Oak* have not, unfortunately, shared in its financial prosperity, though they have been, and are, most economically managed.

	No. of Members.	Total Capital.	Deficiency.
United Patriots	18,026	£ 65,342	£ 110,531
Rational Sick and Burial ...	52,411	136,194	174,901

But other societies of the General group are in a still worse position. Five that have been previously mentioned—the *Royal Standard*, *Royal Oak*, *London Friendly*, *United Kingdom*, and *Loyal King's Lodge of Old Friends*—showed at 31st December, 1885—

MUTUAL THRIFT.

No of Members.	Total Capital.	Deficiency.
19,278	£ 183,971	£ 290,328

Towards this deficiency the *Royal Standard* contributed £142,294, and the *Old Friends*, £70,697.

In the County group, we have the—

	No. of Members.	Total Capital.	Surplus.	Deficiency.
		£	£	£
Essex	4,187	76,758	--	51,727
Hampshire	6,595	100,937	32,333	--
Hereford	762	11,750	--	4,937
Wiltshire	4,404	46,236	68	--

Of Semi-county and Local Societies it is impossible to do more than refer the inquirer to the valuation blue-books (1885) for information as to the financial condition of any special society. We cannot, however, forbear to put under the valuation test two somewhat similar societies of an old-fashioned type, members of an interesting little group in the eastern counties (and to which previous reference has been made)—

	No. of Members.	Total Capital.	Surplus.
		£	£
Stoke and Melford Union Association (1828)	1,788	53,511	1,300
Aldham and United Parishes Insurance Society (1826) ...	1,138	29,816	7,034

The financial condition of both the Semi-county and Local classes is of importance to present members, the vast majority of whom are past the prime of life, but, as we have seen, high-water mark has long ago been reached in these thrift institutions, and the tide of membership still continues steadily on the ebb. Their disappearance, except in isolated

instances, is only a question of time. In the matter of finance, the "patronized" clubs do well, as a rule; of the others, we have only to repeat, an improved and more modernized type of Mutual Thrift Institution is rapidly taking their place.

Of the Particular Trade class, we shall only call attention to the General sub-class; there can be nothing financial about the shop, pit, and factory clubs already brought under the reader's notice. Taking the Railway group first we have—

	No. of Members (1885).	Total Capital.	Surplus.	Deficiency.
		£	£	£
Midland	19,270	105,888	—	—
London and S.-W. ...	2,616	27,363	7,834	—
London, Brighton and South Coast	3,412	6,506	—	160,153
Great Eastern	5,174	11,388	—	54,368
Great Western Provident	9,144	1,937	—	151,594
Great Western Locomotive, &c.	5,985	5,104	—	31,269
Great Northern	5,878	1,205	—	55,826
Metropolitan	1,245	311	—	32,338
North-Eastern	1,644	5,051	—	11,749
	54,368	164,753		497,297

Before making comment, we give statistics relating to the other General sub-class of Particular Trade Societies—

PRINCIPAL MINERS' PERMANENT RELIEF SOCIETIES.

	No. of Members (1886).	Total Capital.	Deficiency.	Accruing deficiency per annum.
		£	£	£
Northumberland and Durham	88,000	120,303	73,751	
Lancashire and Cheshire ...	40,511	45,503	53,523	
Monmouthshire and South Wales	41,117	32,047	30,000	
West Riding of Yorkshire	18,318	24,471	2,127	
	187,946	125,324	159,401	22,500

Deposit, Dividing, and Juvenile Societies are excepted, from the nature of their contracts, from the operation of the valuation clause of the Friendly Societies' Act; and the revival of high class societies for women is of too recent a date to, as yet, be subjected to such a financial test; while the older registered societies seem to have altogether shunned valuation in any shape or form.

We are, at last, in a fair way of being able to answer the question, which led us to apply the test of valuation to the Mutual Thrift Institutions which have passed under review, as to whether *adequate contributions are being paid by members for the benefits they have received, and expect to receive*. With partial exception, the answer must be in the negative.

We have endeavoured to clear the valuation blue-books relating to the Orders of error, to exclude from the abstracts given societies of the Centralized class which have no manner of business there; and we believe that the summary given will prove to be substantially correct—

No. of Members.	Total Capital.	Surplus.	Deficiency.
1,487,017	£10,217,857	£861,474	£5,383,110

Insufficiency of contributions for benefits promised is the result of the valuation test of the Act of 1875. But this text is applicable only to a million and a half of the members of the Orders out of a full membership, at the time (1886), of two millions. The reader has already been shown where to find the missing half-million of members, who undoubtedly would largely go to swell the deficiency side, were they included. The comparatively sound financial condition of the Manchester Unity is the result of a long insistence that adequate contributions should be paid by its members; in other words, contributions graduated according

to age on entry, instead of uniform contributions for all ages whether 18 or 40. Other societies in adopting a graduated or sliding scale at a certain date, did not make it binding on their old as well as their new members. And some of the smaller Orders still charge a uniform contribution for all ages at entry on all members. In the history of the adoption of graduation, we have the slaying of the most terrible enemy to a sound financial condition that has ever warred against the efficiency of the Friendly Society System. To be rid of such a fell disease as uniform contributions is like the ejection of an undermining and life-destroying consumption, preying upon the vitals till the outwardly fair frame falls in hopeless ruin.

The way in which a mixture of uniform and graduated sick contributions works out under the process of valuation, is shown in the cases of all branch societies which are of long standing, and in which the older members have been allowed to continue their inadequate payments. We give an example (a Foresters' court)—

Number of members and their wives assured, 120 and 92.	
Deficiency of assets, £1,133, or a relative solvency of 13s. 9d. in the £	
Admitted before adoption of graduated scale in 1868, and	
still living	41 members
Members paying under graduated scale	79 members
Loss to court upon <i>contributions alone</i> of 41 members	£414
Estimated further loss by the 41 members, if they continue to pay at present rate of contributions ...	253
Total deficiency upon the contributions of 41 members	£667
To be put down to members admitted at uniform rate, but who have either died or left court after receiving large benefits	466
Total deficiency	£1,133

The mixture therefore of two classes of payments in one branch, and the making graduation, at a certain date in the life of a branch, prospective merely can bring nothing but

disaster upon not only the erring members themselves, but also upon the young members whose own right doing is week by week being sacrificed on the altar of the old members' wrong-doing ; since, unless the contributions of the members who pay on a graduated scale are placed in a separate fund, they will necessarily be used to supply the deficiency of the older of the uniform paying members. Yet we have but to glance over the pages of the *Foresters' Directory* to note that, with comparatively few exceptions (including all courts opened since 1867), this is the policy which the Order is still pursuing. The main cause of its deficiency is at once laid bare. It must not be overlooked, moreover, that when payments for benefits have been graduated, the rates in themselves must be sufficient to carry the benefits. The introduction of graduation, without sound tables, is only to treat the disease that is killing the society superficially, and the seat of mischief remains undisturbed. In this matter the following note of warning should receive immediate attention ; the writer is a well-known Forester to whose financial publications the Order owes a debt of gratitude. "I have not," says Mr. James Barnes in a recent number of the *Foresters' Miscellany*, "the least hesitation in assuming that out of our 600,000 members, not more than 100,000 are paying graduated contributions in accordance with the scales of the General Laws. It is true our *Directory* states that over 400,000 are paying graduated contributions, but there are graduated contributions and *graduated* contributions."

Observations made on the financial outlook of the Foresters may be considered applicable, in a more unfavourable degree, to the Ancient Order of Shepherds, till recently a society confined to Foresters, and used for the purpose of increased rates of assurance.

To the other principal Orders (such as the United and National Unities of Oddfellows, the Ashton and Wisbech Shepherds, the Druids, and the Salford Unity of Rechabites), the language of the valuers of the Ashton Shepherds (Messrs. Abbott) may be generally applied—"No one conversant with the history of the Friendly Society Movement would be surprised to find in the lodges opened more than ten years ago, some of the members admitted and still continuing to pay under the old system of one uniform contribution for all members admitted. But it *is* surprising to find that in so important an organization as the Loyal Order of Ancient Shepherds, this evil principle of even now admitting members at uniform contributions should exist and be tolerated. . . . Frequently, have we found that, although the lodge rules provide that members shall pay according to a graduated scale of contributions . . . yet the rules are ignored, and the members allowed to pay contrary to the graduated scale."

But when we turn to the smaller Orders of Oddfellows, to Free Gardeners, Mechanics, Alfreds, Britons, Comical Fellows, and the like, it is then we fully understand the need of the warning language already used of the "tail" of the Affiliated class. Here the "evil principle" of uniform contribution still holds undisputed possession of the field, with the fewest possible exceptions. Could, for example, the financial condition of the British Order of Free Gardeners and of the United Mechanics well be more deplorable? Indeed, in the latter Order a still more recent valuation has added an increase of 10 per cent. to the deficiency per member, bringing it up to over £180,000, or a deficiency of £15 12s. 4d. per member. The warning of the valuers is unmistakable. "This is a very alarming state of affairs,

which, if allowed to continue and increase at the same rate, will most assuredly result in the total extinction of your Order in the near future."

We have been dealing mainly with sick contributions, but there remains the system of equal funeral levies, or of contributions, which is in part responsible for these valuation deficiencies. The funeral benefit is reassured in the district, but the old rule has been for the lodge to retain the *whole* of its members' contributions, and, from time to time, the district has called for levies from its lodges to meet the current funeral liabilities, the charge being a uniform one throughout the district, whatever the age of the lodge or the average age of its members. The bad results of such a system of levies was brought before the A. M. C. of the Manchester Unity for 1887 by a Report drawn up by Mr. R. Watson, A.I.A., and in consequence abolished throughout the Unity. We give a few extracts from Mr. Watson's telling Report—"There can be no question with those who have looked carefully into these matters, that in many hundreds of instances in recent years the effect of equal levies has been to bring down to a condition of serious insolvency lodges which otherwise would have improved and prospered. If the contributions of young lodges to district funeral funds are required, as they are received, to assist in paying the funeral demands of lodges wherein the death-rate has attained the intensity which advanced age imposes, the young lodges would have no assets in the Funeral Fund, and, as a consequence, more or less of deficiency would be discovered in the valuation balance-sheets. If new lodges are opened in old districts where there are no accumulated funeral funds, and the expenses as death occur are provided for by equal levies upon all lodges, the result in some

cases must be immediate and sometimes serious deficiency in the new lodges, and such deficiency will continue to increase every year unless kept in check, as has fortunately been the case in not a few instances, by the favourable way in which sickness visitations have been experienced. Another ill effect of the system of imposing equal levies has been to conceal the canker of deficiency in some of the earliest formed lodges until when it has been discovered, the application of an effectual remedy has become impossible. Valuation has revealed some of the serious effects that have been produced by the equal levy system, for it has afforded unquestionable proof that many young lodges, and others that are comparatively young, are by that system burdened with deficiencies of greater or less magnitude. It has occasioned surprise that lodges which have been established on the true principles of the Unity tables, and which have realized to the full the expectations involved in their computations, and have in some instances been visited with unusually moderate sickness, have nevertheless been debited with deficiency on valuation. Investigation has proved that young lodges have been called upon by the funeral levies imposed upon them to provide the means of upholding implied compacts, which, if they have existed at all, were entered into without knowledge or discrimination before the members of such lodges were born. Instances have arisen in which lodges have discovered and complained that their deficiencies were due to the heavy funeral claims of the older lodges, and in one instance, a statistical table was produced, wherein it was clearly shown that in ten years the lodge had been taxed to the amount of £240 to assist in paying the funeral benefits of the members of other lodges."

Again, in another district of many years' standing in the Manchester Unity, comprising over thirty lodges, the valuations of these lodges revealed the fact that the lodges which were opened before 1836 had paid to the district funeral fund from January 1874 to December 1882 the sum of *£437 less than their liabilities had cost during that time*, and that those opened after 1840 had paid to the fund *£490 more than their liabilities had cost during the same period*.

And the alternative system of equal contributions, instead of levies, in order to build up a capital to meet funeral expenses, has been proved to be as disastrous to financial stability as that of uniform contribution for sick benefits. But the method of providing for a sum at death which most generally obtains in the Orders is that of equal levies, with the total exception of the Manchester Unity and the partial exception of the Ancient Order of Foresters and a few other societies. It is to this inequitable practice that so many of the younger branches of the Orders, otherwise in a sound condition, owe their deficiency of assets.

But when we consider the financial position of the leader of the Centralized class, the *Hearts of Oak*, it would, at first sight, appear as though we had found an exception to the injurious operation of one uniform contribution, seeing that the society charges all its members a uniform sum per quarter, and yet, under the valuation test, has a handsome surplus of assets over liabilities. The exception, however, is more seeming than real, since the society safeguards itself by strict limitation in the matter of the age of new members. Candidates must be over eighteen and under thirty years of age. A fair average contribution is charged, and the evils of a uniform system minimized. But the large deficiencies

of the rank and file of the General sub-class are undoubtedly mainly owing to the pernicious principle under review.

The County group, in some of its members, has suffered indeed from insufficiency of contributions, not from the adoption of the uniform payment system, but from the fault of imperfect actuarial tables, the causes of which have already been investigated. The old *Essex Provident* (1818) has had to suffer under the operation of the "Highland" tables. The deficit has, however, been reduced to £30,000 within the last ten years by the adoption of improved tables. Its present deficit is largely due to quite another cause. Other County societies, semi-County, and smaller patronized societies, have suffered from imperfect tables, especially from the so-called "Becher" tables.

In the old Local Clubs, both of town and country, the system of uniform contributions has been, and is, rampant.

Another truth revealed under the valuation test is, that much of the deficiency in a society's assets has been caused by the excessive claims of what is known as *permanent* sick pay, or what has insidiously, and without having been provided against, become such. This perpetual drain has been the cause of a large diminution of funds which should properly have been stored up to fructify at compound interest, to meet the after sick liabilities.

