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The Progress of Friendly Societies and Other Institutions Connected with the Friendly Societies Registry Office During the Ten Years 1884-94

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The PROGRESS of FRIENDLY SOCIETIES and OTHER INSTITUTIONS connected with the FRIENDLY SOCIETIES REGISTRY OFFICE during the TEN YEARS 1884-94. By E. W. BRABROOK, F.S.S., F.S.A., &c., Chief Registrar of Friendly Societies, President of the Anthropological Institute.

[Read before the Royal Statistical Society, 23rd April, 1895.
C. S. LOCH, Esq., Vice-President, in the Chair.]

THE subject of the present paper is one that must, I think, be in an especial degree a welcome one to this Royal Society of

“Statists indeed,
And lovers of their country.”¹

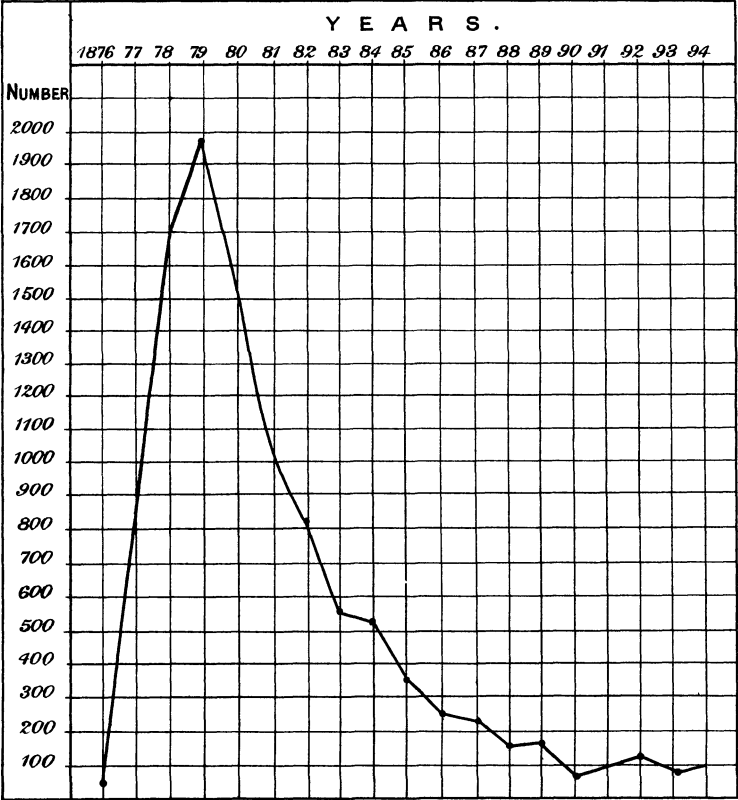
To trace the progress of thrift among the industrial classes, with all that it implies in its bearing on the wellbeing of the whole community, is a task as agreeable as it is important. I have already, on two occasions, the first exactly twenty years ago, the second exactly ten years ago, been honoured with your permission to address you on this question, and I now proceed briefly to lay before you some details of the transactions of various organisations for thrift since the latter of these two dates.

On the present occasion, while I have to call attention to steadily growing prosperity in those societies which are the most typical instances of self-governing methods of thrift among the working classes, I have also to record the grave extent to which the credit and usefulness of a class of societies, that had, in their time, conferred signal benefits on their members, have been broken down by fraud.

The verdict of proverbial and practical philosophy will be, nevertheless, that it is an ill wind that blows nobody good; and the failure of the Liberator and other building societies, while a terrible calamity to many individuals, is not an unmixed evil to the community at large. Just as the frauds on the Rochdale savings bank discovered in 1850, were neutralised by the great prosperity which attended the co-operative enterprises for which Rochdale is famous; so the contraction of building society enterprise which has followed upon the discovery of the malversations

¹ Milton's "Paradise Regained," iv, 354 and 355.

CONVERSIONS OF FRIENDLY SOCIETIES INTO REGISTERED BRANCHES.



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in question, has been neutralised by the increase in other provident investments.

Societies under the Friendly Societies Acts.

These Acts have not been materially altered since 1885. An Act was passed in 1887, embodying some previous alterations and introducing a few others in matters of detail. Others in 1889, 1893, and 1894 were short Acts rendered necessary by unexpected legal decisions or to amend matters of administration. A Bill is about to be introduced having the like purposes; but in all essential particulars the law relating to friendly societies is the same as in 1885.

