

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. In lodges which have invested part of the Sick and Funeral Fund capital in halls, it is found in a number of cases that little or no rent has been paid by the Management Fund for the lodge-room, but unless a fair rent is paid in all cases the Sick and Funeral Fund is being defrauded.

Another matter connected with these investments in halls and buildings which it is desirable the responsible officers should take into consideration, is to see that proper steps are taken to reimburse the lodge for the original outlay in building and furnishing, against the time when these halls or buildings will have to be renewed. If this is not done, either by periodic depreciations or the establishment of a sinking fund out of the annual income, lodges will one day have nothing to show for the funds so invested.

In a number of cases the Sick and Funeral Fund suffers from illegal appropriations of the funds for management purposes. The offending societies and the amounts misappropriated at the end of 1902 are as follows: M.U.I.O.O.F., £448; I.O.O.F., £285; A.O.F., £257; U.A.O.D., £165; I.O.R., £66; S.D.T., £26; H.A.C.B.S., £220; P.A.F.S.A., £9; making a total of £1,476. Not only is no interest earned on these amounts, but care has to be exercised that the principal is correctly brought forward in the annual returns. It is to be hoped the amounts misappropriated will be restored as quickly as possible, and so prevent the necessity of any further pressure to secure compliance with the provisions of the statute.

MEDICAL AND MANAGEMENT EXPENSES FUNDS.

The contributions, entrance fees, and levies to the Medical and Management Expenses Funds amounted to £62,400; interest, £1,420; and other receipts, £12,267: making a total income of £76,087. The total outgo for the year was £74,152, including £39,848 for medical attendance and medicine, £25,811 for management expenses and levies to central bodies, and £8,493 for other expenses. The total worth of the funds at the end of the year, including goods, &c., was £56,992.

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 Contribu- tion 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 6 7	0 17 11	0 11 6	1 9 5	19·73
I.O.O.F.	1 14 2	0 18 7	0 14 8	1 13 3	22·76
A.O.F.	1 10 3	0 19 9	0 11 8	1 11 5	20·40
U.A.O.D.	1 12 3	1 0 5	0 12 4	1 12 9	21·40
I.O.R.	1 12 4	0 14 7	0 15 3	1 9 10	23·52
All societies	1 9 3	0 18 8	0 12 1	1 10 9	20·76

The total amount paid by the societies for the year in providing the several benefits of sick-pay, funeral benefits, and medical attendance and medicine amounted to £95,842. Assuming that for each member three other persons besides participate in these benefits, nearly 175,000 persons may be regarded as sharers in the beneficent work performed by these fraternal organizations.

Averages and percentages deduced from the tabulated returns for 1891–1902 are given in Appendix I.

Information as to the forms kept in the Registry Office for the convenience of societies, and sent free on application, is to be found in Appendix IV.

NEW SICKNESS AND MORTALITY EXPERIENCE, MANCHESTER UNITY I.O.O.F., ENGLAND, 1893–97.

One of the most important and valuable additions to our knowledge of the laws of sickness and mortality applicable to friendly societies was presented to the deputies attending the 1903 Annual Movable Committee of the above Order. The period selected for the analysis of the sickness and mortality experience was the five years 1893–97, and the important work of investigation was intrusted to Mr. Alfred W. Watson, F.I.A., F.S.S., a past-officer and one of the actuaries of the society.

Mr. Watson bears an honoured name in connection with friendly-society valuations, being the third in descent of a family who has performed conspicuous service in the friendly-society world, and brought to his task not only a long experience of this particular class of work, but a mind peculiarly fitted by a severe course of scientific training.