This has operated very much against the older districts of the Orders, in which many old members have been receiving a reduced sickness benefit, which amounted to little short of a pension or annuity, without any provision at all having been made for so heavy a liability. Even in societies such as the *Rational Sick and Burial* and the *Patriots*, in which continuous sickness is provided for, the abuse of this benefit has brought about a large deficit of assets. The valuer of

the *Patriots*, Mr. F. G. P. Neison, plainly points out the evil when he warns the members—"This benefit must not be regarded in the light of an annuity, which, I am afraid, is rather the spirit in which it is regarded by many of your branches. The allowance is one in which it must be made quite clear that the qualification for its receipt is *chronic sickness necessitating abstention from labour*, incapacity due to merely increasing years must not be treated as entitling the members to the allowance. The financial burden, under which the society now labours, is mainly due to the laxity of administration of this benefit, and until the fact is thoroughly appreciated, no considerable improvement in the finances of the society can be expected."

The Centralized class suffers much also from excessive sick claims at all stages, from the practice of "malingering," or fictitious sick claims. This class, having members generally all over the country, is without the means of safeguarding and supervising sick claims, in the manner in which branch-societies, employing sick visitors, or purely local societies, are able to do; hence they experience a rate of sickness in excess of that expected. Such is the case of the *Hearts of Oak*, which, valued according to the "Ratcliffe" sickness experience—the standard rate—has a handsome surplus, but none too much to meet *actual* sick claims, in accordance with the society's own experience, which is much in excess of that of the "Ratcliffe experience." The state of affairs which results in neglecting to thoroughly supervise sick claims is, however, still better seen in the *Essex Provident*, of which society a large so-called district in the past twenty-one years has disbursed, chiefly in half-pay sick allowances, £2,100 more than it has received. The cause of the existing deficiency is only too evident—*lax control*.

Again, valuation has shown the vital importance of the funds of a society, or branch, bringing in good interest. Indeed, the result under valuation of an estimated surplus or deficit will often depend on a well-sustained realization of from three and a half to four per cent. It is patent, too, when we consider that the tables of contributions are calculated on a three per cent. basis (some on three and a half), that, if the average interest earned be less than that amount, the tables cannot be safe. In fact, Savings Banks, with their from two and a half to two and three-quarters per cent., are so many pitfalls for the unwary investor, and so easily tumbled into. For instance, the Ancient Order of Foresters, out of invested funds to the amount of £3,767,939, has £1,015,194 in Savings Banks, while the tables are calculated on a three and a half per cent. basis. In other Orders a low rate of interest is far more injurious in its effect, since the Foresters have an average rate of over three and a half per cent. In the National Oddfellows, out of funds to the amount of £174,000, more than £50,000 are invested in Savings Banks, and that for no temporary purposes. Some districts have lost as much as £900 per annum by not securing a higher rate of interest than that given in this quarter, and the proper storage of funds has been sadly interfered with. In many of the larger Orders even the importance of the investment of funds is not sufficiently understood, and much capital only brings in a miserable average two per cent., which means that large amounts remain in the hands of treasurers without earning interest at all.

Valuation having revealed the present weaknesses in Friendly Society finance, it is to be expected that the science of "vital statistics," which furnishes the data for the period-

ical stock-taking, should provide the remedies. It still remains, therefore, to test the present practice of valuation and apply the remedies to actuarially insolvent societies or branches. It is necessary—

That the rates of contribution for benefits, both sick and funeral, should be graduated according to ages on entry; which rates themselves should be held by actuarial authority sufficient to carry the benefits contracted for.

That a record of annual sickness and mortality experience be kept, so that the valuer be in possession of sufficient data by which to estimate the society's or branch's liabilities.

That the several insurance funds be kept separate, and expenses of management provided for.

That the reserve fund realize a clear per centage of interest equal to that on which the tables have been calculated—almost without exception three per cent.

That candidates be refused who cannot pass the doctor, or who have exceeded in years of age the maximum limit of forty-five; forty being preferred.

That there be efficient supervision of sick claims to guard against "malingering," or fictitious claims.

That the society be not of a local, isolated type, dependent solely on its own resources, but associated with other branches of one and the same organization, or of the Centralized class.

That there be a yearly audit, as well as a quinquennial valuation.

That the number of members be sufficiently large to allow for the due working of the law of averages.

That effect be given, without delay, to the remedial

measures recommended by the valuer, should the liabilities exceed the assets.¹

But an efficient valuation presupposes an efficient valuer. Now, under the Friendly Societies' Act (1875), certain actuaries are appointed public valuers, and those public valuers receive from the Treasury a definite code of instructions on certain points, but their employment by societies is left optional. As a matter of fact, these valuers are not employed by the Orders at all, the exception in favour of Mr. Reuben Watson being only apparent, that actuary happening to be one of the public valuers as well as actuary and valuer of the Manchester Unity. Mr. Neison, Mr. Watson's great rival in Friendly Society finance, is not a public valuer under the Act, though this eminent actuary's contributions to the science of vital statistics have only been surpassed by those of the late Mr. Henry Ratcliffe. A few societies out of the other classes, one here and another there, employ these public valuers; but as an institution they must be pronounced a failure. It is to be feared that the rank and file of members of Friendly Societies do not greatly believe in valuations, and get the obligation fulfilled in the cheapest possible way; the public valuers' charges are considered prohibitory. We have also had the greatest difficulty to discover the names of the "famous six." But there are a sufficient number of professional actuaries whose scale of charges are exceedingly moderate; indeed, the public valuers have been known to take less than the Treasury scale of charges authorizes them to take.

¹ For details and further information the reader is referred to either Mr. R. Watson's *Explanatory Treatise on the Valuation of Friendly Societies* (1878), or Mr. F. G. P. Neison's *Observations on the Efficient Valuation of Friendly Societies* (1885).

There is no necessity for societies, or branches, to employ as a valuer a person who will, at the cheapest rate, go through an arithmetical calculation, badly pick the brains of a Ratcliffe or Neison, and apply results in the two-and-two-make-four method; but who do not possess the skilled actuarial knowledge required to rightly use the data furnished, and to make the needful readjustments to suit local or special peculiarities. Yet page after page of the valuation blue-books show cases of valuations in which the society's experience has not been compared with the standard *average* experience used by the valuer, and consequently no real test of the financial condition of the society under inspection has been attained. The standard mortality and sickness experiences of Friendly Society members have already been noticed, viz., the *Ratcliffe* (Oddfellows), and the *Neison* (Foresters). Here will be found the separate experiences of rural, town, and city districts, as well as the average of the whole. And, as might be expected, there is a "density" of city and town experience over that of rural districts.

A third indispensable contribution to the science of vital statistics has recently been added in the *Rates of Mortality and Sickness (1878—87) of the Independent Order of Rechabites (Salford Unity)*, by Mr. Neison. In this elaborate work we learn for the first time to what extent, if at all, the sickness and mortality risks of the great Temperance Orders differ from those of open Affiliated Societies. The risks of the Foresters were found to be practically identical with those of the Oddfellows, only a trifle higher both as to sickness and mortality. But members of the Temperance Orders have long considered that their experience has been much lighter than that of "drinking" societies; and comparisons (much to the detriment of the Manchester

Unity) have, from time to time, been made between the *Odd-fellows' Experience* and that purporting to be the *Rechabite*. These comparisons, however, did not hold good, since either the risks compared were numerically too small to allow the law of averages to operate, or else an old-established district in the older Order was set against a comparatively modern district of the younger Order, without regard to the age distribution of members. But this objection no longer holds good, when the Rechabites publish the results of the examination of ten years' data by an eminent actuary ; and some of the results arrived at are of great public interest. Mr. Neison shows the actual number of deaths of total abstainers, as compared with the expected number according to the Foresters' experience, to be only sixty-nine per cent. of that expectation. But abstracts from the tables given will show what this means, as bearing on the longevity of the working-classes—

The number living out of whom one dies in the year.

Age.	Foresters, 1871—1875.	Rechabites, 1878—1887.
20 ...	137	179
40 ...	83	155
50 ...	54	83
60 ...	30	40
70 ...	14	15

The After life-time is at

Age.	Foresters, 1871—1875.	Rechabites, 1871—1887.
20 ...	40·2	45·1
40 ...	25·8	29·1
50 ...	19·1	21·2
60 ...	13·2	14·2
70 ...	8·3	8·5

Thus, at the age of 20, the expectation of life among the Rechabites is about five years longer than among the Foresters; while in the matter of sickness rates, the Rechabites are found to be in excess of the Foresters until the age of 50 is attained. A similar higher rate of sickness than that of the Manchester Unity experience is also reported of the Rechabites by the New Zealand Registrar. No better example can be given to show that the results of the partial valuation of the Rechabites (1885) are no real test of the actual financial status of the Order, sickness and mortality risks unsuited to the society having been used, and not compared with the actual experience of the Order. And the duty of every branch or society to form and use its own experience is emphatically brought home. A general average experience is very good for us to have, just as it is good for a farmer to know that the average number of bushels of wheat per acre grown throughout the country is twenty-eight, but it is still more important for him to know the average number of bushels per acre which the farm he has taken will yield under the system and practice of farming he is pursuing. So should every Friendly Society, every branch society, form its own experience.

And we see more fully the necessity for doing this, when the valuer has to take into consideration the extra sickness and mortality risks to which certain associations are exposed. The presence, therefore, of a large percentage of members who are engaged in hazardous occupations will at once upset average tables. And Mr. Ratcliffe has shown us that during a period of fifty-two years of membership, while the average sickness experience of the Combined Trades would be 126 weeks, members who are following the calling of baker would experience 151

weeks ; stonemasons, 153 weeks ; miners, 185 ; and sawyers 206.

While, therefore, it is important that a society, or branch, should start with the best obtainable average tables ; it is still more important that these tables should, from time to time, be readjusted by the actual experience of the society, or branch. The position of the Miners' Relief Funds of Particular Friendly Societies, as shown under valuation, is the great case in point, and accounts for the large deficiencies. Here the special liabilities of fatal and non-fatal accidents, instead of those of sickness and mortality in general, had to be considered. The unforeseen excess of non-fatal over fatal accidents is the main factor in bringing about so weakened a financial condition. It had been customary to estimate that for every death in mining there should be ten non-fatal accidents, whereas the actual ratio may be put at one to ten times ten, *i. e.* that for every ten killed in one year there will be 1,000 disablement cases. Indeed, in the Monmouth and South Wales district the proportion of non-fatal accidents has risen to the terrible figure of 280 per 1,000 employed, this being 100 in excess of the next highest proportion, that of the Lancashire and Cheshire district. Some years ago the late Mr. Macdonald startled the House of Commons when he said that there were 10,000 miners injured every year. The actual state of the case is that 101,000 of the 527,000 persons employed as coal-getting miners are disabled for longer or shorter periods—during the twelvemonth—say an average of one in five.

In respect, moreover, of the percentage of payments made by the colliery owners (1887), in these subsidized societies, it is manifest that, where 24 per cent., as in the Monmouth and South Wales Society, was found insufficient to cover

their minimum share in the risks, from four to seven in three other societies was altogether inadequate. The total amount of the owners' percentage was, in 1887, £22,218 to £147,556 contributed by the workmen; while the total number of members insured, who renounced the benefits of the Employers' Liabilities Act of 1880, was as 90,562 to 138,952; in societies in which the owners' subsidy is less than 24 per cent. the workmen have not foregone their claim under the Act. The smallest subsidy which the colliery owners should be called upon to pay is that of 30 per cent. And considering that the landowner gets his royalty without cost or risk, he also should be called upon to furnish a further contribution to the funds.

The deficiencies in the Railway societies must, in the main, be put down to the insufficiency of the Companies' annual payments subsidizing the members' contributions; this is specially the case in the London, Brighton, and South Coast Company; while, on the other hand, the unique financial position held by the Midland Society is due to the subsidy by the Company of so much per member.

It is certainly unfortunate that the portion of the valuation clause in the Act of 1875 relating to quinquennial returns of sickness and mortality experience to the Registrar should, in 1882, have been repealed, the Registry Office having sufficient material for its purpose. And again, the duty which secretaries owe to their society in still keeping this experience, for the use of the valuer, must be insisted on.

The postulate that the several funds of a Friendly Society should be kept separate—an obligation on the part of all registered bodies—must not be passed by without a word of enforcement. It means that one fund should not, in times of low water, borrow from another, and that manage-

ment expenses should be adequately provided for. There is still in some lodges and courts a bad practice of borrowing from the benefit fund to make good deficiencies in the management fund. Such a custom is not only against the law, but is most injurious, because, as a rule, these borrowings are not repaid, and the benefit fund has to suffer. Management may be too cheap to be efficient; and bad economy is not good policy.

It will have been noticed that the *Hampshire County Society* has a handsome surplus of over £32,000. As some of our readers may be curious to know how such an enviable state of things has been arrived at, we give the reasons as set down by the valuer, Mr. Neison—

The high rate of interest realized on a portion of the society's capital, and the judicious investment of other moneys.

The rates of contributions in some cases being in excess of the amount required.

The donations from honorary members received at the foundation of the society.

The profit arising from the withdrawal of members.

The first stated cause should be laid to heart in the many lodges and courts of the Orders. The last shows that even this "patronized" society, in the heyday of its prosperity, suffers from lapsing and makes capital out of its losses. This question of the profit to a society arising from secession or lapsing of its members, and what allowance should be made for the same in valuations, is not one upon which the best authorities are agreed. Mr. Neison goes no further than to state that in his opinion, "it is necessary to be extremely cautious in making an abatement of liability in respect of the element of secession." That societies do

derive considerable profit from the withdrawal of members and the liabilities incurred on their behalf is certain. For instance, the four principal County Societies previously mentioned every year lose more old members than they gain new ones. And in the larger Orders the number of lapsed members per annum, though relatively under 4 per cent. of the total membership, is heavy when compared with the numbers admitted per annum, being in the Manchester Unity 20,000, and in the Foresters 25,000. The financial value of secession may be gathered from *Neison's Foresters' Experience*. Not allowing for lapses, out of 100,000 members joining at 18, there should be 71,353 remaining in the Order at the age of 50; whereas, making allowances for lapses, there will only be, out of the same number, 15,325 left at the latter age in the Order. In other words, that while 28,647 had been paid for at death, 56,028 had voluntarily left without payment. Consequently, for a funeral benefit of £10 and a weekly sickness allowance of £1, the contribution for a member joining at 18 will be 3s. 9d. in the £ less, with allowance for secession. It is the common practice both in tables and in valuation to allow financially for this element of secession. But I am strongly of opinion that advantage should not continue to be taken of, and capital made out of, the supposition that this leakage, this defect in the machinery, will continue unstopped, unremedied, for, say, the next forty years in the history of the Friendly Society Movement; and we further heartily endorse the pregnant words of Mr. James Barnes, of the Ancient Order of Foresters, on the subject—"My own views are," writes Mr. Barnes, "that as the liabilities of the society to the members increase year by year, and as the rate per cent. of secession decreases year by year, it is better

to leave out the element of secession in the valuation, especially as any assets *arising from this* will assist in improving the position of the society at each valuation."