I therefore bring down Table I of the paper of 1885 to the present time :—

TABLE I.—ENGLAND AND WALES. *Rules and Amendments Registered under the Friendly Societies Acts.*

Years.	Rules.		Amendments.	Total.	Average per Annum.
	Societies.	Branches.			
1793-1855...	26,034	—	14,864	40,898	660
1855-75.....	21,875	—	25,378	47,253	2,363
'76-84.....	1,734	3,885	20,214	25,833	2,870
'85	319	807	2,104	3,230	3,230
'86	278	504	1,999	2,781	2,781
'87	260	484	2,003	2,747	2,747
'88	353	555	2,141	3,049	3,049
'89	259	439	1,999	2,697	2,697
'90	300	384	1,874	2,558	2,558
'91	271	499	2,093	2,863	2,863
'92	242	440	2,183	2,865	2,865
'93	263	458	2,305	3,026	3,026
'94	271	465	2,602	3,338	3,338
Total	52,459	8,920	81,759	143,138	1,417

The Act of 1875 for the first time enabled the branches of the affiliated orders to be registered as such, and not as distinct societies, and an amending Act passed in 1876 introduced an easy method by which such lodges, courts, and other bodies connected with affiliated orders as had been registered under the Act of 1855 as separate societies, might be converted into branches. The accompanying diagram shows the number of such conversions which have taken place in each year.

This diagram indicates clearly that the various bodies concerned soon found it to their interest to avail themselves of the method of conversion provided by the Act, and that the great majority of them did so during the first few years after its passing, leaving a

small and diminishing number only to come in in later years. The total number of conversions during the nineteen years 1876-94 is 10,653. The total number of acts of registry of societies and branches and of amendments of rules under the Friendly Societies Acts since 1875 is thus brought up to 65,627.

The 8,917 new branches and the 10,653 converted branches make a total of 19,570 bodies registered as branches of affiliated orders.

An important provision of the Act of 1875 was that requiring a quinquennial valuation of assets and liabilities from each society. The number of valuations received has been as follows:—

In the four years 1876-79.....	1,014
„ five years '80-84.....	16,531
„ „ '85-89.....	13,248
„ „ '90-94.....	15,631

The results of the valuations will, I believe, be discussed by Mr. Wilkinson, and I do not therefore propose to refer to them in detail. I desire to note, however, as a very satisfactory circumstance, that they have led several of the affiliated orders and many of the isolated societies to make strenuous efforts to rectify their position. I need hardly point out the obstacles and difficulties there are in inducing a body of working men to increase their contributions to the society to which they belong, at a time when that society shows evidence of apparent prosperity, and is increasing its funds, and the prospect that the funds will some day prove insufficient is one in the long distant future; nor the even greater difficulty that is presented when the society is one that is obviously in a bad way, and the sacrifices necessary to restore it to solvency are considerable. I am glad to say, therefore, that many of these societies have met both of these difficulties, have urged their apparently prosperous branches to adopt sound tables of contributions, and have, partly by gentle pressure and partly by judicious assistance, induced those branches which have too long rested on the broken reed of insufficient contributions, to do something towards retrieving their position.

That the Act of 1875 continues to work well is also shown by the circumstance that the amendments which have been recently proposed by the societies themselves in no way affect its principle.

As regards the bodies other than friendly societies proper which are registered under the Friendly Societies Acts, the following particulars may be given:—

Cattle insurance societies registered in 1885-94, 20, as against 10 registered in 1876-84. Number in existence, 60.

Benevolent societies registered in 1885-94, 23, as against 16 registered in 1876-84. Number in existence, 66.

Working men's clubs registered in 1885-94, 504, as against 236 registered in 1876-84. Number in existence, 469. In addition many working men's clubs have been registered under the Industrial and Provident Societies Acts, 1876 and 1893.

Specially authorised societies registered in 1885-94, 317, as against 226 registered in 1876-84. Number in existence, 375.

It will be observed that the Act of 1875 did not come into operation until the 1st January, 1876, and that the period ending 31st December, 1884, as compared with that ending 31st December, 1894, is one of nine years only as against ten years. Allowance being made for this, however, there is a marked increase in the new registries in all the classes of societies referred to.

