

nominal deficiency, the large additional wealth of the management fund is an adequate guarantee of soundness, and here the number of members (298) is sufficient to meet Mr. Frankland's views. Practically, therefore, it transpires that he indorses the results arrived at by Messrs. Leslie and Black in reference to the condition of the Otago District. It will be seen that the valuation brings out a deficiency in the case of all the lodges but one, the amount of the deficiency ranging from 2s. 5d. per member to £15 15s. 8d. per member, and from 1½d. in the pound to 13s. 3d. in the pound, the average deficiency being 6s. 6d. in the pound.

One cause of deficiency is common to all the lodges in the district—viz., the utter inadequacy of the contributions paid by the members. In the case of the single lodge which shows a small nominal surplus, the valuers state that “the surplus is not due to adequate contributions, or careful management and profitable investment of the funds, or to an exceptionally favourable sickness experience, but is wholly due to the fortuitous and not altogether congratulatory circumstance that the number of secessions has been very large.” Indeed, it might have been added that so high a secession-rate would, in a lodge of moderate numerical strength, have been a most improbable thing. In the case of one other lodge have favourable conditions availed to counteract the effect of inadequate contributions—viz., the Hand and Heart. For though this lodge shows a Sick and Funeral Fund nominally deficient by a small amount, the wealth of its Management Fund must be held to far more than cover this, and, as the numerical strength of the lodge is great, it must be pronounced in a thoroughly sound condition—at any rate as regards its existing contracts. The favourable circumstances which have produced this condition are enumerated by the valuers as follows: 1. Careful management; 2. A favourable sickness and mortality experience; 3. A large secession of members. As regards No. 1, a glance at certain of the columns of Table B (*see* Schedule II. hereto) will show what satisfactory rates of interest were realized during the five years immediately preceding the valuation. The sickness experience of the lodge has been investigated for the same quinquennium with the laborious care which characterizes all the work done in this valuation, and gives the following results:—

Period of Sickness.		Expected. Weeks.	Experienced. Weeks.
First 6 months	..	1,258	577·57
Second 6 months	..	137	104·50
After 12 months	..	238	381·28
Total	..	1,633	1,063·35

The small amount of sickness of short duration is attributed by the valuers mainly “to forbearance on the part of many members in not declaring on the funds when sick.” There can be no doubt that this forbearance has prevailed to a large extent in this colony in the past, the Registrar having solicited the opinion of all the lodge secretaries in New Zealand on the subject; but, as the valuers point out, it is not likely to prevail to so great an extent in the future, owing to the altered economic conditions of the colony. The secession-rate of the Hand and Heart Lodge has ranged from 6 to 13 per cent. during the quinquennium, and, as might have been expected, the secessions have been mainly among those young in years and in membership.

As regards the remaining twenty lodges, besides inadequacy of contributions, the valuers note certain subsidiary causes of insolvency, one or more of which have operated in a greater or less degree in almost all of them. The causes noted are the following:—

1. Excessive sickness experience	4 Lodges.
2. Carelessness in securing profitable investments	.. 9 ”
3. Misappropriation of interest earned by benefit funds	.. 12 ”
4. Misappropriation of benefit funds	... 11 ”
5. Inefficient management	 11 ”

Detailed valuation reports have been received by the Registrar respecting most of these lodges. From these it appears, in regard to the main cause of deficiency, that not only is an utterly inadequate contribution chargeable under the rules, but that, in the case of a certain number of lodges, even this contribution has not been charged in full.

As regards the subsidiary causes of insolvency, the following facts transpire:

(a.) The *Sickness Experience* during 1875–9 was as shown in the following table:—

Name of Lodge.		TOTAL.		FIRST 6 MONTHS.		SECOND 6 MONTHS.		AFTER 12 MONTHS.	
		Expected.	Expe- rienced.	Expected.	Expe- rienced.	Expected.	Expe- rienced.	Expected.	Expe- rienced.
		Weeks.	Weeks.	Weeks.	Weeks.	Weeks.	Weeks.	Weeks.	Weeks.
Dunedin	Lodge.	855	762	676	415	68	103	111	244
Dalton	..	292	147			..		..	
Albion	..	540	768	441	255	41	50	58	463
Waitahuna	..	353	147			..		..	
Waipori	..	213	165	163	165	18	nil	32	nil
Blue Spur	..	340	244	267	236	28	8	45	nil
Alexandra	..	175	96½	..					
Roxburgh	..	260	304	203	197	21	76	36	32
Lake Wakatipu	..	254	183						
Cromwell	..	310	116			..			
Totals		3,592	2,932½	1,750	1,268	176	237	282	739