In another chapter we shall further deal with remedies for the condition of affairs as revealed under the test of valuation. We close the chapter with an authoritative note of warning, much needed, to over-hasty critics of Friendly Society finance—

"A word of caution may be added against forming too hasty conclusions adverse to Friendly Societies, if it should turn out that the valuations in many cases show an estimated deficiency in the funds to meet the liabilities. It would be strange if it were otherwise when for the first time scientific tests are applied to contracts that have been in operation without a scientific basis for a long series of years. It must be borne in mind, however, that nothing is more elastic than the contract made by a Friendly Society with its members; no error more easy of remedy, if found out in time, than one existing in the original terms of such a contract. Hence the words "insolvency," "rotteness," and the like, which we sometimes hear freely used as describing the general condition of Friendly Societies, are utterly out of place. Of Friendly Societies in general it may be said that as there are no associations the benefits of which are more important to their members, so there are none that are managed with greater rectitude, and few with equal success" (Introduction to W. Tidd Pratt's *Law of Friendly Societies*, by E. W. Brabrook, F.S.A., Assistant Registrar of Friendly Societies for England).

CHAPTER VI.

METHODS OF SOCIETIES AND COMPANIES ASSURING A SUM AT DEATH—REPORT OF SELECT PARLIAMENTARY COM- MITTEE—CHILD LIFE INSURANCE.

THERE is not a village in England and Wales which has not got its collectors at work, gathering in the pence of its poorest inhabitants on behalf of the *Royal Liver*, or the *Industrial Prudential*—examples of the second great stream of tendency in which Mutual Thrift is at present flowing. (We have already fully dealt with the first, that of the Affiliated Orders.)

The influence obtained by most collectors in a working class family cannot well be estimated ; for it should always be remembered that they do business with the least resourceful of the poor and the least intelligent. The higher grades of the artisan class, the skilled working-men of the towns, have learnt to fight shy of these societies : they put their savings into an Affiliated Order, large General Friendly Society, and Trade Society. But with the humblest and most necessitous poor of both town and country, with the widows, the wives, and the children of such, the case is different. Nothing better is placed before them, and it becomes a matter of course with them not to refuse, except under dire necessity, the importunities and blandishments

of the men who are living on them in comfort and often luxury.

A recent case of libel, which came before Mr. Justice Grantham,¹ has laid open some of the methods pursued, especially the custom of insuring lives, unknown at the time to the persons themselves. It appeared from the evidence given that it was a common practice to substitute, for signatures to proposals for life insurance, marks, which the judge characterized as "forgeries"; these being affixed without even the knowledge of the assurers. "Agents," said the judge, "go round and collect money from people, knowing they have no conceivable interest, and when the person dies and a claim is made, it is defended, and a verdict is given for the company." A case was also cited in which a man, who had been certified by the agent as a "good life," had not been seen by him for about five years.

Days were when the influence and tyranny over the persons and wills of individuals exercised by the priesthood was held up to public reprobation. The day, it is devoutly to be hoped, is not far distant, when the necessitous poor—called God's poor—living in our midst, will be rescued by mission hands from the slavery, bred of ignorance and hopelessness, under which some 60 to 70 per cent., it has been calculated, of the poorest of those poor still live.

Next comes the agent, the superintendent of a district, who receives the contributions of the collectors, and after deducting his portion, passes on the remainder to the central Board, who, in turn, after largely helping *themselves*, place the sadly reduced amount to the credit of the members, for whose benefit the society is carried on. Let us see how the members' money is spent. To begin, there are the collectors,

¹ Mackinson v. Walls.

who receive a commission on the contributions of the members of 25 per cent., entrance fees on new business, charges for transferring members to new books, perquisites in the form of the first twelve weeks' contributions of new members—all these items besides salary. A collector at Hull, since dismissed because he was supposed to be favourable to the reforming party (presently to be mentioned) in the *Liver*, collected £14 17s. 4d., weekly, which gave him an income of £4 9s. 4d. a week. Then follow the agents' salaries, and those of the board and permanent officials. Out of the income of the *Royal Liver*, for 1884, of over £360,000, only £1,533 was saved, mainly owing to the enormous sums paid away in management. At length some of the members were roused, and having obtained the able assistance of the editor of *Truth*, who undertook and carried out a thorough exposure of affairs, and found the £50 for the Treasury, without which the poor deluded members were not granted the inquiry petitioned for, a reformed syndicate proceeded to lay their grievances before the Hon. Lyulph Stanley, the gentleman appointed as inspector by the Chief Registrar. The account of this inspection, and its abrupt closure, through the absconding of the solicitor to the society, and the disappearance of certain books that were "wanted," are matters of recent history. But enough was proved to condemn the way the management had been carried on, and Mr. Stanley has given us some plain speaking in his subsequent Report, stating that the officers of the society in practice treated the management fund as their own property. They used it as they pleased. Up to 1887, to give an instance, the two secretaries had divided nearly £12,000 a year between them; in the past ten years they had received £63,301 for their own use. To the

£12,000 taken at the head office by the secretaries, must be added a further sum of £5,304—being £884 per annum to each of the other six committee-men—making a total of £17,304 drawn out of the society by those eight men in one year for management. Mr. Stanley's inspection also revealed packed meetings; libellous pamphlets against other insurance societies; the purchasing of laudatory notices in newspapers (a transaction in which it would appear two religious papers—the *Protestant Standard* and the *Catholic Times*—were alike involved); bribery and corruption generally.

What was the result? That the inquiry came to an abrupt conclusion, as already noticed, and that officially no action was taken. A compromise was arrived at between Mr. E. F. Taunton, the leader of the reformed syndicate, and the committee, under which three members of the committee retired with the two secretaries, and Mr. E. F. Taunton became the new secretary at a reduced salary of £1,000; the *Royal Liver* started on its reformed course. Further economical measures were taken, as is the usual practice, beginning and remaining at the bottom. Eighty-five clerks were dismissed in the first year of reform; fifty-one others were afterwards added to the number of the "unemployed," and their places taken by the cheaper labour of girls and boys.

What is the true worth of the reforms made must be left for the members to decide; but it would appear to the writer that unless the *principles* upon which these societies do business are changed, no real safeguard can be found which shall insure to the millions of necessitous poor who confide their pence to the keeping of such organizations, that they shall receive their due share of the benefits. The

following extract from the Report of Mr. Lyulph Stanley, when he was an assistant-commissioner, is as true now as it was when it was penned—sixteen years ago—

“Though working under the Friendly Societies’ Act, they (the collecting societies) are really insurance offices, started without any capital, and under the control of no shareholders, and conducted principally for the benefit of the office-holders, and only incidentally for that of the assured. The managers of these societies can raise their salaries as often as they please out of the contributions. All they have to do is to keep the collectors quiet, which has been done by periodical increases of salary, and by perquisites. If a member of one of these societies tries to bring to justice an officer who is misconducting himself, he has the greatest difficulty. The fraudulent officers can fight the member with the funds of the society, and they can, as a rule, get their offences condoned by a packed meeting. In short, the theory of self-government is an absolute farce when applied to one of these societies; and the only chance of tolerable management is, if the officers have once succeeded by lavish expenditure of the fund in the earlier days in founding a large society, and if, by judicious distribution of patronage, they can keep the collectors in some order, that they may see it to be to their interest rather to live on the society as well-salaried officers, than to rob the funds in a way which would expose them to prosecution.”

It is not a little remarkable that with sentiments such as these, which Mr. Stanley himself referred to in his recent exposure of the *Royal Liver*, the honorable gentleman should have consented to become senior trustee of the society, his co-trustees being Sir David Radcliffe, late Mayor of Liverpool, and Dr. G. B. Clarke, M.P. It may be thought that

what may justly be called the *terror* of his name would check some of the least commendable practices in the society, but we are afraid that the *attraction* of Mr. Stanley's name is conferring the greater benefit on the society, and is being fully used for the advertisement purposes of new business. We find also among the society's patrons eleven peers of the realm, and thirty-nine members of parliament, and Mr. H. Labouchere is among the latter. From inquiries made, the fact is undoubted, that the majority of these noble lords and M.P.'s only allowed their names to appear on the strength of the connection of Mr. Stanley with the society.

The society is said to be solvent, with a handsome surplus, though it has been spending 45 per cent. of its premium income in management; but it is generally forgotten that in the rather extraordinary quinquennial valuation of the present value of assets and liabilities, made by the actuary employed and paid by the committee, the said actuary had to deal with 82,567 deaths, and 412,990 *lapses*, a proportion of lapses to deaths of five to one. While of the £50,000 surplus shown, £38,000 was made up (contrary to the instructions given by the Treasury to public valuers) of *negative* values, depending on certain young members continuing in membership. Mr. Stanley, indeed, had much reason to conclude, as he did in his Report, that instead of *surplus* of £50,000, a more correct valuation would have shown a *deficiency* of £40,000.

A most remarkable extension of the Collecting Society during the past year has been attempted in the direction of a new Mutual Thrift agency "for women of small wages," in Scotland, under the title of the *Scottish Women's Benefit Society* (Edinburgh). It professes to be "simply an ex-

tension to meet the case of small insurers of the business of the great Scottish insurance companies," and as such challenges the *Prudential*. In construction the society seems to be a sort of cheapened *Scottish Legal*, but is unique in offering a *sickness* benefit—the one thing, as we have seen, all the male collecting societies dropped as quickly as possible, so ruinous was the practice found to be. Indeed, the *Scottish Women's Benefit Society* offers three classes of benefit (I am quoting from the rules)—a sickness, an annuity, and a funeral. But a member may insure in each, or any, of these three separately. A perfectly justifiable arrangement did the sickness benefit last for life, but it can only be obtained until the age of sixty-five, and the annuity, commencing at that age, is offered as a supplementary benefit; and it is in most cases, I fear, beyond the reach of those women workers "with small wages" for whom the society appears to have been established. Benefits strictly complementary to each other are offered separately, and the one may be taken and the other left. Consequently, when working powers are getting slack, and more, instead of less, thrift provision is needed, the bulk of the members of the *Scottish Women's Benefit Society* will find themselves left to the tender mercies of relief or of charity; their thrift provision will have failed them. It is true that so small an annuity as 2s. per week is offered, and might, in some instances, be taken up; but this would only make the poor member's case worse. She would have a little something of her own coming in—enough on which to starve. An annuity of 2s. a week would be a piece of refined cruelty. Then, again, the rules say that "sickness allowance shall be payable monthly." A member, therefore, may call on *the sick fund*, and be on it for three or four weeks, deprived

alike of her earnings and her sick insurance money, till she may be past wanting it, and her representatives have to ask for her funeral allowance instead, if indeed she has insured for that benefit. Then follows another hardship, especially as married members are charged higher rates of premium—“No sickness allowances shall be paid to any member during the last six weeks immediately preceding or immediately succeeding childbirth.” This is to make married members pay more and to give them nothing for it. But perhaps the greatest drawback to the usefulness of the society to women “with small wages” is its expenses of management, owing to the employment of paid collectors. The tables, less the annuity, have already been “loaded” to the extent of 20 per cent., and 5 per cent. more has been added to the annuity table. This is indeed doing industrial assurance business rather than conferring Friendly Society benefits. Then, as regards management, the central committee have autocratic powers over both members and funds; they can elect and dismiss, make and unmake, at a stroke of the pen, collectors and their districts; and determine the amount to be set aside from the funds for management expenses. In short, the benefit members can never exercise real control. There is no education about the constitution which shall teach the members to manage their thrift provision for themselves.

Now, turning for a moment to the management expenses of the Affiliated Orders, the other great channel in which recent mutual provident insurance has flowed, we find, on comparison, that branch secretaries—workers for love—get from £2 to £15 per year, according to the size of the lodge or court. Corresponding secretaries at the central office, from £60 to £300, raised by an annual levy per member of from $\frac{1}{4}d.$ to $\frac{1}{2}d.$

The head of the great Manchester Unity receives £25, and the Chief of the Ancient Order of Foresters £20, the heads of the smaller orders taking from £10 to £15, for their duties during their year of office, these sums being given as an honorarium. Directors and deputies take their railway fares, and from 10s. to £1 1s. per diem, the former at the quarterly meetings of the board, and the latter at the annual or biennial parliament of the society. To total up the whole management, it may be put down at from 10 to 16 per cent. as against the 40 to 65 per cent. of the collecting class. The one thrift institution gives the completest possible insurance, or rather group of insurances—sick, funeral, and superannuation (for those members who will take it)—the other yields no profit at all in this life to the adult working man or woman, except a pecuniary compensation for loss of wife, husband, or children, and that most dearly paid for.

Much unfavourable comment has been made on the extent to which deprivation of benefit has run in the larger Affiliated Societies through lapsed membership from non-payment of subscription; but in the great Collecting Burial Clubs from two-thirds to three-fourths of their members fall out of benefit, the secretary of one large club estimating that about one in eight was the proportion of insurers that continued to the end of life. While of those who do so continue in membership, the writer's wide experience could point to numbers of aged men and women who are now living on parish pay and the doles of charity, and who have to beg from relative or friend the 2*d.* to 4*d.* per week wherewith to pay the collector at his periodical visit. Indeed, the writer has known several cases of old people who have died in the Union Workhouse, but who received by no means a pauper's funeral. Their relatives have kept up the

payments to the *Royal Liver* or the *Industrial Prudential*. The body has been removed to a private house, and a funeral with all the pomp and pride of the undertaker's ceremonial, and expensive garb of mourning, has been indulged in. The relatives and friends go their way when all is over, full of complacent satisfaction that they have done their duty by the old folk, and buried them in a proper manner; while as long as a spark of life remained, they one and all declined to be troubled with their existence, but agreed that the Union was the best place for them to the end of their mortal days.