Another matter of importance is the increase in the number of annual returns received from societies and branches registered under the Friendly Societies Acts. Taking these at intervals of five years, we get:—

Returns received in 1879	12,943
„ „ '84	15,233
„ „ '89	17,984
„ „ '94	22,227

The most convenient authority as to the results of these returns is a paper presented to Parliament in 1891, in which the totals of the latest available return for each society were given as follows:—

TABLE II.—*Societies under the Friendly Societies Acts. England and Wales.*

	Number on Register.	Number of Returns.	Number of Members.	Amount of Funds.
				£
Friendly societies (not collecting) and branches }	26,826	22,313	3,861,519	21,410,563
Collecting societies	39	35	3,318,942	2,289,858
Other societies under the Friendly Societies Acts.. }	1,022	494	235,510	451,555
	27,887	22,842	7,415,971	24,151,976

Similar returns for Scotland, Ireland, and the United Kingdom give the following results:—

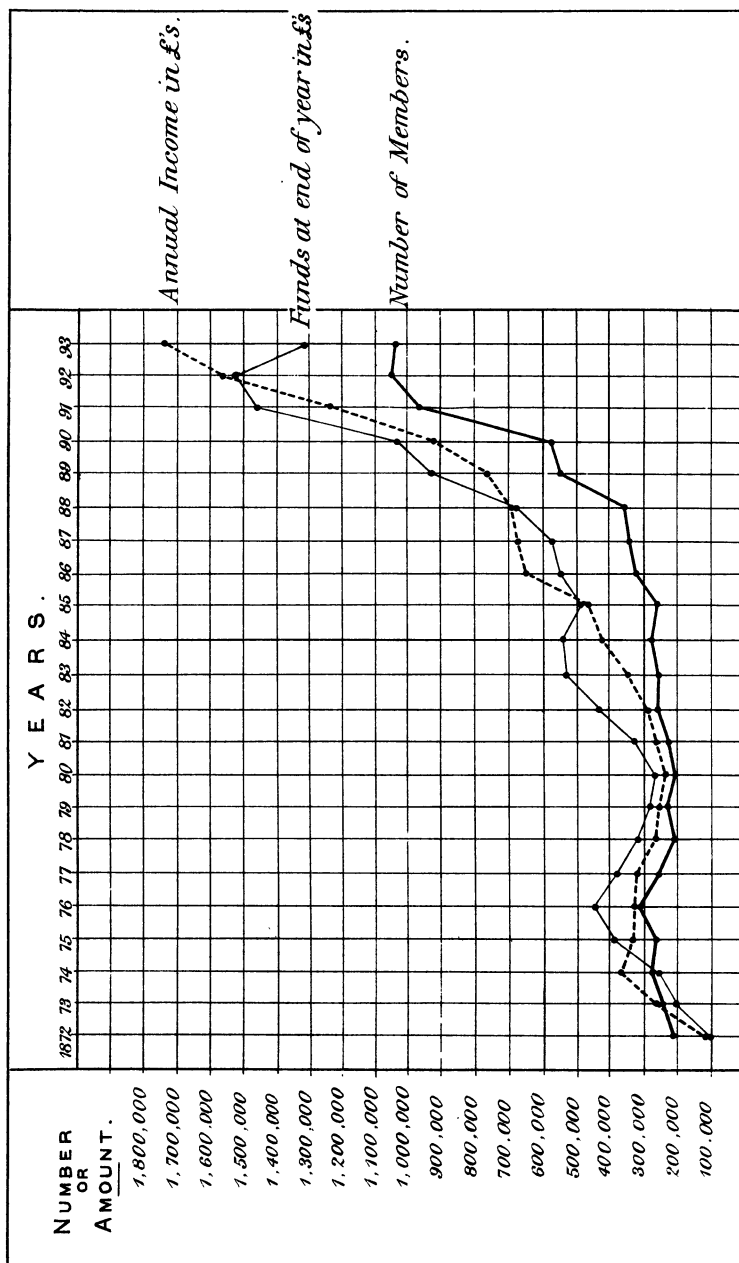
SCOTLAND.				
	Number on Register.	Number of Returns.	Number of Members.	Amount of Funds.
Friendly societies (not col- lecting) and branches }	1,350	1,325	283,512	£ 1,218,090
Collecting societies	8	8	556,273	423,356
Other societies under the Friendly Societies Acts.. }	10	10	Not stated	61,220
	1,368	1,343	839,785	1,702,666
IRELAND.				
Friendly societies and branches	408	360	58,570	66,386
Other societies under the Friendly Societies Acts, principally societies for loans	79	53	5,936	82,033
	487	413	64,506	148,419
UNITED KINGDOM.				
Friendly societies (not col- lecting) and branches }	28,584	23,998	4,203,601	22,695,039
Collecting societies	47	43	3,875,215	2,713,214
Other societies under the Friendly Societies Acts.. }	1,111	557	241,446	594,808
	29,742	24,598	8,320,262	26,003,061

This return does not lend itself to comparison with others, as no previous or subsequent return has been made on the same comprehensive principles. The apparent difference between the number of societies on the register, and the number making returns has since its date been considerably reduced by the removal of defunct societies from the register, as the result of inquiries made in various parts of the country, on behalf of the registry office.

