A consideration of the foregoing rates makes it evident that, while the responsible officers in a large majority of the lodges have laboured with zeal and intelligence to invest the funds profitably, there is a minority of managers who, through ignorance, carelessness, or indifference, have never realised the fact that the regular and judicious investment of the funds at the highest rate of interest obtainable consistent with perfect security is a primary condition of success in every friendly society. It matters not how carefully the rates of contribution and benefits may have been adjusted if this important item has been neglected. And, while strongly opposed to other than adequate rates of contribution being charged in any lodge, examples are not wanting where defects in this particular have been successfully overcome by superior management in the investment of the funds.

In the case of a few lodges recently established in country districts it is quite possible that facilities for the profitable investment of small sums may not be numerous; yet if the district of which the lodge is a branch has taken power in its rules that the district trustees may receive money from lodges for purposes of investment, or that the trustees of one lodge may receive money from any other lodge for the like purpose, any lodge taking advantage of these facilities may easily overcome the difficulty of profitably investing its funds.

The bearing of these remarks on the rate of interest to be employed in a valuation is obvious. In lodges where the management of the funds has been good, and the rates realised over a series of years is in excess of 4 per cent., this rate may be continued; but in cases where a less rate has been realised the valuation will have to be made at such rate of interest as the character of the investments and the rate of interest realised may appear justifiable to the valuer. In this connection it may be noted that the Ancient Order of Foresters in England, among other financial reforms passed in recent years for the purpose of improving the stability of the society, has decided that, in the valuation of a court or district, "the rate of interest assumed shall be the nearest one-half per cent. below that actually earned in the past quinquennium."

One way in which the rate realised may be improved is by a strict compliance in all cases with the terms of the statute in regard to the separation of the several funds, and the payment of all expenses of management out of the Management Fund. In a number of lodges it is found that the expenses of trustees in connection with the management of the investments, as well as the cost of collecting interest by agents or secretaries, have been paid out of the Sick and Funeral Fund, whereas it has been held by high legal authorities that the contributions to this fund and the whole of the interest arising from the investment of the capital thereof should be applied exclusively to the payment of sickness and funeral benefits, except in the case of lodges which have obtained the consent of a valuer to an appropriation of surplus capital or interest; and hence that any deduction from the interest accruing is wholly illegal.

Another way in which the rate may be improved in those lodges which have invested part of the capital in halls, is for the trustees to see that a fair rent is paid by the Management Fund for the accommodation afforded—rent of lodge-room being a necessary expense of management.

In a number of cases it is found that the Sick and Funeral Fund suffers from illegal appropriations of the funds for management purposes. Not only is no interest earned on the amounts so misappropriated, but care has to be exercised that the principal is not lost sight of in the accounts. It is to be hoped that the amounts so misappropriated will be repaid as quickly as possible, and that the Registrar will be saved the unpleasant duty of exercising the powers conferred upon him to secure compliance with the statute.

The reason for dwelling so fully upon this subject is to arouse the responsible officers to a lively sense of their duties and obligations, a proper understanding of which, together with a proper application of them, would soon remedy the few defects now existing.

Medical and Management Expenses Funds.

The contributions, entrance-fees, and levies to the Medical and Management Expenses Funds amounted to £55,813; interest, £1,255; and other receipts, £8,757: making a total income of £65,825. The total outgo for the year was £65,333, including £37,840 for medical attendance and medicine, £19,899 for management expenses and levies to central bodies, and £7,594 for other expenses. The total worth of the funds at the end of the year, including goods, &c., was £60,665.

The averages of the chief items of income and outgo in each of the five leading Orders and in all the societies combined, also the percentage of total contributions (to both the Sick and Funeral and the Medical and Management Funds) spent for management, are given in the following table:—

Order.	Medical and Management Expenses Funds.				Percentage of total Contributions spent for Management.
	Average Contribution per Member.	Average Payment per Member for		Total.	
		Medical Aid.	Management.		
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	
M.U.I.O.O.F.	1 5 5	0 17 10	0 9 6	1 7 4	16·70
I.O.O.F.	1 10 6	0 19 2	0 12 5	1 11 7	20·37
A.O.F.	1 9 5	1 0 0	0 9 4	1 9 4	16·74
U.A.O.D.	1 10 6	1 0 3	0 10 6	1 10 9	18·83
I.O.R.	1 7 9	0 15 2	0 11 4	1 6 6	21·44
All societies ..	1 7 7	0 18 9	0 9 10	1 8 7	17·53