The collecting is much better managed in the Industrial Assurance Companies, and nothing of its kind could well be better done than in the *Prudential*, which as a business company entirely under the management of its directors, and the shareholders by whom they are chosen, is not hampered with rights of membership on the part of its policy-holders; while in a Collecting Friendly Society, like the *Royal Liver*, there is always the temptation for the collectors to bring pressure to bear on the managers, or to canvas among the members to get themselves elected on the committee of management. Everything about an Industrial Assurance Company is strict business. The collectors are kept under strong discipline; they are the servants of the directors. When Monday morning comes round, they have to pay the full sum they should have collected (whether they have actually made it up or not) into the bank, and are only allowed for failures to obtain the weekly or fortnightly premium payments on the next settling-up day. Verily, they have to work for their living. Such a rule, however, must largely tend to the prevention of lapses, since they would be to the disadvantage of the collector.

The large sums expended in the collection of the annual premiums have already been stated and commented on in a former chapter.

We proceed to discuss the Report of the Select Committee of the House of Commons on Collecting Friendly Societies and Industrial Assurance Companies coming under the operation of the 30th Section of the Act of 1875 (1889). A summary of the provisions of the section has previously been given.¹ The Committee are of opinion that the section of the Act has proved inadequate to the end in view, and suggests minor amendments and extensions. Some of the statements made with regard to the Collecting Societies and Industrial Assurance Companies are so much to the point, and show so clear an insight into the methods of working, that we shall not hesitate to reproduce the most important. And the more so, since the Report itself does not seem to have received the public attention its weighty language and the thoroughness of its recommendations should have won for it.

“While it is held to be beneficial to members of Friendly Societies to take an interest in the conduct of their societies' affairs, the Committee are compelled to look upon the method of Collecting Societies as of no value whatever towards education in thrift.

“Collectors paid by commission are naturally anxious to make as much profit from their business as possible; they are liable to temptation to be unscrupulous as to the methods by which this end is attained; it is therefore no matter for surprise to find that assurances for sums at death are effected which are not recognized by the Friendly Societies' Acts, and are otherwise distinctly opposed to the law.”

¹ See p. 148.

And in reference to Industrial Assurance Companies, the Committee are of opinion that—

“Having regard only to the pecuniary interests of the assured, it is probably better for them, supposing the pecuniary benefits secured to be equal, that they should not be invested with rights of membership which experience has so often proved to be totally illusory.

“If that is admitted, then the Industrial Assurance Companies appear to fulfil the requirements of the case better than the Collecting Societies ; but, in the opinion of your Committee, the existing laws affecting the Companies require important modifications to be hereafter described.

“There is at present no guarantee of honest management ; there is no restriction on the proportion of revenue devoted to management, nor is there any obligation to employ properly certified tables of contribution and benefit.

“Further, the audit of the accounts may be made by persons who, even with the best intentions to do their work thoroughly, have no trained professional experience and qualifications. Even in the case of companies where there exists no endeavour to hide their financial embarrassment, the existing legal machinery for remedying matters is, for the class of persons directly interested, at all events cumbrous and expensive.

“It is true that companies are required to send annual accounts, rendered in a certain form, to the Board of Trade, and are also required periodically to have their actuarial valuations made and sent to the same Department, and both these returns are published in a blue-book. That Department, however, cannot reject these returns ; all it can do is to append to them copies of correspondence relating thereto, and it is only when these reach the hands

of competing agents and collectors of rival companies that the information they contain is likely to be disseminated, and then only for trading purposes."

As much has been urged (principally by those who have themselves been without any practical experience) on behalf of the use of the Post Office as a life assurance agency, a few plain words are necessary to set the matter in its true light. Both in the matter of life insurance and deferred annuities the Post Office is a failure. It is a cheaper agency than that of either Collecting Society or Industrial Assurance Company, because it merely offers an insurance to those who will come and fetch it. First, there must be the initial power in the individual, or the Post Office will never be visited. As to results, when we have to compare the some 7,000 insurers of the Post Office with the 9,000,000 of the Industrial Prudential, no further testimony is required to emphasize the failure of the former. Nor is the lack of initial power on the part of the insurer the only reason for this. A Government department, with its measure of red-tape, cannot adopt popular methods of working. The Post Office declines to tell a poor woman what sum she can insure for, say, a penny a week. Only she cannot have an assurance of less than £6, and must pay the annual premium down in a lump sum; nor can any life under the age of eight years be assured. Besides, the officials at Post Offices do not appear to be very well paid for any life assurance business they may obtain; at all events, encouragement to thrift is not visible; the reception is a cold one, and sometimes worse than cold. Contrast the methods of the societies and companies—smilingly offered information, given in one's own home, as to what a halfpenny or a penny per week will do; the certainty that the premium will

always be *fetched*; and that an infantile assurance can be effected from almost the day of birth; all these advantages tell against the Post Office. While to make letter carriers insurance-agents on commission, would perilously impair the efficiency of the first business of the Post Office, and that for which it exists.

The "general consideration" of the Select Committee is to the effect, that the system of assurance by companies and societies depending on collectors "must be regarded as a means, for which at present there is no effective substitute, of inducing very large numbers of the working-classes to make some provision for burial or for benefits to survivors at death, who would otherwise make none." The one drawback is, "that for every shilling of benefit assured for, the assurers have to pay nearly two shillings."

Omitting the question of infantile insurance, we have no hesitation in endorsing the following recommendations of the Committee, with the proviso that, constituted as they must be, any number of safeguards to the members' interests can be of little avail in the Collecting bodies—

"That all Collecting Societies and Industrial Assurance Companies be taken out of the Friendly Societies Acts, constituted a distinct class, and placed under the operation of a separate Act of Parliament.

"That the limit of receiving contributions outside a limit of ten miles from the registered office, in section thirty of the Friendly Societies Act, 1875, be done away with; and that all societies and companies receiving contributions by means of collectors shall be included in the above class.

"That annual returns shall be audited by two auditors approved by the Treasury."

The following refer to the working of Collecting Societies—

“No collector to become an officer or member of the governing body of a society for which he collects, and for three years after he ceases to collect.

“No member to forfeit his interest in the society unless a notice ‘in writing’ has been sent to his last known address, allowing him fourteen days from the date of its delivery in which to pay any arrears.”

Another “recommendation” must have great weight for the sake of its bearing on finances, viz. that every member shall be entitled to a surrender value on ceasing to be a member, provided he has been in the society five years, and has duly paid his contributions. This would revolutionize the present system of valuation, under which full financial value is given for future lapsing. While the valuation itself is to be made in accordance with Treasury instructions, and by an actuary or actuaries approved by the Treasury.

These recommendations are calculated to give members a better security, since at present both auditors and valuers are appointed by the managers, not the members, and are paid large salaries by these managers.

The Registrar may grant an inquiry without requiring the signature of a certain proportion of the members and a deposit of £50.

“That the Central Office (of the Registry of Friendly Societies) shall have power to appoint, without notice to the Committee of Management, an *Official Receiver*, who shall be empowered to act in the place of the said Committee of Management.

“That the Central Office shall have power to order the dissolution of a Society.

“That it shall not be lawful for any Society to which this

Act shall apply to use the title 'Friendly Society,' unless prefixed by the word 'Collecting.'

"That measures be taken in a society for the appointment of *Standing Committees of Members* 'for each specially defined district or area over which its business extends.'

"That it shall be in the discretion of the 'Central Office,' if it appears from the valuation that any company is not in a position to meet its engagements, or if it appears from the annual return that the business is carried on in an unsatisfactory manner, to withdraw from the company the privilege as to infantile insurance (in respect of new contracts), and to advertise the withdrawal as widely as may appear desirable.

"That new *Societies* must deposit £500 before starting in business, and new *Companies* £20,000."

These "recommendations," among others, have been embodied in a Bill, introduced by the Government. Such a Bill, if strictly confined to bodies coming under section 30 of the present Act, should receive careful consideration and a large measure of support, as an honest attempt to grapple with difficulties which have hitherto baffled the best intentioned legislative action. While these sheets have been passing through the press, the above Bill has been withdrawn.

The subject of Child Life Insurance need not detain us long. A grave mistake was made by the recent introduction of a Bill into the House of Lords by the late Archbishop of York (then Bishop of Peterborough) at the instigation of the Rev. Benjamin Waugh. The Bill was avowedly based on the Report of the House of Commons Select Committee on Collecting Friendly Societies and Industrial Assurance Companies, and we cannot see how it can, with justice,

become law until a Government measure is passed, embodying the first recommendation of that committee—viz. that Collecting Societies be taken out of the Friendly Societies Act, 1875, and be legislated for separately. I have no desire to minimize the appalling statements of Mr. Waugh, but a long and wide experience of the ways of provident insurance as practised among the working classes of the community has convinced me that his inferences have been much overdrawn and made to cover larger ground than they are entitled to do.

If isolated cases of child-murder do exist among "that dark residuum of English society which teems in the destitute quarters of London, Glasgow, Liverpool, and other large cities," there is no evidence of any weight to connect such with the question of obtaining insurance money. In these miserable "homes," a certain number of children will continue to be overlaid by drunken mothers, and the rate of infant mortality remain high, until social duty is better practised in this country, the "houses" of its poor made a little more like "homes," and the drink traffic placed under control. It seems to have been entirely overlooked by the promoters of this ill-advised measure that it would include in its repressive enactments the little short of 300,000 children insured in the Juvenile Societies attached to the Affiliated Orders and some of the Centralized class; bodies in which abuses of the character dealt with in the Bill could not by any possibility occur. Yet the adult members of these Mutual Thrift Institutions, comprising the pick of the working-classes, were informed under the "undertakers' clause" (since withdrawn), that they could not be trusted to touch the money they had provided against the contingency of their children's death, lest the

temptation of making away with their offspring, for its sake, should be too great for them.

The Bill was afterwards referred to a Select Committee of the Lords, and is still under consideration. If the "recommendations" on the subject which occur in the Report of the Committee of the House of Commons are embodied in the Government Bill, there will be no occasion for further repressive legislation, introduced in a panic, since as much care as is possible will have been taken by the State to protect infantile insurance from abuse, and the Committee of the Lords might confine their attention to a new "baby-farming" Bill. The Report referred to recommends that better care should be taken to prevent the insurance of any child under sixteen years of age in more than one society or company, and that any such dual insurance be void. Further limitation is put upon the amounts of insurance. Under five years, £4; over five and under ten years, £6; over ten and under sixteen, £8. And such payments shall only be made to the parents, or personal representatives of the parents, of the deceased children.

If we have left Collecting Societies and Industrial Assurance Companies pretty much where we found them, it should not be forgotten that we are dealing with trading or commercial bodies which exist for the purpose of doing business. There is a "whole gulf" fixed between such and the self-raised and self-managed Friendly Society, and it is only an unthinking and insufficiently educated "upper class" public that will persist in making impossible bridges to connect the one with the other. Till something better, which is also popular in its working, is set before those sections of the working-classes from which these bodies draw their supplies, they will continue to flourish as necessary evils.

CHAPTER VII.

THE OUTLOOK.

IN bringing the valuation test to bear, the need of at once applying remedial financial measures was made apparent. In the larger and more public spirited of the Orders this has already been done, only the application has not been extensive enough or thorough enough. The gravity of the case has not yet been sufficiently realized, the education of the rank and file of the members in financial concerns is still very far from what it should be. Valuation and its lessons have not yet been sufficiently learnt. There is still too much of the bad policy of trusting to "young blood" to stave off the evil day. And it cannot be too strongly enforced, that the comparative freedom from sickness of the young and new members will not compensate for the steadily increasing rate of sickness among the old members.

Besides, the time has come when, in any Friendly Society that wishes to keep in the front rank and not break faith with its members, each member of it must contribute his fair share to the mutual funds, and its old members, who have, many of them, already taken out more than their own share, must also do something to remedy existing cash deficiencies which they themselves have largely created. The sentimental grievance that the old members should not be

asked for increased contributions, or have the faulty contract amended, is of no weight, when it is considered that the old members have already *had* more than their just share of the common fund, and that they are rapidly bringing the society or branch to which they belong to decay and dissolution. In which case they will themselves, with advancing years, be thrown out of all benefits, and will also drag down the younger members with them.

But the persistent refusal of the Chief Registrar to register amendments of rules which alter in any way the amount of benefits which a member has contracted for and is in the receipt of, has greatly militated against the application of remedial measures. In other words, when once a member was in receipt of sick pay at a given rate, he could not have that payment lessened in amount, or be deprived of it, without his consent, until he recovered. In so doing the Chief Registrar was but following an opinion given years back by Sir Roundell Palmer (now Lord Selborne). But two recent decisions of the Queen's Bench Division have entirely upset this opinion, and established the principle that the registered rules of a society, and any alterations subsequently made in those rules in a legal manner, and themselves registered, govern the rights of all members of the society equally, absolutely, and without distinction.¹ The contract is, in fact, mutual, and the benefits and rights of members are in the power of the majority, and liable to subsequent amendment.

This authoritative pronouncement will greatly assist in a fair amendment of existing contracts for sick pay which are being found ruinous to a society. An equitable readjustment, therefore, of contributions in all societies or branches

¹ *Unity*, March, 1891.

in which there is a deficiency is at once called for, since every payment in full reduces the chances of other members obtaining *their* full benefits when requiring the same. If the first claims that arise are paid in full in a lodge or court with a degree of solvency less than 20s. in the £, say, 15s. in the £, the more remote will fare badly and receive no more than between 10s. and 5s. in the £.