The extent to which this has been effected may be indicated by the fact that in a single county, that of Stafford, there are now 88 societies (about 25 per cent. of the whole number on the register) which are under notice of cancelling as having ceased to exist.

In the absence of direct means of comparison, it becomes necessary to make the best estimate of which circumstances will

REGISTERED TRADE UNIONS. ENGLAND AND WALES.



admit. The figures already given represent on the average those of the middle of the decennial period under consideration. Taking the total funds of lodges of the Manchester Unity of Oddfellows, there was in the first five years of the decennium in question an increase of 15 per cent., and in the second five years of 18 per cent. Taking those of the Courts of the Foresters, there was in the first five years an increase of 19 per cent., and in the second five years an increase of 19 per cent. In those of the Ashton Unity of Shepherds, the increase in the ten years was 113 per cent. These figures confirm the statement made above as to the efforts made by the Orders to strengthen their financial position. The increase in funds of the Royal Liver Society, a friendly society of an entirely different class, was 57 per cent. during the ten years. It is not probable that there was so great an increase in some other societies, but as the increase in these societies alone exceeded 4 millions, it will not be unreasonable to estimate the total increase at 5 millions as follows:—

	£
Estimated amount of funds in 1885	23,500,000
„ „ 95	28,500,000

Trade Unions.

The ten years 1884-94 show a remarkable increase in the operations of these bodies. They were first legalised in 1871. The following table shows their condition on the 31st December in the years 1873, 1883 and 1893 respectively:—

TABLE III.—ENGLAND AND WALES.

	1873.*	1883.*	1893.
Number of trade unions on register	130	210	481
Number of trade unions making returns	93	134	464
Number of members.....	256,179	249,653	1,034,662
Annual income	253,503 <i>l.</i>	358,286 <i>l.</i>	1,733,539 <i>l.</i>
Funds at end of year.....	202,865 <i>l.</i>	529,587 <i>l.</i>	1,310,234 <i>l.</i>
Average income per member....	1 <i>l.</i> - <i>s.</i> 2 <i>d.</i>	1 <i>l.</i> 8 <i>s.</i> 8 <i>d.</i>	1 <i>l.</i> 13 <i>s.</i> 6 <i>d.</i>
„ funds „	15 <i>s.</i> 10 <i>d.</i>	2 <i>l.</i> 2 <i>s.</i> 5 <i>d.</i>	1 <i>l.</i> 5 <i>s.</i> 4 <i>d.</i>

* These figures differ from those given in *Journal of the Statistical Society*, vol. xlviii, p. 34, which are those of the returns received in the respective years ending 31st December. The figures in the above tables are those of the returns for the year ending 31st December received in the following year.

These particulars are given for every year since 1871 in the accompanying diagram. It will be observed that the amount of accumulated funds is sometimes a little more and sometimes a

little less than one year's income; but that the annual income has increased much more rapidly than the number of members; in other words, the demands of the unions upon their members have risen from 1*l.* to rather more than 1*l.* 10*s.* per member per annum. In the years 1886, 1887 and 1888 they exceeded 2*l.* per member.

It happens, however, that in respect of the amount of funds per member shown by the returns, the year 1883 was an exceptional year, the proportion of 2*l.* 2*s.* 5*d.* being the highest on record. If the average of the five years 1881-85 be taken, the proportion would be 1*l.* 16*s.* 4*d.* Taking the proportions in groups of five years as follows:—

	£	s.	d.
1874-78	1	7	5
'79-83	1	11	6
'84-88	1	16	8
'89-93	1	10	11

it would seem that there was a tendency to increase until the last quinquennium, during which the large number of new trade unions registered reduced the average. As the diagrams indicate, the returns relating to trade unions fluctuate more than those relating to other registered bodies. For example, the number of members on 31st December, 1893, was 13,556 less than on 31st December, 1892, and the amount of funds diminished in the same time by 237,545*l.* This was due mainly to the great strike of miners: the decrease of funds in three large miners' societies alone amounting to 182,695*l.*

