

was indebted to the Benefit Fund to the extent of £50. Not till June, 1873, was the lodge in as good a position as regards amount of funds as it had been years previously; and while, as we have already seen, the sickness was heavy during this period, this sickness alone will not account for this state of affairs. In 1875, £32 appears to have been realized as interest; in 1876, £50 10s.; in 1877, £57; in 1878, £50; in 1879, £59. This appears to be very satisfactory; but on investigation we find that for all the above years, with the exception of 1879, portions of the interest were taken for management purposes. In 1875, £8 was so taken; in 1876, £25 10s.; in 1877, £31; in 1878, £26 16s.: so that the interest credited to the Benefit Fund has only been at rates given on page 2* of this report. The appropriation of a portion of the interest realized from investments of Benefit Funds for management purposes was sanctioned by resolution of the District Committee, but it will be evident from the foregoing statement that in your case, had the resolution never been acted upon, the lodge would have been in a much better position than it now is.

In regard to the fourth condition, we find that the members are returned to us as engaged in 32 different occupations. Of miners there are 24, carpenters 5, clerks 4, printers and compositors 4, farmers 4, storekeepers 4, blacksmiths 3, carriers 3, hotelkeepers 3, bakers 2, tailors 2; and 22 other occupations have only single representatives. It will thus be seen that, at the present time at least, the occupations present great variety. The returns from this and other lodges on the gold fields are not sufficiently extensive or exact to enable us to determine definitely whether gold mining as conducted in this district is an occupation more than ordinarily unhealthy or hazardous, though indications are not wanting in your experience that such is the case. In the future this is a point which should be closely watched and carefully tabulated. As regards the rate of mortality, we find that in respect of the members it has been over the expectation, seven members having died during the last five years as against five expected by the tables.

In regard to the fifth condition, it is greatly to be regretted that a thorough investigation into the position and prospects of your lodge was not made years ago. Had this been done, and attention directed to the conditions of safety and the irregularities in your experience and management, we have no doubt that steps would have been taken to apply proper remedies.

We have now completed our inquiry into how far your lodge has conformed or fallen short of the conditions which actuaries are unanimous in regarding as indispensably necessary to ensure solvency and stability. In every case the comparison, we regret to say, has been unfavourable to you. As a consequence of this, it will now be easy to indicate the causes of the very large deficiency brought out by this valuation. These are inadequate contributions, too small numbers to secure average results, adverse fluctuations, and faults in the management.

Coming now to deal with this deficiency, it will not be so easy to indicate courses at once practicable and equitable for its removal. In the first place we have to state that we are opposed to the view that a deficiency brought out by a first valuation should be immediately and entirely rectified; at the same time we are decidedly of opinion that steps should be at once taken, not only to prevent its further growth, but also to reduce it very considerably.

To this end we would recommend—1. That all members admitted previous to July, 1879, whose age at initiation was over 20 years, be charged, *for the future*, the rate of contributions which they would have been required to pay had the new scale of contributions been in force at the date of their initiation, or else that the sick benefit to these members be reduced to the following scale: 15s. per week in the first six months of sickness; 7s. 6d. per week in the second six months of sickness; and 5s. per week for any sickness after twelve months. In any case we would advise that all claims for sick pay, especially any after the first six months, be closely looked into, and District Rule 40, paragraph 11, brought into operation whenever practicable. The large amount of sickness experienced after twelve months suggests the idea that the supervision or medical examination of these members has not been so strict as it might have been.

2. That every effort be made to increase the membership of the lodge, so that average results may be secured in the working; at the same time keeping a separate account of the receipts and expenditure on account of the members paying contributions in accordance with the new scale, so that the errors and unfavourable irregularities of the past or passing years be not exclusively visited upon the heads of those who may join the lodge from this time forward.

3. That the funds of the lodge be promptly and profitably invested at the highest rate of interest consistent with safety, and that the whole of the interest realized be placed to the credit of the Benefit Fund.

If these recommendations are at once adopted and effectively carried out, they will have a very beneficial effect on the condition of the lodge; and if (as is to be hoped) the rates of sickness during the next four years be under the expectation, the position of the lodge will be still further improved.

In this valuation, the element of secessions has not been taken into account by us, but we recognize the fact that it is an element which is likely always to affect the condition of friendly societies, though not to the extent generally supposed. Any profit reaped from this source will be included in the funds, and appear at the next valuation. As having a bearing on this subject, we have to note that we find the aggregate years of membership to be 644, or an average of 8 years 18 days for each member—about the highest average in the district.

In regard to the Management Fund, the rate of contribution hitherto charged has not been sufficient to defray working expenses, but for the future this fund *must* be made self-supporting, and, considering the condition of your Sick Fund, the necessity of this course should be apparent to all. We are glad to observe by the Valuation Return that the contribution to this fund has been increased during the past year.

In conclusion, we trust that the result of this inquiry will have the effect of making every member in the lodge take a close and personal interest in its working and progress, and if this be done persist-

* *Vide supra*, early portion of Schedule.