In cases, also, where the deficiency is of long standing, and has been accumulating, a temporary reduction of benefits is necessary, as well as an increase of contributions. Only care should be taken that the financial reform be thorough, and not partial in operation, and good money be not thrown after bad.

Another effective remedial measure is the obtaining of an increased rate of interest for the funds. In this respect energy as well as care is required, since the reduction in the value of money is a serious matter in the Friendly Society world. Corporations and other public bodies which, a short time ago, borrowed at the rate of $3\frac{1}{2}$ and 4 per cent., now are only offering 3 and $3\frac{1}{2}$ per cent. There is great need for District Investment Committees or Associations, such as are common among the Foresters. These bodies can receive the small sums branches have to offer for investment, and so secure a higher rate of interest than the different small sums, separately, could obtain. The recuperative power of an increased rate of interest is unmistakably shown in the history of the invested capital of the South-Western District of the Ancient Order of Foresters. In three valuations covering a period of fifteen years, the degree of solvency rose from 18s. 5d. in the £ to 20s. 1d. in the £. In other words, a deficiency of over £32,000 was wiped out and a surplus of over £4,000 brought out in the last

valuation (1889), and this was effected almost entirely by means of an increase in the rate of interest of from 1 to $2\frac{1}{4}$ per cent.

In cases of excessive sick claims, amounting to permanent sick pay in the case of old members (for which no adequate provision has been made), there is only one safe and thorough remedy (especially as a recent Judgment of the Divisional Court of Queen's Bench has declared that "natural decay" was not "sickness" under the rules of the Society whose proceedings were before the Court, and had not been contracted for by the members), and that one remedy is a *superannuation allowance to commence at sixty-five years of age*. The difficulty, and too often the hardship, involved in a decision between what amounts to sickness and what only to decay incident to declining years of life will then be solved, and the member will be wholly insured against "the ill's flesh is heir to" for the remaining term of his mortal existence. The machinery for superannuation has been set up in the majority of first-class societies, but it will have to be made more popular; there must be more education and agitation for its adoption before the result will prove satisfactory. A step in the right direction has just been taken by the Manchester Unity in making arrangements, in the case of death before the age for superannuation is reached, for the repayment of the premiums, or a portion of them, to the nominees of members. This we are assured by Mr. Reuben Watson can be done without making the payments at all prohibitive.

But one of the first needed reforms is to insist that all the branches of a society should be registered. We have already seen what registration does not do. What it actually does, is to confer certain advantages over societies which

are unregistered, the principal of which refer to freedom from stamp duty, the prevention of fraud, misappropriation of funds, and the right to settle all disputes by arbitration, and, if needed, have the arbitrator's decision enforced by the Law Courts. These privileges entail corresponding obligations on the part of the society to make to the Government Registry Office annual returns of affairs ; to publish an annual balance-sheet, and give the same to all benefit members ; and every quinquennium to make a valuation of assets and liabilities, and send a copy to the Registrar. That no society is safe without registration is at once patent, when, on some justifiable occasion, a responsible officer (either secretary, or treasurer, or trustee) is brought up before a court and charged with maladministration of funds ; should the prosecutor be unable to prove registration to the satisfaction of judge or magistrate, the case is at once ruled out of court. The first of the great Orders that saw the advantage of registration for its branches and led the van in this financial reform, as in all others, was the Manchester Unity. As far back as February 1872, all Lodges were to be registered or be suspended from the Unity. The Foresters, the first Order to register its General Laws, followed the example set them ; and it may now be said that neither of the great twin brotherhoods, containing a million and a quarter members between them, have a single unregistered branch left. But though the process in other societies with branches is steadily going on, and pressure from executives is being brought to bear, yet full registration is not at the present a *fait accompli* throughout the Affiliated type of Mutual Provident Society.

The making registration compulsory throughout a society is now, however, the order of the day, and what immediate

numerical loss may be incurred will be more than made up in financial strength—the first requisite—and in a large accession of membership in the near future. This wholesome lesson is witnessed to in the policy of the Order of Druids. The Order has by its strong carrying out of financial reforms lost in recent years a few thousand members, but the returns are now beginning to tell another tale: 2,293 new members have been added, and 1,879 out of the total joined the completely sound and financial portion of the Order; viz. the equalized districts, in preference to the older and inferior portion of the Order. Education is already beginning to tell in some of the best societies. A few of the old-fashioned and totally unregistered Orders, such as the Ilkeston Order of Oddfellows, have for years been at a standstill, and gain no recruits to their ranks. The signs of the times are very hopeful. In the class Ordinary and among Dividing Clubs there are a large number of non-registered societies, but nothing like the number there were fifteen years ago. The privileges of legal protection and other advantages are now readily sought for, though obligations are not always fulfilled in a manner creditable to the societies concerned.

Mention has been made of freedom from stamp duty as being one of the privileges conferred on registered Friendly Societies, and giving them a distinct advantage. This balance of advantage, however, is not always on the side of the society, in the case of the Collecting Burial Clubs. The canvassers, for example, of the *Industrial Prudential* are careful to exhibit the "Government" stamp on their policies, and to appeal to that exaggerated idea of the functions of the State which are alike shared by the Socialist and the least intelligent and educated of the poor. Hence, in some

degree, is the success of this assurance company over the freedom-from-stamp-duty *Royal Liver* to be accounted for, in a manner least expected by the promoters of Friendly Society Acts.

The principal Orders have come to the rescue of decayed branches, and raised a Unity or Society Distress Fund by a levy throughout the body as a whole, on behalf of old branches which are approaching dissolution. The administration of such a fund has not, however, always been wise. Not sufficient help has been given, and good money has been thrown after bad, or else stringent financial self-reforms have not been insisted on before the promised aid was given, and the branch has not been set on firm ground. On the important question of decayed branches, the Ancient Order of Foresters have set on foot a thoroughly sound policy. Courts with a relative degree of solvency of less than 15s. in the £, will receive a grant in aid from the High Court Relief Fund, equal in amount to one-half of the deficiency, provided the Court assents to such an alteration of the scale of contributions and benefits as will make up the other half. Besides, the relief from the High Court Fund is to be spread over a series of payments, and care will be taken that the imposed conditions are complied with. In such a way the deficiency set down by valuation against the Order will, in process of time, be greatly reduced, and the financial position wonderfully strengthened.

The Manchester Unity has not yet fully risen to the needs of its old decayed lodges. If that Order would but take the advice of so tried a friend as the Hon. Lyulph Stanley, and raise a shilling levy per head through out the Unity in the next twelve months, the deficiency would be almost wiped out, and the oldest districts of

the Unity, dating from pre-actuarial days, saved from dissolution.

The whole position of the Order is well summarized by Mr. Watson, its actuary, in the following terse observations—"The future of the Manchester Unity will be what the members are willing to make it. A great deal will depend on the disposition of the society to enforce with stringency necessary reforms, and to provide safeguards against the surprises which changes in monetary laws as well as the laws of sickness have the tendency to produce. There are no means whereby the Society can command perpetual rest. It is not in the nature of things that reforming efforts can be final. Great changes are now being effected, and if properly dealt with they will be greatly to the future advantage of the Society. The day will come when the Manchester Unity will say that no lodge shall remain as a branch which persists in continuing to pay and promise benefits which its already available assets are incapable of providing, and the ability of the lodges in this respect is always shown as a result of proper valuation."

But the policy of prevention is both the wiser and cheaper method; the accumulation of deficiencies in certain portions of an Affiliated Order should not be allowed. And this is the method which has been pursued in a large portion of the Order of Druids, known as "equalized" districts. Given a sufficient number of local lodges (some older, some younger), grouped together in a district, some lodges, having within the past twelve months experienced a rate of sickness below the average for which the rates of payment had been calculated, would be in possession of a surplus more than sufficient to meet their liabilities, while other lodges, having experienced an overplus of sickness among their

members might find themselves with a deficit. *The liabilities of each separate lodge having been duly provided for, any surplus that might remain goes to build up a reserve fund for the common good of all the lodges in the district.* The district that was privileged to introduce the new financial scheme into the Order, was the Manchester and Salford, and its example was quickly followed by the Sheffield district, another large and important branch. Hence, the equalization system is gradually, in the face of much opposition, spreading itself over the whole Order.

Undoubtedly this feature of "equalization" is ideally the best possible, but outside the Order of Druids it is very unpopular. Branches prefer to retain, as much as possible, their own funds, and the cry against "centralization" is at once raised if any interference is threatened. The excellence of the "equalization" system consists in the surplus funds being made available as a set-off against deficiencies; and the insidious distinction, often brought about neither by merit nor fault, between wealthy and poor lodges is done away with. It should not, however, be overlooked, that a limited number of branches possessing surpluses have voluntarily contributed a portion of such to meet the deficiencies of less fortunate branches, and so strengthened the tie of brotherhood.

But while many societies, and those the best known, are preparing to put their houses in order; deaf to the call "to go forward," there are a number of societies, several of them small in area of operation, and having no real title to be ranked with the Affiliated Class, that are either at a standstill as regards membership, or are slowly, but surely, going back. In the industries, machinery that is behind date and without the latest improvements, will not now serve the

purpose for which it was designed; so is it with these societies. The would-be candidate for membership is beginning to be more careful as to the thrift provision he purposes to make. The day is within something like measurable distance when that society—however old its origin may be, and however great its pretensions—which cannot pass a few plain financial tests, will have its doors passed by in favour of one that can. Progress is only to the “fittest,” and a point is being rapidly reached in the history of the Friendly Society movement when it will be apparent that those societies which have not set their houses in order are on the “down grade.” Members may for a few more years shut their eyes to unpleasant truths, but the longer they do so, the longer they live in their fool’s paradise, the sadder will be their awakening. To this day there are Affiliated Orders that are, as a body, non-registered, and which are twenty years behind the times. To them the day of new and young membership is past, as “the summer is passed,” and they have not yet found financial salvation. The hand of judgment is writing on their walls—TOO LATE. They have gone on, year after year, sinning against light, and now their days are numbered.

But if these observations hold good as regards the “tail” of the Affiliated Class, they must be applied almost wholesale to the General and Local Classes of Friendly Societies. Neither of these, save in the case of a few bright exceptions, geographically scattered up and down the country, can claim part or lot in financial progress.

It is to be feared that valuation as at present carried out has not borne that large crop of good results which was generally looked for and expected. It has done much, but it might have done a good deal more. When a valuation

has been completed and sent to the registrar and secretary of the society, lodge, court, or tent, the lessons it was intended to teach are too often laid on one side. The majority of the least educated and intelligent of the members have their own infallible tests of financial position—all of them as unsafe to rely on as the new ice formed by a frost in the late spring—and they care not for valuation, as long as they see a good supply of cash coming in. The valuer's report, as far as they are concerned, may be stored away in the lodge or court strong box, with the reflection that it was a very good thing that it did not cost more than it did.

The remedy would appear to be greater publicity and increased facilities to societies for securing an efficient valuation, instead of a perfunctory compliance with the law at the cheapest rate. The valuation document, with a clear but brief exposition of the results the valuer has arrived at, and his recommendations, should be posted up in some public place—such as the Post Office—where it can be seen and read of all men: it should, in fact, be made public property, since it concerns not only actual members, but that portion of the public from which the society will draw future members, honorary or benefit, as patrons or workers. No society should be allowed any longer to act as if it were a "close corporation," but should make its affairs public, and hence add to other reasons for the adoption of a reforming and ever-improving policy, the desire to stand well with the public from which it will draw its recruits, and not have its doors passed by for some rival which has secured better vantage ground.

As we have already written at length on the Deposit Friendly Society system, we need only to heartily endorse the conclusion arrived at in the Commissioners' Report,

and dismiss the subject—"It is to be regretted that Deposit Friendly Societies should ever have been registered under the Friendly Societies' Acts. They are indeed essentially Savings Banks rather than Friendly Societies. That security of provision, which is of the essence of the Friendly Society to ensure, however it may fall short of really doing so, they do not profess to give. They are primarily individual, not social. Were they certified under the Savings Bank Act, all misapprehensions of their true character would cease." It is satisfactory to know that the Deposit system has never been popular, and that it is making no headway.

Since critics have made a good deal of capital out of the number of secessions or lapses from the ranks of the Orders (though the actual per centage in this class compares very favourably with that of the Centralized class), a word or two on the present condition of affairs will not be out of place. We must realize the precise nature of the case before we shall be in a position to try improvements. One cause of so many members having run out of benefit through non-payment of subscriptions, has doubtless been the large number of young members admitted during the past few years. Experience has taught us (and a recent inquiry into the nature of the secessions in the Manchester Unity has proved it), that the *youngest* members are those who swell the list of secessions. Many join before physical or moral character is at all consolidated, and in a year or two, not having touched benefits, withdraw from the society; these are not yet far-sighted enough to read the probabilities of the future, and do not perceive that, up to the time of their quitting, they had done something much better than receiving sick pay; that they had, as it were, bought up the future, and were prepared to meet it under adverse circum-

stances, with the confidence and peace of mind a knowledge that the proverbial rainy day had been provided against should have given them. The case of such, regret it as we must, is not yet dangerous ; these ex-members will, sooner or later, re-insure themselves in the same or another similar society, at the cost of some increase of contributions to be paid. But there are others, and, it is to be feared, an increasing number, who drop out of benefit through inability to keep up their contributions, owing to being out of employment. Do the Orders do their utmost to retain in membership these distressed brethren? We think not, as a whole. In some lodges it is gratifying to find benevolent funds able to be used on behalf of members to prevent their going out of benefit, and the Ashton Order of Shepherds—a society that has suffered much from members leaving through the pressure of hard times—has started in its branches out of work funds, to meet a growing need. When we reflect, however, that the best of the Centralized societies have taken strong measures to prevent *their* members from lapsing, it is not to the credit of associations, which boast they are *more* than mere sick benefit clubs, that they should do less. The tie of brotherhood should ever impel those brethren who are themselves happily, for the present, not among the ranks of the out-of-work, to assist their less fortunate brethren. We are also of opinion that the position of the brother who does not travel in search of employment (fearing that it will not help his case) will not compare favourably with that of a travelling brother. In the latter case no contributions need be paid for a period that may extend to six months, and yet the member remains in benefit, and is given a further six months, after the expiration of his travelling card, in which to make good arrears. No such

privileges are allowed to the non-travelling member out of work, and it is he who is forced, by stress of circumstances, to run out of benefit and lapse, unless assisted, under some judicious system, by his fellow-members. In addition to a thorough and adequate benevolent fund in every district or lodge, to which all members in work should quarterly contribute a small sum, might not a register of those out of employment be kept at different lodges, or branches, and means taken to bring the names upon it before employers of labour? The latter should be desirous, if possible, of helping, in the first instance, those members of the community who have given evidence that they possessed the economic virtues, and had put them into practice. It certainly behoves the Affiliated Orders to look well that "once a member, always a member" is no idle boast, and to strengthen weak links in the social chain.