In this connection it is interesting to observe the manner in which the funds of trade unions are invested. The following return shows that a large proportion is so disposed of as to be readily at call when required. For every 1,000*l.* assets of trade unions, on the average

£
361 is deposited in the Post Office savings bank.
29 in trustee savings banks.
217 „ private and joint stock banks.
66 „ the purchase of land and buildings.
81 on real securities.
13 in government securities.
58 „ corporation stock.
47 „ railway stock.
11 „ co-operative societies and companies.
5 „ building societies.
93 is in the hands of treasurers.
9 „ invested in furniture, regalia, &c.
2 in loans to members and to other societies.
5 „ other ways.
3 covers deficiencies in certain societies.

1,000

In the following table the returns of trade unions in Scotland and Ireland for the year ending 31st December, 1893, are compared with those for the year ending 31st December, 1883:—

TABLE IV.

	Scotland.		Ireland.	
	1883.	1893.	1883.	1893.
Number of trade unions.....	14	40	22	62
„ returns.....	11	40	16	38
Number of members	12,940	37,873	3,160	7,930
Annual income.....	12,394 <i>l.</i>	47,685 <i>l.</i>	7,697 <i>l.</i>	8,973 <i>l.</i>
Amount of funds.....	16,891 <i>l.</i>	56,849 <i>l.</i>	3,088 <i>l.</i>	10,924 <i>l.</i>

For the whole of the United Kingdom—

	1883.	1893.	Increase per Cent.
Number of trade unions	246	583	137
„ returns	190	542	185
Number of members.....	265,753	1,080,465	307
Annual income	378,377 <i>l.</i>	1,790,197 <i>l.</i>	373
Amount of funds	549,566 <i>l.</i>	1,378,007 <i>l.</i>	151

The increase in funds in the ten years 1883-93 is 828,441*l.* It is to be noted, however, that these figures relate to registered trade unions only, and that some trade unions do not become registered till a considerable time after their original establishment. Since the year 1883, sixty-one trade unions, established before that date, have become registered, and if 219,831*l.* (the amount of their funds at the first return after registry) be deducted for these, the net increase in the ten years will be 608,610*l.*

Building Societies.

The following are the latest statistics relating to incorporated building societies in England and Wales:—

TABLE V.

	Societies under the Act of 1836 which have become incorporated.	New Societies Established since 2nd November, 1874.	Total.
Total number of existing societies	458	1,758	2,209
Number of returns	451	1,707	2,158
„ members	161,892	205,803	367,695
Receipts during last financial year	11,298,594 <i>l.</i>	5,115,477 <i>l.</i>	16,414,071 <i>l.</i>
<i>Liabilities.</i>	<i>£</i>	<i>£</i>	<i>£</i>
To shareholders	19,661,669	10,049,060	29,710,729
„ creditors	8,646,095	2,499,057	11,145,152
Balance of unappropriated profit	1,370,697	659,841	2,030,538
	29,678,461	13,207,958	42,886,419
<i>Assets.</i>			
Mortgages	27,047,547	11,972,353	39,019,900
Other assets	2,514,380	1,148,991	3,663,371
Balances deficient	116,534	86,614	203,148
	29,678,461	13,207,958	42,886,419

A comparison of these accounts with those of ten years ago, as given in my previous paper, shows the following:—

	1883.	1893.	Increase or Decrease.
	<i>£</i>	<i>£</i>	<i>£</i>
Liabilities to shareholders	31,066,887	29,710,729	— 1,356,158
„ creditors	16,253,437	11,145,152	— 5,108,285
Balance of unappropriated profit....	1,705,374	2,030,538	+ 325,164
Total liabilities	49,025,698	42,886,419	— 6,139,279
Mortgages	46,226,169	39,019,900	— 7,206,269
Other assets	2,712,151	3,663,371	+ 951,220
Balance deficient	87,378	203,148	+ 115,770
Total assets.....	49,025,698	42,886,419	— 6,139,279

This serious diminution is accounted for by many societies having gone into liquidation. This is shown by the fact that although 163 old societies were incorporated during the ten years, the number of returns from old incorporated societies diminished from 464 to 451, and by the further fact that out of 3,351 new societies incorporated in the twenty years from 2nd November, 1874, to 2nd November, 1894, only 1,707 furnish the required return, 98 having been established less than one year, 20 being in default, and 1,526 having ceased to exist. It is not unfair to look

upon these figures as evidence of the growth of a considerable number of mushroom societies. Though a certain number of societies have run their course and arrived at the expected termination, those who have done so are few in comparison with the number which have failed.

