

courts, &c., only But besides *lodges, &c.*, the affiliated orders include superior centres of authority, called *District Committees, Grand Lodges, &c.*, the management expenses of which are defrayed by a *pro-rata* levy on the affiliated *lodges*. Hence, to arrive at the true expense of managing the affairs of the order, it is necessary to add the amount of the District Management Fund levy to the expense of managing the lodge. During 1879 the general average so obtained for all the lodges was 12s. 10d. per member. In 1878 it was 13s. 4½d. per member, and in 1877 it was 12s. 8½d. per member

Before quitting the subject of management funds, it is necessary to call attention to the deplorable fact, that in the case of no less than 32 out of the 122 lodges, there was a debit balance on the 31st December, 1879, the amount of the indebtedness ranging from 17s. 7½d. to £129 16s. 9½d. It is, however, satisfactory to be able to report that in 19 cases out of 27 where returns are to hand, the indebtedness was either reduced or altogether wiped out during 1880, and that in only 8 cases it was increased or remained unchanged.

Table XII. shows the assets held by registered societies on the 31st December, 1879. The total property of the 122 lodges, &c., under consideration amounted to £138,926 1s. 3½d., or £11 14s. 11½d. per member. Of this amount, £83,918 17s. 5d., or 60·4 per cent., was invested at interest, the rates of interest ranging from 4 to 12 per cent., and averaging between 7 and 8 per cent.; £45,653 19s. 3½d., or 32·9 per cent., was invested in land and house property (chiefly Odd Fellows' and Foresters' halls), yielding a rental the precise amount of which, after deducting expense of repairing, &c., was insusceptible of determination, but which could hardly have been, on an average, more than 3 per cent.; while £9,353 4s. 7½d., or 6·7 per cent., consisted of cash not bearing interest, or was represented by regalia, lodge furniture, or amounts owing and believed to be recoverable.

The most eligible investments for friendly societies, if judiciously made, are mortgages on freehold property, and it is satisfactory to observe that the greater portion (£52,413 16s. 11d., or 62·5 per cent.) of the funds invested at interest were lent on securities of this description. Fifty-eight lodges out of the 122, including nearly all the lodges of the Otago District of the Manchester Unity, held mortgages.

Next to mortgages, the largest asset in the general balance-sheet consists of bank deposits, the interest on which averaged about 6 per cent. These amounted in the aggregate to £22,364 14s. 2d., or 26·7 per cent. of the funds invested at interest. The remaining investments consisted chiefly of shares in building societies and investment companies, deposits with the same, deposits in the Post Office Savings Bank (£2,872 14s. 11d.), and municipal debentures.

The information of Table XII is summarised in the subjoined general balance-sheet.

<i>Liabilities.</i>			<i>Assets.</i>		
	£	s. d.		£	s. d.
Amounts owing ..	3,938	14 2	Deposits in P.O. Savings-Bank	2,872	14 11
Sick and Funeral Funds	126,356	11 5½	Deposits in other banks	22,364	14 2
Management Funds	8,879	7 1½	Mortgages on freehold property	52,413	16 11
Other funds and property	3,690	2 8½	Other investments at interest	6,267	11 5
			Land and house property	45,653	19 3½
			Cash not bearing interest	8,099	15 8½
			Furniture, regalia, &c.	3,567	19 8
			Other assets	1,624	3 5
	£142,864	15 5½		£142,864	15 5½

From a comparison of this with Table IV it will be seen that the relative amounts of the various classes of assets have not changed much during 1879, except that the deposits in the Post Office Savings Bank and the cash not bearing interest, but especially the former, have undergone a marked diminution. In as far as this represents an increase in the fixed investments at current rates of interest, it is a subject for congratulation. But in as far as it represents a sinking of cash in the purchase of real property—and it does this to some extent—the Registrar cannot regard it as a change for the better, as he is convinced that, whatever may be thought of the eligibility of this class of investments for the private capitalist or speculator, it is not usually a desirable investment for the friendly society.

Tables V.—VII. and XIII.—XV relate to the comparatively unimportant funds in the hands of District Executives, Grand Lodges, &c., and do not call for special comment.

Table XVI. is of great interest, as furnishing to the actuarial reader, if he is conversant with the scales of benefit most usually operative in New Zealand societies (and in Australasian societies generally), a rough idea, antecedently to a valuation, of the present value of the gross liabilities incurred by the societies up to the date (31st December, 1880) to which the table refers. A little consideration will show how very much better suited to this purpose is the information here furnished than the mere statement of *average* ages with which statisticians so frequently content themselves. The average age of the members in a lodge can never be a reliable guide to the amount of its liabilities, because the liability in respect of each member increases in a more rapid progression than his age. Therefore, though the average age of the members in two lodges might be the same, the liabilities might be widely different, even with an identical scale of benefits, and they would usually be heavier in the lodge which had members at ages diverging more widely on each side of the mean. It becomes important, therefore, to exhibit the distribution of members through age-periods sufficiently short to preclude *very* large changes in the rate of increase of the liability in any one period, and for this purpose Table XVI. has been prepared. It will be seen that out of 9,942 members whose ages were given as at the 31st December, 1880—

317, or 3·19 per cent., were under 20 years of age.					
1,536, or 15·45	"	20 and under 25 years of age	} 3,522, or 35·43 per cent.		
1,986, or 19·98	"	25 " 30			
1,790, or 18·01	"	30 " 35			
1,827, or 18·38	"	35 " 40		} 3,617, or 36·39 "	