The question of Juvenile branches is one of vital importance to the well-being of a large society. That society which, other things being equal, is most assiduous in cultivating the nation's seed, is the one which will eventually add to its ranks quantity and quality. We say advisedly "quality," because no better material can be found with which to build up the walls of the permanent structure. Early trained in the economic and social virtues, with constitutions and habits developing and forming under the eye of the surgeon and officers of the juvenile branch—such supplies of picked youth are continuously being passed on to parent societies. Like the blocks of hewn stone prepared beforehand for their positions in Solomon's temple, our juveniles, on being transferred, take their several stations aptly and firmly in the grand building, the foundations of which were laid by brethren who have since been called to

their rest. But when we affirm that juvenile insurance is beginning to receive at the hands of the officers and members of the Affiliated Orders some portion of just recognition, we are far from being of the opinion that that recognition is all that it might be, and all that it ought to be. It is true that the majority of the Orders having seen the vital importance of bettering the status of the juvenile branches, have issued model rules and called for annual returns; a conference has met at London which advocated and pressed upon the legislature certain amendments in the Act of 1875, which facilitated the retention of juveniles in their several branches, till they were in a good position to enter adult societies; but much—very much—remains to be done, and to be done without delay.

In the first place, *bonâ fide* Friendly Societies are heavily handicapped by Collecting Clubs and Industrial Life Insurance Companies, registered before 1876, these bodies being able to enrol, as members or policy-holders, children of one day old; whereas Juvenile Friendly Societies, being registered subsequent to that date, are not allowed to enrol them under the age of three years. It follows, therefore, that Friendly Societies are obliged, to prevent the harvest-fields being gathered before they are ready to enter them, to adopt measures of questionable good policy, or to be content with the fragments that remain after others have cleared the fields. Of course, adult males and females are to be found in numbers in these extensive organizations for the cultivation of posthumous thrift: but it is the long extended unbroken line of children (tens of thousands, and hundreds of thousands of them carried in their mothers' arms), "conducted" by armies of officials, who extract their commissions and pocket their perquisites (being twelve weeks' contri-

butions of new members), that should cause the members of the genuine self-raised, and self-supported provident associations of the working-classes to pause at the sight, and reflect whether measures cannot be taken to alter a condition of things which is a disgrace to an enlightened and educated people, many of whom are struggling under a prolonged period of trade and agricultural depression, and who yet are found to make the *minimum* and most elementary provident insurance for themselves and children, and at the same time—themselves often the poorest of the poor—maintain out of their savings costly offices (veritable palaces to look on), and keep in comfort and luxury the agents, whereby they affect such an insurance. It behoves, then, the Affiliated Orders to be up and doing, unless they wish to be left out of the race. But the exigencies of the situation, so far as they are concerned, have (as has been hinted) reduced them to the adoption of measures of doubtful policy. In order to compete with Collecting Clubs and Industrial Assurance Companies, the vast majority of Juvenile Societies have not availed themselves of the benefits and protection of registration, since, to have done so, would have obliged them to close their doors to candidates under the age of three years, and to turn them adrift (till September of 1887) when beyond the age of sixteen.

It must not be hastily concluded that the Affiliated Friendly Society has exhausted its group of insurances, when it provides for sickness and death, and offers encouragement to juvenile thrift; there are in addition Medical Aid and Widows' and Orphans' Funds.

It has been found cheaper, and sometimes better, for a number of societies in large centres to combine for the purpose of securing drugs and medical attendance to the

members, and to provide a medical man of their own, together with a dispensary; by this means wives and children can also receive Medical Friendly Society benefits. Upwards of fifty Friendly Societies' Medical Associations have already been opened in different parts of the kingdom, with a membership of 210,768. The average cost of drugs for members per annum is $7\frac{1}{2}d.$, the average cost of medical attendance is $9\frac{1}{2}d.$ The total average payments per annum of each member may be put down a trifle over $3s. 3d.$ It will be, therefore, seen that cheapness as well as efficiency has been secured. The old-fashioned way was to include the doctor in the expenses of the management fund, hence the frequent mistakes of critics as to the high rate of expenditure in management, through ignorance of the charges included. But the new method is decidedly making headway, though the advantages are not all on its side.

Widows' and Orphans' Funds are to be found attached to all the leading districts of the Orders, and are growing steadily into popularity with members; the good uses of these funds are so self-evident that further comment should be needless to recommend them.

Incidental mention has been made of Travelling Relief. It is not generally known that the Orders have, throughout the country, their own relieving officers and examiners of the passes of members who are travelling in search of employment. We quote from a general rule of one of the unities of Oddfellowship, to show how the system of relief is carried out:—

“That all travellers, being members of the society, or of any branch thereof, shall, while travelling from town to town in search of employment, be relieved at the rate of three farthings per mile, from one appointed relieving district to

another, and shall have a bed for two nights, if required, and one shilling, and rest on Sunday; but should the member desire to proceed, the one shilling shall not be allowed, only the regular mileage. (*No bed or shilling for Sunday's rest shall be allowed to the member on travel unless he be seven miles from his own home.*) But should any member arrive at a town with above 60,000 inhabitants, he shall receive an additional sum of one shilling and a bed; the expense of which shall be paid from the general fund of the whole society, and debited every six months to the branch or district from which such traveller or travellers have been sent. No two relieving districts shall be allowed to exist within seven miles of each other; and that the appointment of relieving districts be left to the Committee of Management."

Again, there has been a further addition in Friendly Society benefits by the establishment of Convalescent Homes in various parts of the kingdom. A few Asylums for aged and decayed members have been in existence for some years past. The value of the Convalescent Homes is very great, when we consider that a sick member, on recovery, need not necessarily return at once to employment, but is enabled to recruit his strength, and so become less liable to after sickness from too early a strain being put upon his weakened constitution.

The position of the members of Railway Societies calls for a few plain words. Several of these societies, undertaking ordinary Friendly Society business, as well as an insurance against the special risks of a hazardous employment, have prevented the workmen from joining a high-class Friendly Society, such as the Oddfellows or Foresters, or the Locomotive Steam Enginemen and Firemen's Society

(an Affiliated Order specially adapted for the purpose), and compelled them to accept a faulty insurance for sickness benefit in lieu of one which they would not lose, as is now the case, with the loss of employment in one particular company. The subject of "lapses" calls for special attention, as we find it prevalent among Railway Societies; and still more so in the case of the much smaller insurance clubs attached to single factories and workshops. The hardship of being compelled to join such "close" and restricted organizations is very real. A workman may, in the present state of trade fluctuations, lose his employment for many reasons over which he has no control; or he may leave his situation to better himself; in either case he will leave his insurance behind him—an insurance he has in the main paid for—has had reductions made from his wages for the purpose of paying for it; and if a surrender value be granted to him, it is very likely too late in life for him to effect another insurance.

Two or three suggestions may be made.

If the practice of social economy is so necessary a part of the welfare of the nation, its principles should be taught the young, and a knowledge of them should form a part of elementary national education. All that is required would be a slight alteration in the wording of the Education Code and a good text-book.

We have said that the great-Collecting Societies and Industrial Assurance Companies must be regarded as necessary evils, till some better substitute for the particular work they do has been discovered. The only feasible substitute, and one that could be brought into active competition with these bodies, appears to be the insurance of small sums *at death* through the machinery of parochial councils.

When those agencies of local government come into existence, nothing could well be easier than the adoption by them of a system of parochial insurance.

Attention should be directed to the injurious way in which many Boards of Guardians are accustomed to distribute out-door relief in cases of chronic sickness or old age. Should the applicant during the best years of his lifetime have paid into a friendly or benefit club, and be in the receipt of a small weekly sum, in the form of quarter or continuous sick allowance, his weekly relief will be so much the less that sum deducted ; while his neighbour, who has been utterly neglectful of his economic duty, will be in receipt of full out-door relief from the poor-rates. Much damage is hereby done to the cause of thrift and providence by such direct encouragement to thriftlessness and improvidence.

As regards the place of meeting, it is highly desirable that some other place than the public-house should be fixed upon. It is, however, certain that many objectors to, for instance, branches of the Orders having their lodge or court rooms at public-houses are often guilty of overstating their case. It should be remembered that the lodge or court room is private ; that the meeting is held under discipline and order ; that no members at all the worse for drink are admitted ; and that strict propriety of conduct is maintained, under a system of fines and deprivation of membership. But with all possible safeguards, it is far better, especially in the case of the young members, that the place of meeting should be removed from all public-house influence. And it is gratifying to find that there is a growing opinion among the members of the larger societies that coffee-rooms and other such-like places should

be used as lodge rooms ; while the number of halls, either of Oddfellows or Foresters, is also steadily increasing. True friends of working-class insurance might do a good deal more than they have yet done to help the members to a suitable place of meeting.

Again, it is sometimes overlooked that the most popular and most developed class of Friendly Society—the Affiliated Order—is much more than an insurance agency. The principles inculcated in the lodge room, through charges and lectures, by sign and symbol, and brought into the field of practice under a democratic constitution in which the presiding officer is the freely-elected *primus inter pares* (chief among equals)—the meeting on an equal platform of brotherhood, in which separating marks of outside divisions are, for the time being, laid aside—the true unity of common interests and mutual support—“the benefit of learning and governing according to law, and learning to obey according to law ;” these things educate a man, fit him for the due exercise of his public and political duties and responsibilities ; and teach him, one among other individuals, that on his personal life and conduct the true welfare of the nation depends. Besides the influence of lodge and court discipline, and the taking part in a democratic system of government, members have the benefit of an excellent periodical literature, foremost in the ranks of which should be placed the *Oddfellows' Magazine* (Manchester Unity), *Foresters' Miscellany*, *Rechabite Magazine*, *Shepherds' Magazine*, *Friendly Societies' Journal*, *Unity*, and the *Journals* of the National and United Orders of Oddfellows, of the Order of Druids, and Sons of Temperance.

Then there are the “high schools” in the form of “Amalgamated Societies,” and Past Officers' lodges and

courts, for the discussion of topics of interest and importance. Besides which the leading Orders publish annually elaborate directories, containing full details of their respective branches and other information of interest to their members. The annual publications of the Ancient Order of Foresters, the Manchester Unity, and the Rechabites are models of their kind.

It may be thought a necessary part of our subject to discuss the question of compulsory National Insurance, after the model of the different schemes which have been inaugurated in Germany. We cannot, however, allow that it has a right to appear in the pages of a work on Mutual Thrift. The Rev. Canon Blackley's scheme is not, and was not, intended as an aid to thrift. The Thrift Committee of the Diocese of Peterborough, in a recent Report, so clearly stated the real aim of the scheme, that we cannot do better than make a quotation from that ably drawn document—"It is a scheme for compelling every man to bear his own burden instead of being allowed to throw it on his neighbour—as such, your Committee think it equally ingenious and impracticable, but that it would have any efficacy as a cure for improvidence and kindred vices, they disbelieve; for such evils, force is no remedy. Thrift upon compulsion is not thrift at all."

Canon Blackley's scheme, after being under examination during three Parliaments by Select Committees of the House of Commons, was eventually rejected as unworkable. The writer has elsewhere reviewed the whole scheme, and entered into a detailed examination of its features.¹ It must suffice to say that its financial arrangements are utterly unsound,

¹ Wilkinson's *Blackley National Provident Insurance Scheme*. London: 1887.

and that in working it is quite impracticable. The British workman is not the German workman. Indeed, it is by no means certain that the latest of the German Insurance laws "for pensions in the case of sickness and infirmity" (June 1889) is, or will be, the success its English and Scottish imitators would have us believe. The writer has been credibly informed that numbers of the workmen, especially the Socialist portion, tear up their insurance tickets before the officers and trample them under their feet. Since any such scheme would at once receive the sustained opposition of a united body of, at least, three millions of British workmen who are already insured in Friendly Society, or Trades Union, or both, there is no chance of national insurance in a compulsory form ever coming into operation in this country. The injury that would accrue to the voluntary Mutual Thrift organizations we have set before the reader would be incalculable; membership would at once be checked.

But National Insurance has, within the last few years, come up in a modified form, as a scheme for National Pensions. The original mover in the matter was, we believe, the Rev. W. Moore Ede, Rector of Gateshead-on-Tyne.¹ The scheme is one to provide a superannuation or pension for members of the working-classes, to commence at 65 years of age; it being left to the Friendly Societies to provide for sickness and funeral benefits.

A pension, it is true, formed part of Rev. Canon Blackley's scheme, but it could not be handled before the insurer reached the age of 70. But at this age (as the French say), "The game is not worth the candle." The blanks are so

¹ *A Scheme for National Pensions*, by the Rev. W. Moore Ede, M.A. 1889.

many, the prizes so few. Given a lodge of 100 members at the present age of 20 years, the number alive at 70 would only be 37, with an average duration of life of $8\frac{1}{2}$ years. No amount of persuasion would induce the youth of the nation to look forward to, and provide for, a time of life, the chances of arriving at which were so slender. Unquestionably 65 is the only age at which a pension or annuity should commence. It may be a very good thing to begin at 60, but the cost would at once stop the way.