The 3,351 new societies formed during the twenty years in question are subdivided as follows:—

Societies of the permanent class	583
Starr-Bowkett societies	799
Societies termed "model"	267
" " "mutual"	154
" " "perfect thrift"	137
" " "economic"	89
" " "Richmond"	87
" " "popular"	50
Other societies of the terminating class	1,185
Total	<u>3,351</u>

Although, however, the greater number of failures is found among the new societies, the heavier burden of failure has fallen upon the older ones. This is indicated by a similar comparison of the last return with the return of ten years ago, to that just given for societies in general:—

	Increase or Decrease, 1883-93. £
Liabilities to shareholders.....	— 4,299,229
" creditors	— 4,847,126
Profit and loss balance	— 18,371
Total liabilities.....	<u>— 9,164,726</u>
Mortgages	— 9,741,821
Other assets	+ 577,095
Total assets	<u>— 9,164,726</u>

One single notorious society, the *Liberator*, itself contributes more than one-third of this diminution, and indirectly by its effect upon the confidence of investors in other societies is responsible for much more.

It should be remarked that the diminution in the funds of building societies in England and Wales has not been continuous during the whole of the period 1884-94. They continued to increase up to 1890, when they reached their highest point, viz., 50,778,797*l.*, an increase of 1,840,447*l.* in six years. They dropped 196,432*l.* in the return published in 1891; 869,363*l.* in that published in 1892; and 7,029,731*l.* in that published in 1894. No return was ordered in 1893, and as there has been hitherto no fixed

time for sending in returns, it is not possible to fix more accurately the time when this great and sudden fall took place, than by saying that it may serve as some measure of the extent of the disaster caused to building societies by the Liberator crash.

Whether building societies will recover the position they have thus lost I cannot but think to be doubtful. The partial return of properties in possession made in 1893 by 716 societies shows that there are grave possibilities of loss which only careful management can avert, and it would be futile to anticipate the results of the fuller disclosure which is provided for by the Act of 1894.

The following table gives the comparative figures of societies in Scotland and Ireland:—

TABLE VI.

	Scotland.		Ireland.	
	Returns of 1884.	Returns of 1894.	Returns of 1884.	Returns of 1894.
Number of societies.....	54	90	40	79
„ returns	46	89	36	50
„ members	6,790	22,183	2,272	8,017
	£	£	£	£
Annual receipts	462,166	491,587	767,395	413,456
Liability to shareholders.....	742,964	745,637	686,582	576,730
„ creditors	303,924	220,788	441,077	124,641
Balances of profit.....	20,955	38,784	10,603	33,906
Due on mortgage securities	949,820	868,799	1,083,817	658,230
Other assets	60,957	130,654	65,215	73,161
Balances deficient	1,544	157	4	2,069

It will be observed from these figures that societies in Scotland and Ireland have suffered from the same influences that have been so disastrous to English building societies, and that their assets have diminished during the ten years, especially in Ireland. The following are the figures for the United Kingdom:—

	Return of 1884.	Return of 1894.	Difference per Cent.	
Number of societies	1,947	2,378	Increase	22
„ returns	1,779	2,297	„	29
„ members.....	522,729	397,895	Decrease	24
	£	£		
Annual receipts.....	22,394,772	17,819,114	„	23
Liability of shareholders	32,496,433	31,033,096	„	5
„ creditors.....	16,998,438	11,490,581	„	32
Balance of profit	1,736,932	2,103,228	Increase	21
Due on mortgage securities	48,259,806	40,546,929	Decrease	16
Other assets	2,838,323	3,867,186	Increase	36
Balance of loss	88,926	205,374	„	131

This makes the net decrease in assets of building societies in the United Kingdom during the ten years 1884-94, 6,684,014*l*.

Industrial and Provident Societies.

An Act passed in 1893 consolidates and amends the law relating to these societies. The statute under which they had been previously regulated was passed in 1876. A comparison of the three years 1873, 1883, and 1893 will show the progress these societies are making. It should be explained that the figures for 1883 do not include land societies, and those for 1893 do not include either land societies or loan societies and trading banks; such societies not being in general in intimate association with what is called the co-operative movement.

TABLE VII.—ENGLAND AND WALES.