Again, the field is open for an old age insurance ; the ground is not occupied by those vast mutual provident associations in which the wage-earning classes have provided sickness and funeral benefits for themselves. A glance at the Oddfellows (Manchester Unity) and the Foresters is sufficient to show this. Out of the million and odd members of these two Orders, not more than half-a-dozen have, as yet, availed themselves of superannuation benefit. Once more, it is a pleasure, as contrasted with the scheme fathered by Canon Blackley, to be able to pronounce the present scheme as financial ; to know that the author has not been above going to such an eminent actuarial authority as the Actuary of the Manchester Unity, and so placing his scheme on a sound footing, so far as adequate contributions are concerned.

Coming to closer examination of Mr. Moore Ede's pension scheme, we cannot say we are convinced, however laudable the object, that it will be at all workable or equitable in its methods. That the present administration of the poor law, as affecting the aged, is not what it should be, we are quite agreed ; that it should be superseded in large measure by something really helpful to aged members of the wage-earning classes, something

that would foster self-help and self-respect, we readily admit; but the question is, whether this National Pension scheme will do all this. No doubt "it would be an inestimable boon if at the age of 65 every man was secured, just when his powers were failing, an allowance of, say £1 a month—enough to free him from anxiety as to how he might exist during the rest of his days, and be sufficient to prevent his becoming a burden on children or grandchildren, themselves none too well able to support a non-earning member of the household. Such an annuity would at 65 represent a capitalized value of £116."

Mr. Moore Ede adduces calculations drawn from tables prepared by Mr. Reuben Watson, A.I.A., from which it appears that the cost of an annuity of £12 a year at 65 years of age could be purchased by "a weekly payment of 2½*d.* from the age of 18, or 3*d.* from the age of 21." But the formulator of this scheme would not have these weekly payments extend over life, but, following in this the lead of the author of Compulsory National Insurance, would have, in lieu, a payment made of 1*s.* 8*d.* a week for three years, from the age of 18 to 21, or 1*s.* 9*d.* from 21 to 24. It is instructive to compare this actuarial calculation, based on a realization of 3 per cent. interest, with the utterly insufficient, non-actuarial 1*s.* 3*d.* of Canon Blackley, the payment of which weekly amounts, between the years of 18 and 21, was to secure the insurer not only a life-pension of 4*s.* a week, at 70 years of age, but also a free sick benefit, as long as sickness lasted, of 8*s.* a week. The old difficulty remains in either scheme. How is the money to be collected? And this is a question which Mr. Moore Ede does not face, calling it (with the other question of the method under which payments should be made) a mere matter of detail.

But if so, it is a detail of so much consequence that unless it can be satisfactorily arranged, the principle of the scheme, for which the rev. gentleman contends, cannot be carried out. Employers will be required to make deductions from the wages of their workmen and pay them, say, into the Post Office, until the necessary amounts have been fully received. In reply, we make bold to lay down the doctrine, that when wages have been earned and payment is due, those wages are under the sole control of the workmen. Enforced reductions, for however beneficial a purpose, should not be allowed, and are justly regarded by the great body of workmen as an undue interference on the part of the employers, in a department over which their control does not extend. Besides, we cannot see that any provision has been made for the collection of contributions, and the enforcement of payments, where necessary, by all the male members of the nation—for Mr. Moore Ede would let none escape—liable by their age to come under the operation of the proposed scheme. It is all very well to point us to Germany, but we have yet to come to that point in State socialism, when labour, *as a whole*, is regulated by the State.

Further, Mr. Moore Ede would not make his scheme self-supporting, but would have “half the cost of the maintenance of people in their old age borne by the National Exchequer.”

The same idea of National Insurance is, with modifications, sought to be introduced into Scotland by Dr. Hunter, M.P.

Still more recently the principle of the scheme has been advocated by statesmen so wide apart as the Right Hon. John Morley and the Right Hon. Joseph Chamberlain. In the present year a Conference on the whole subject was

held in the House of Commons, under the chairmanship of Mr. Chamberlain, and the following resolutions carried—

“That this Conference is of opinion that the question of old age pensions is now in a position to be dealt with by Parliament, and that all legitimate efforts should be made to bring the matter to a successful issue.” “That this Conference, being in favour of a national movement for pensions in old age, desires to avail itself of the statistical information and official help of the National Provident League.” “That this Conference is of opinion that, for the purpose of promoting the cause of national insurance and of coming to a general agreement as to the best form in which to bring the question before Parliament, a voluntary Parliamentary Committee be formed consisting of all those members favourable to the cause.” A Committee was afterwards appointed, and the meeting adjourned.

The second of these resolutions requires a word or two of comment. The National Provident League is Canon Blackley's organization, and statistics furnished by the League should be received with distrust. From this source comes the statement recently made both by Mr. John Morley and Mr. Chamberlain, to the effect that forty-five per cent. of all persons in England who reach the age of sixty years die as paupers—*i. e.* nearly half the whole of those who live till sixty. It will scarcely be credited that this truly marvellous induction is made from the burial registers of twenty-six rural parishes. What such a statement, even supposing it to be correct, has to do with the present economic position of the people, we fail to see; though it may possibly show that, from some thirty to fifty years ago, the agricultural labourer and his wife did not enjoy a sufficiently high “standard of comfort” to enable

them to make a good Friendly Society investment. But it is a waste of time to comment on a general calculation of the kind, based on the returns of a few rural parishes. There is such a thing as the *science* of statistics, and a goodly number of writers on the economic and social condition of the people have yet to learn its A B C.

Before concluding, we desire to examine briefly into the social economics of the working-classes as compared with fifty years ago. Though sound objection might at once be made to this limit, since fifty years ago the "standard of comfort" of these classes was at a very low ebb indeed, and the comparison between the present and that period is by no means a fair one to make. The general conclusion arrived at by Mr. Giffen, statistician to the Board of Trade, is that "the improvement (in the last fifty years) is at least between 50 and 100 per cent., and, with an allowance for the shortening of the hours of labour, may be placed nearer 100 than 50, if not over 100." But is it quite certain that Mr. Giffen has not, in the first place, set the barometer too high; and in the second, not allowed for the fall in actual wages earned between 1881 and 1886? Shortly after this statistician made his statements (in a paper read to the Statistical Society, and afterwards published in *Essays on Finance*), Mr. Benjamin Jones, Secretary to the Co-operative Wholesale Society, sent some damaging criticisms to the public press,¹ as to the value of the comparisons between rates of wages earned by skilled and unskilled workmen now and fifty years ago, which went to show that, instead of a rate of increase from 50 to 100 per cent., in many trades the increase in wages had not been more than 15 per cent., in some only 5 per cent., while in other

¹ *The Times*, April 8, 1886.

branches of industry there had been no appreciable increase at all. Nor does Mr. Giffen appear to have allowed for the reduced number of men now working full time. There is abundant reason for believing that, owing to trade and agricultural depression since 1880, there has been a 15 per cent. reduction on the total money income of the working-classes, in amount equal to £70,000,000 per annum, and constituting a loss of from 3s. to 4s. per week in the adult male earnings.¹ On the whole, therefore, it will be safer to put, with Mr. Mulhall, the working-man's present average rate of earnings at from 20 to 25 per cent., rather than from 50 to 100 per cent., more than he earned some forty or fifty years ago. And while the prices of most necessaries have fallen, it should be taken into account that house-rent has risen, in these years, exactly 150 per cent.²

Nor has the advance, such as it is, been at all uniform throughout the different classes of workers; in the case of unskilled labour it has been far otherwise. We have, for instance, reason to know that in several agricultural counties, a labourer's weekly wages are to-day no more than from 10s. to 11s. The credit, therefore, which belongs to the working-classes of having so honourably and manfully improved their economic position, increased the amount of their savings, and provided against an annual loss of some £13,000,000 of wages through sickness, must not be set down solely and wholly to a greatly improved monetary position. Indeed, increased wages are by no means always accompanied by increased savings; or, at all events, increased use of Mutual Thrift Institutions. The spread of

¹ *Wages and Earnings of the Working-Classes*, Prof. Leone Levi.

² *Fifty Years of National Progress*. M. G. Mulhall, F.S.S.

education and of knowledge has mostly contributed to a higher economic standard ; and to the improved condition, socially and morally, of the British workman, skilled or unskilled.

It is a mistake to suppose that the agricultural labourer has not secured for himself Friendly Society benefits. Relatively speaking, the best insured county in England is Dorset, which furnishes a contingent of over 20,000 members to the Manchester Unity and Ancient Order of Foresters alone. Favourite societies with the rural labourer are the Foresters and the Shepherds, while in other localities he prefers becoming a Druid, or joining the ranks of his County Society.

It is very difficult and needs some managing, for the workman to make his thrift investment, but he does make it, and for his reward the political economist never wearies of pointing him to the superior individualistic hoarding of the French peasant ; while the advocates of Compulsory National Insurance inform him that he belongs to the most thriftless nation of Europe. Those, however, who have lived deep down in the workman's life, know better. Many a tale could they tell of the self-denying house-wife who has kept herself and children on bread alone (and not over much of that), that the father's and the boys' club money should be paid and their thrift provision not fail them in time of need. Let us pay honour "to whom honour is due."

Perfection has here, as in all else, still to be striven for. Friendly Society Institutions are rapidly arriving at a crisis in their history when progress will be sadly checked or still firmer ground attained. Societies are beginning to understand that almost continuous sick pay to old and ~~past-work~~

members means a drain on the funds such as has never been paid for. Their case is like that of a city whose water supply is proving to be insufficient for increased and increasing demands, *for which provision had never been made*. There is only one remedy in either case—the increase of supplies. The funds of no society, no lodge or court, will stand “continuous” sick pay. The first society that popularizes a sound scheme of superannuation, and educates its younger present members and all future initiants to take shares in it, will be the premier Friendly Society of the future, will never capitulate to the attacks of want and pauperism, but will provide a shelter *to the end* against the ills industrial “life is heir to.”

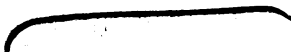
To all the would-be improvers of the economic position of the working-classes—and we are grateful that they are now the many, not the few—the writer would, in all respect, say, the one thing to be done is to raise the moral character, elevate the social tone and domestic tastes, make a man more self-reliant, more self-reflecting.

As civilization advances, as education spreads, the State can afford to throw off one claim after another to interfere with the free action of its members. The outward pressure of imposed law is the less needed the more the inward principle prompts and rules the conduct.

The one question to be put to all proposals coming from the State is this—Will this external help evoke self-help? Will these improved outward circumstances develop and improve character? When this one thing is done, all is done. You may safely leave to roused energies and to cultivated tastes the utilizing of the existing conditions of life, and the general social and domestic improvements you *desire*. Till this one thing is done, nothing is done—nothing

permanent. And, as a last word it must be added, that any legislative proposal, however plausible and helpful it may appear, that in the smallest degree lessens the healthy cultivation and exercise of the economic and moral virtues of self-reliance and self-help, as seen in the great voluntary Mutual Thrift Institutions of our country, will strike a deadly blow against national progress.

Salus populi suprema est lex.



ADDENDUM.

The Ancient Order of Foresters issued in August (too late for notice in the body of this work) their long-delayed Valuation Report of the Order, as a whole. The valuations of the several branches of the United Kingdom have been made by many valuers, and not always on a uniform system, there not being a specially appointed Valuer for the whole Order. The compiler of this Foresters' "Green Book," Mr. James Barnes, of Campbeltown, has most excellently performed his onerous task, and added to the tabulation a brief Introduction. Many of the valuation returns are of a more recent date than those of the Government Blue-Book (1886), and the valuation itself is a more complete one, though still incomplete; at the same time the financial condition of the society has slightly improved, the worth in the £ being 17s. 4d. instead of 17s. 1d. (*vide* p. 240), and the deficiency per cent. $13\frac{1}{4}$ instead of $14\frac{1}{2}$. Good results should quickly follow from the commendable way in which the society has faced its position. In the language of Mr. Barnes—"Our motto is 'Benevolence, Unity, and Concord,' let us add to it 'Equity' in financial matters."

ERRATA.

p. 2, last line, *for* have never *read* has never

p. 232, line 15, *after the word* expenditure *add* because it

INDEX.

- Abbott's Ann Provident, 54—58
 Aberdeen Northern Friendly, 194
 Affiliated Societies, 12—19; 24, 25; 63—75; 78; 86—99; 103, 104; 106—114; 140, 141; 146—148; 152—166; 183—187; 189—191; 214—225; 230; 237—244; 248—262; 265; 275, 276; 286; 288—295; 297, 298; 301, 302; 305, 306; 309; 315
 Agricultural class, 26—29; 79; 80; 315
 Aldham and United Parishes Assurance Society, 40; 246
 Alfreys, Loyal, 112; 239, 240; 251
 Almshouses (for decayed members), 123, 124
 America and Societies, 163
 Ansell, Charles, 85, 86
 Arbitration, 221; 223, 224; 226
 Barnes, James, 250; 266
 "Bear and Ragged Staff" Friendly Society, 10
 "Becher" clubs, 49
 ——— tables, *see* Southwell
 Benefits, *see* contributions
 Best, Hon. and Rev. S., 54; 57
 Birmingham Unitarian Brotherly Society, 38
 "Birmingham Societies," 60
 Blackburn Philanthropic Burial Society, 139; 194, 195
 Blackley, Rev. Canon, 307; 309
 Blossom, James, 239
 Blue-books, 165, 166; 182—190; 278—283
 Blue Ribbon Industrial Company, 201
 Brabrook, E. W., 287
 British Legal Industrial Company, 138; 201
 British Workmen's Industrial Company, 201
 Britons, Ancient, 112; 239, 240; 251
 ———, Pure Order of United, 239, 240; 251
 Bucks, South, Society, 49
 Burial Societies, local, 75—77; 138, 139; 197—199
 Burslem Mutual Burial Society, 139
 Catholic Benefit Society, 113
 Centralized Friendly Societies, 44; 139; 191; General group, 45, 46; 114—120; 166—169; 225, 226; 228; 230; 244, 245; 255; 295; County group, 46—49, 50; 169, 170; 228; 246; 255; Semi-County, 49, 50; 170, 171; 228; 246, 247; 255
 Chamberlain, Rt. Hon. J., 311
 Child Life Insurance (*see* also Juveniles), 209, 210; 283—285
 Chorley Family Funeral Society, 139