	1873.	1883.	1893.
Number of societies making returns	790	870	1,333
Number of members	340,930	576,477	1,057,816
Increase „ during the year	38,734	3,867	34,330
Amount of share capital paid up	£ 3,334,104	£ 6,871,590	£ 12,666,533
Amount of loan capital paid up	431,808	1,165,956	2,110,556
Sales of goods during the year	13,651,127	23,583,503	39,085,246
Stock in trade	1,439,137	2,727,146	4,548,132
Net profit of the year	958,721	1,926,488	3,497,257
Amount applied to educational purposes	—	14,869	29,151
Investments other than in trade	—	4,012,083	5,542,113
Interest and profit on investments	—	104,122	126,972
Trade charges	—	1,516,800	2,373,908

The following are particulars of societies established under the Act of 1876 for the sole purpose of carrying on the trade of the buying and selling of land :—

TABLE VIII.

	1883.	1893.
Number of societies	51	84
„ members	4,907	9,700
	£	£
Receipts	42,421	99,019
Land and buildings	20,930	31,065
Management	15,884	19,879
Share capital	90,292	247,423
Debts	143,775	264,393
Balance of profit	21,049	29,319
„ loss	2,885	4,399
Value of land and mortgages	225,716	474,563
Other assets	19,390	62,173

Besides the societies for the sole purpose of dealing in land, many of the ordinary co-operative societies deal in land and buildings, mostly for the convenience of their members. On this question I read a paper before you on 16th June, 1874, giving the results to 31st December, 1872, and I now compare them with those to 31st December, 1891.

TABLE IX.

County.	Number of ordinary Societies dealing in Land.		Value of Buildings and Lands Purchased, as an Investment.	
	1872.	1891.	1872.	1891.
			£	£
Lancaster	52	114	162,265	1,225,750
York	29	81	40,159	625,121
All other counties	39	179	29,364	646,984
Total England and Wales..	120	374	231,788	2,497,855

The following figures relate to co-operative societies in Scotland and Ireland :—

TABLE X.

	Scotland.		Ireland.	
	1883.	1893.	1883.	1893.
Number of societies.....	287	346	8	39
„ members	104,343	204,826	871	3,338
	£	£	£	£
Share capital.....	620,535	1,831,875	8,710	20,330
Loan „	372,488	1,405,231	100	6,526
Sales of goods	4,482,306	9,758,788	23,501	207,002
Stock in trade	539,996	1,242,940	1,585	3,790
Net profits	390,923	962,581	1,782	3,555

The totals for the United Kingdom are :—

	1883.	1893.	Increase per Cent.
Number of societies	1,216	1,831	51
„ members	686,598	1,278,589	86
	£	£	
Share capital	7,591,127	14,766,161	95
Loan „	1,682,319	3,786,706	125
Sale of goods	28,110,240	49,150,055	71
Stock in trade.....	3,268,727	5,794,862	77
Net profits	2,337,357	4,448,313	90

The amounts given in this table do not include those relating

to loan societies and trading banks, and the amount of stock in trade is exclusive of land societies.

The increase of capital (share and loan included) during the ten years 1883-93 is 9,279,421*l.*, or almost exactly 100 per cent.

Loan Societies under the Act of 1840.

The following are particulars relating to these bodies :—

TABLE XI.

	1873.	1883.	1893.
Number making returns	464	438	349
„ of members	32,100	42,895	40,290
Payments of capital by members } during the year	£ 204,128	£ 111,426	£ 98,062
Amount in borrowers' hands	380,543	319,890	256,139
„ circulated during the year....	613,963	506,432	358,737
Number of applications for loans } during the year	134,700	97,209	73,981
Number granted	124,664	91,240	65,017
	£	£	£
Amount received for interest, &c.....	38,459	26,543	19,525
Expenses of management	17,797	13,220	10,847
Net profit	17,461	17,452	13,306
Summonses issued during the year....	8,201	5,096	3,081
„ to recover	15,896 <i>l.</i>	11,345 <i>l.</i>	7,500 <i>l.</i>
Distress warrants issued	1,614	771	383
	£	£	£
Amount recovered	12,772	9,954	5,245
Costs not recovered from borrowers..	337	317	292

It will be observed that the operations of these societies, unlike every other class of society with which we have to deal, show a steady diminution during the twenty years. Their place has been to some extent occupied by specially authorised societies. Societies under the Act of 1840 are limited in the amount of loans to 15*l.*, and strictly limited in the interest they are allowed to charge to an equivalent of about 12 per cent. per annum. The diminution of capital (represented by the amount in borrowers' hands) in the ten years 1883-93 is 63,751*l.* This Act applies to England and Wales only.