- Christian Union Friendly Society, 38
 City of Glasgow Friendly, 194
 Clergy Friendly Society, 173
 Collecting Societies, 75—77; 132—136; 143; 192—199; 210; 268—285
 — Societies and Companies, Report of Select Committee, 278—283
 Collectors, 268—270; 272; 277
 Colonies, Friendly Societies in 153; 159; 163
 Comical Fellows, 17; 161; 239, 240; (United Lodge of), 239, 240; 251
 Contributions and benefits, 10, 11; 41; 43; 45, 46; 48; 227—231; 248—256; 287, 288
 Convalescent Homes, 303
 County Court Judges, 223, 224
 County of Kent Friendly, 48
 Courts, *see* Lodges

 Decayed branches, 292
 De Foe, on Friendly Societies, 6; influence, 7
 Deposit Societies, 54—58; 128; 175; 191, 192; 248; 296; 297
 Devon, North, Society, 49
 Districts, 220—223
 Dividing Societies, 58—62; 128; 129; 248
 Dorset County Society, 169
 Druids, 13; 17; 25; 113; United Order, 72; 110; 160; 238; 240; Order of Druids, 110; 160; 220; 238; 240; 251; 291; 293, 294
 Druids, Female, 129, 130
 Dunmow Friendly, 49
 Dyers, fraternity of, 8

 Eastern Star Provident Association, 239, 240
 Ebenezer Chapel Sick Society, 38
 Ede, Rev. W. Moore, 308—311
 Eden, Sir F. Morton, 9, 10, 11; 23;
- Empire Insurance Company, 137
 Employers' Liabilities Act, 264
 Essex Provident Society, 47; 169; 246; 256
 Estcourt, Sotheron, 48; 99

 Farriers' Horse Shoe Fund Society, 53
 Female Societies, *see* Women's Societies
 Financial principles, 25; 44; 82—95; 164, 165; 231—267; 286—299
 Finlaison, Mr., 84, 85
 Foresters, American Order, 157
 Foresters, Ancient Order of—
 Royal Order, parent, 17; spread of, 71, 72; general rules registered, 103; Ancient Order established, 108; Shawcross secretary, 109; pathway of reform, 109; progress, 109; 139; 158; (in Scotland, Ireland, and Colonies), 159, 160; courts in, 220; constitution and management, 224, 225; 276; finances, 154, 155; 237; 244; 250; 257; 292; "colour" question, 155—157; secession in America, 157
 Free Gardeners, 63; 72; 113
 — St. Andrew's Order, 161; 238, 239; 341
 — National United Order, 160; 238; 240, 241
 — British Order, 161; 238; 240; 251
 Friend in Need Industrial Life Assurance Company, 137, 138
 Friendly Societies, distinction between and savings banks, 2, 3; ignorance of, 4; object of, 5; twofold origin of, 7; kinds of, 35—37; differences between and collecting, 135; and politics, 16; educational, 16, 17; 141; 305, 306; numerical and financial strength, 160—192; unregistered, 22, 23; 169; 289—291; consti-

- tution and management, 213—231. *See also* Financial Principles
- Friendly Societies Conference, 151; 210—212;
- Friendly Union Society, 39
- Giffen, R., 313, 314
- Gilbert's Act, 20
- Golden Fleece, Order of, 17
- Grantham, Mr. Justice, 269
- Gregorians, 13
- Hampshire Society, 48; 169; 246; 265
- Hardwick, 103; 108
- Hearts of Oak Society, 114—116; 139; 167, 168; 191; 226; 230, 231; 245; 254
- Hereford County Society, 169; 246
- "Highland" tables, 83, 84; 255
- Hitchin Friendly Institution, 43
- Hunter, Dr., 311
- Iddlesleigh, Lord, *see* Northcote
- Industrial Assurance Companies, 136—138; 199—210; 268, 269; 277—285
- Industrial classes, 7, 8; factory system of manufacture, 9; condition, 27; 29; 80—82
- Integrity Life Assurance Collecting Society, 194
- Interest, 257; 288, 289
- Ireland, 52; 113, 114; 125—128; 159; 193
- Ivorites, Philanthropic Order of True, 112; 161; 239, 240; 243
- Jones, Benjamin, 313
- Just Doing and Amiable Society, 39
- Juvenile Societies, 131, 132; 180, 181; 191; 248; 299—301
- Kidderminster Provident Society of Protestant Dissenters, 9
- Labourers and Friendly Societies, 15, 16; 42, 43, 44; 47; 49
- Lapsing, 163; 265—267; 297—299
- Law, Friendly Society, earliest legislation, 19, 20; "Rose" Act, 20—22; inquiry into working, 30, 31; limit of parliamentary regulation, 23; Act of 1819, 31, 32; Act of 1829—centralization, 32—34; Act of 1834, 35; 82; Act of 1846, 96, 97; temporary and permanent Consolidated Acts (1850, 1855), 100, 101; branch registration, 146; Acts of 1875-76, 147—150; Act of 1887, 154; 211; influence of, 154; decisions, 186; 287; 289
- Lintot, society of, 8
- Lithographic Printers' Society, 53
- Liver, Royal, Collecting Society, 136; 194, 195; 268—273
- Liverpool Protective Collecting Society, 194
- Liverpool Victoria Legal Collecting Society, *see* Victoria Legal
- Local Friendly Societies, 8—12; local town, 36—41; village, 41—44; local, 123, 124; in Scotland, 125; in Ireland (tontines), 127, 128; position, 174; 182—189; 191, 192; 229, 230; finances, 246, 247; 255; 295
- Locomotive Steam Enginemens and Firemen's Society, 112; 161; 164; 214; 239; 243
- Lodges, 214—220
- London, Edinburgh, and Glasgow Industrial Company, 201
- London Friendly, 45; 168, 169; 194, 195; 245
- London and Manchester Industrial Company, 201
- Low, Robert (Lord Sherbrooke), 143, 144
- Loyal King's Lodge, Order of Old Friends, 168, 169; 245

- Ludlow, J. M. (Chief Registrar), 145, 146; 182—190; 287
- Manchester Unity of Oddfellows, established, 65, 66; government and management, 67—69; 222, 223; 276; 290; 293; valuations, 152, 153; 236, 237; 239; 243, 244; finances, 154; (and numbers), 160; 248; 253, 254; 289; 292; spread, 69; loose finances, 78; 87; reforms, 87; 89—95, 96; 103; 107, 108; disorganized, 95, 96; old making dropped, 106; Widow and Orphan Funds, 107; growth, 108; 139; 153; (in Ireland), 159; old rule against female societies, 129; aid in cotton famine, 140
- Margaret Roothing and District Friendly, 49
- Married Women's Property Act, 145
- Mechanics, Free and Independent Order of, 238; 240; 251
- Mechanics, Scottish, 238; 240
- Mechanics, United Order of, 161; 238; 240; 251, 252
- Medical Sickness, Annuity, and Life Assurance Friendly Society, 173; 229
- Merthyr Unity Philanthropic Institution, 112; 161; 239, 240
- Miners' Permanent Relief Funds—
Lancashire and Cheshire, 172
Midland Counties, 172
Midland District, 172
Monmouthshire and S. Wales, 172
Northumberland and Durham, 122, 123; 172
Stafford, North, 171
Stafford, South, 172
Wales, North, 172
Yorkshire, West Riding of, 172
See also Particular Trade Societies
- Morley, Rt. Hon. John, 311
- Mulhall, 81; 127; 314
- Mutual Brethren, Independent Society, 196, 197
- Mutual Provident Alliance Collecting Society, 194
- Mutual Thrift, numerical and financial strength, 208
- National Insurance, 307
—— Pensions, *see* Pensions
- National and Provincial Union, 138
- National Provident League, 312
- Neison, Elder, 82; 84; 86—88; 92; 95
- Neison, F. G. P., 155; 233, 234, 235; 242; 259, 260, 261; 265
- New Meeting Provident Society, 38
- "New Tree of Life" Society, 38
- Northcote, Sir Stafford (Lord Iddlesleigh), 145; 154
- Oddfellows, Ancient, 13; 15; 18; Patriotic, 13; 66; Old Ritual, 14, 15; Union, 13; 65
—— Bolton Unity, 65; 71; 161; 190; 237; 240; 251
—— British United Order, 110; 160; 164; 237; 240
—— Derby Midland Order, 161; 237; 240; 251
—— Grand United Order, 71; 160; 237; 240; 251
—— Kent Unity, 66; 161; 237; 240; 251
—— Kingston Unity, 161; 251
—— Ilkeston and Erewash Valley Order, 190; 251; 291
—— Leeds United Order, 65; 71; 161; 251
—— London, South Unity, 71; 161; 237; 240
—— London Unity, 161; 237; 240; 251
—— National Independent Order, 160; 237; 240; 251; 257

- Oddfellows, Norfolk and Norwich
 Unity, 161; 237; 240
 — Nottingham Imperial
 Order, 65; 70; 160; 214, 215;
 237; 240
 — Scottish Order, 161; 237;
 239; 242
 — Minor Orders of, 161;
 237, 238; 251
 Old Free and Easy Society, 39
 Old Rogate Society, 213
 Original Legal Friendly Burial
 Society, 139
 Owen, Robert, 117
- Palmer, Sir Roundell, 287
 Parliamentary Committees, 3; 22;
 195
 Particular Trade Friendly Societies,
 51—53; 123; 173; 191
 — Miners', 122, 123; 171, 172;
 191; 247; 263, 264
 — Railway, 121; 171; 191;
 247; 264; 303, 304
 Patriots, United National Society,
 114; 116; 167, 168; 228; 230;
 245; 255, 256
 Pearl Industrial Company, 138; 201
 Pensions (old age), National, 308
 — 313; *see also* Superannuation
 People's Life Assurance Collecting
 Society, 194
 Peterborough, Bishop of, 283
 Philanthropic Loyal, Collecting
 Society, 194
 Philanthropic Society, 39
 Phoenix, Total Abstinent Sons of,
 Grand United Order, 112; 161;
 238, 240
 — United Order of Total, &c.
 112; 161; 238; 240
 Poor Law, 27; 42; 47; 49; 79,
 80; 150; 305; 312
 Portman, Lord, 34; 50
 Post Office, 280, 281
 Pratt, Tidd, 97, 98; 102—106;
 136; 140; 142, 143, 144; 146;
 223
- Price, Dr., 83
 Protestant Dissenters, Kidder-
 minster Provident Society of, 9
 Protestant Refuges from High and
 Low-Normandy Friendly Society,
 8
 Prudential, 138; 200—210; 268;
 277; 291
 Public House as place of meeting,
 39; 58; 123; 305
 Ratcliffe, Henry, 89—95; 107;
 152; 256; 260; 262, 263
 Rational Sick and Burial Associ-
 ation, 114; 117—120; 167, 168;
 228; 245; 255
 Rechabites, 110, 111; 131; 160;
 164, 165; 190; 238; 240, 241;
 251; 260, 261, 262
 Refuge Industrial Company, 138;
 201
 Registrar, Chief, *see* Ludlow
 Registration, 33; 95—97; 100,
 101; 103—106; 144; 147; 190;
 231, 232; 289—291
 Relief travelling, 302, 303
 Reports, Friendly Societies, *see*
 Blue-books
 Railway Societies, 303, 304
See Particular Trade Societies
 Roman Catholic Church, attitude
 towards Secret Societies, 114
 Romans, Order of, 72, 73; 161
 Royal Commission, Friendly So-
 cieties, 145; 152
 Royal Oak Society, 168, 169; 246
 Royal Standard Society, 45; 168,
 169; 246
- Scotland, Societies in, 43; 52; 60
 — 62; 113; 125; 129; 159;
 165; 193
 Scottish Legal Collecting Society,
 136; 194
 Scottish Women's Society, 176,
 177; 229; 273—275
 Semi-County Societies, *see* Centra-
 lized
 Senates, *see* Lodges

- Shawcross, Samuel, 109; 159
 Shepherds, Ancient Order of, 159, 160, 161; 237; 250
 Shepherds, Ashton Unity of, 73; 74; 109; 160; 236; 238; 240; 243; 244; 251
 ——— Wisbech Unity of, 160; 238; 240; 251
 Shoemakers, Friendly Society of, 10
 Somerset, North, Society, 49
 "Southwell" tables, 83; 255
 St. Ann's Catholic Collecting Society, 194
 Stanley, Hon. Lyulph, 40; 65; 67; 69; 76; 221, 222; 270; 272, 273
 "State" clubs, 60
 Stoke and Melford Union Association, 50; 270; 246
 Stroud Working Men's Conservative Friendly Society, 124, 125; 191; 192
 Suffolk, West, Society, 49
 Superannuation, 170, 289, 316
 Swansea Royal and S. Wales Collecting Society, 194

 Temperance Friendly Societies, female, 179, 180
 Temperance, Sons of, 111; 161; 238; 240, 241
 Tents, *see* Lodges
 Thrift, 1; Mutual, 2, 5; and Education Act, 304
 Tidd Pratt, *see* Pratt, Tidd
 Tontine Societies, 60
 Tunstall Benevolent Burial Society, 139

 United Assurance Collecting Society, 135; 194, 195
 United Brothers Society, 39
 United Brothers Industrial Company, 201
 United Family Life Assurance Collecting Society, 194
 United Kingdom Society, 168, 169; 246
 United Legal Collecting Society, 194
 United Sisters' Friendly Society, 177—179; 229

 Valuation, 147; 152, 153; 232—267; 286; 295, 296
 Valuers, Friendly Society, 259, 260
 Victoria Legal Collecting Society, 136; 194, 195

 "Wages of Righteousness" Society, 38
 Watson, Reuben, 152; 232; 243, 244; 252—254; 259; 289; 293
 Waugh, Rev. Benjamin, 283, 284
 Weavers, Society of, 8
 Wesleyan and General Industrial Assurance Company, 138; 201
 Wiltshire Friendly, 48; 169; 246
 Women's Societies, 11, 12; 62, 63; 129—131; 175—180; 191, 192; 229, 230, 231; 248
 Working Women's Benefit Society, 176

 Yorkshire Provident Industrial Company, 201

THE END.