Railway Savings Banks.

By a return presented to Parliament in 1876, there were nine railway savings banks established under private Acts of Parliament, with 7,898 depositors and 153,512*l.* capital. The returns

for the year 1894 made by ten such savings banks in England and Wales show 24,889 depositors and 1,909,896*l.* capital. In eighteen years, therefore, the depositors have increased threefold, and the capital twelvefold.

The balance sheet of the year for the ten banks is as follows:—

	£		£
Due to depositors at beginning of year.....	1,756,328	Withdrawals during the year	262,746
Deposits received during year	346,131	Balance due to depositors at end of year, as above	1,909,896
Interest added	70,183		
	<u>2,172,642</u>		<u>2,172,642</u>

The number of transactions during the year was, deposits 131,611 (averaging 2*l.* 15*s.* each), withdrawals 17,905 (averaging 15*s.* each). The average amount of each deposit account is 77*l.*

These banks are in general available for all persons employed in the service of the company and their near relatives. There is no limit to the amount of deposits, and many accounts exceed the sum which would be allowed in an ordinary savings bank. In the oldest of these banks, the Manchester, Sheffield, and Lincolnshire, the average amount of each account is 124*l.*

There are four railway savings banks in Scotland, having 4,231 depositors, and a total of 560,069*l.* deposits. The excess of deposits over withdrawals for the year 1894-95 is 84,830*l.*

Total for Great Britain.

Banks	14
Depositors	29,120
Amount due	£2,469,965
Excess of deposits (exclusive of interest) } over withdrawals during the year..... }	£168,215

In my previous paper I estimated the deposits in railway savings banks at 645,331*l.*, "probably much more," precise information not being forthcoming. Assuming that they then amounted to as much as 850,000*l.*, it would seem that they have increased during the ten years 1884-94 by 191 per cent., or 1,620,000*l.*

Savings Banks.

The following table shows the increase in the funds held for savings banks by the National Debt Commissioners:—

TABLE XII.—UNITED KINGDOM.

	28th February, 1885.	16th March, 1895.	Increase.	Decrease.
	£	£	£	£
Trustee savings banks	45,779,433	43,865,649	—	1,933,784
Post office savings banks..	46,084,697	92,461,601	46,376,904	—
Stock held for trustee savings banks	544,658	1,324,984	780,326	—
Stock held for post office savings banks... }	2,048,284	7,073,406	5,025,122	—
			52,182,352	—
	94,477,072	144,725,640	50,248,568	

To these should be added the balances in hand of the several banks and their special investment funds.

General Summary.

The funds now invested in the various classes of institutions referred to are:—

	£
Savings banks	144,725,640
Registered friendly societies	28,500,000
„ trade unions	1,378,007
Incorporated building societies	44,414,115
Industrial and provident societies	18,552,867
Certified loan societies.....	256,139
Railway savings banks.....	2,469,965
	<u>240,296,733</u>

The increase in the ten years is:—

	£
Savings banks	50,248,568
Friendly societies....	5,000,000
Trade unions.....	608,610
Industrial and provident societies	9,279,421
Railway savings banks.....	1,620,000
	<u>66,756,599</u>
Less decrease—	
In building societies.....	6,684,014
„ loan societies	<u>63,751</u>
	6,747,765
	<u>60,008,834</u>

The increase in the savings bank fund is 53 per cent., and in the funds of societies other than building and loan societies 48 per cent. Allowing for the decrease of 13 per cent. in the capital of

these societies, there is upon the whole a net increase of 33 per cent. The population increases during ten years at a little more than 8 per cent.

It would be idle to say that this marvellous increase arises wholly from the savings of the working classes. It is not possible so to split up the community as to say that the money deposited in savings banks or building societies belongs exclusively to one or other class, or so much to one class and so much to another. Here and there figures will overlap, as, for example, with respect to the deposits of friendly societies in savings banks; but the aggregate is too large to be sensibly affected by any such considerations, and the necessary omissions of large bodies of unregistered and unincorporated societies more than counterbalance any error that may arise from this source.

I hope, not without confidence, that if I come before you in April, 1905, with another similar paper, it may tell a corresponding tale of progress, untouched by the issues of such calamities as have affected the record of the past ten years.
