

methods is sufficient to condemn a funeral fund. There are other systems less objectionable but still imperfect, such as levies according to average age. No system is equitable which fails to take account of the actuarial liabilities. In general it may be said that the principal fault is that of making insufficient contributions to the fund, and this fault always tells against young lodges.

As some members of friendly societies in New Zealand appear to be under the impression that the accumulations of the societies are being made for the benefit of posterity, I shall devote a few lines to disproving this, and in doing so it is unnecessary to resort to theory. The figures of almost any lodge of a fair age would serve, but I shall take the Good Intent Lodge (M.U.I.O.O.F., Auckland) as an example. During the quinquennium the 225 members under age forty paid in £2,223, and drew out £1,054 in benefits; the 91 members between ages forty and sixty paid in £857, and drew out £1,147 in benefits; the 35 members over age sixty paid in £334, and drew out £1,067 in benefits. This lodge had a fairly normal sickness experience.

If we look at the Waikato Lodge, Thames (M.U.I.O.O.F.), which had a somewhat excessive sickness at all ages, we find the following: The 154 members under age forty paid in £1,447, and drew out £975; the 68 members aged forty to sixty paid in £790, and drew out £1,332; the 39 members over sixty paid in £436, and drew out £1,988.

In both lodges, whilst the young men pay in much more than they draw out, the reverse is the case with old members, and it will be observed that a very small number of members over sixty draw out more than five or six times their number under forty. It is abundantly plain that these old members are using up the accumulations made when they were young, and are leaving very little for posterity. The present young members will likewise use up their own accumulations when they become old unless the lodge is insolvent, in which case they will find, when they become old, that the accumulations will already have gone.

I append remarks regarding the various valuations. These remarks are not exactly extracts from my reports, but are rather in the nature of comments designed to give the salient features. The various figures are fully set out in Appendix IV.

*South Canterbury District, M.U.I.O.O.F.: Valued as at 31st December, 1905.*

At the valuation-date there were 3 branches, with a membership of 431.

The sickness experience was favourable to the extent of £153, or 6 per cent., whilst the deaths numbered 12, as against 15 expected according to the standard tables.

Only one of the three lodges succeeded in earning 4 per cent. on its funds.

The valuation shows that each lodge is in a deficiency, the total deficiency coming to £6,388. The result is principally due to the ill-advised investment of Sick Fund moneys in halls. One lodge lost in cash and interest no less than £4,400 in fifteen or eighteen years in this way, whilst another lost £1,200. The third lodge has now entered upon a hall investment. Two of the lodges were valued at 3 per cent., and if they could so improve their investment-yield as to justify a valuation at 4 per cent. their position would be much improved.

*Wellington District, M.U.I.O.O.F.: Valued as at 31st December, 1906.*

At the valuation-date there were 17 branches, the total membership being 1,981.

The sickness experience of the quinquennium was favourable to the extent of £1,725, or 16 per cent. The mortality of the past twenty years has been below the present standard tables, the deaths being 197, as against 214 expected.

Out of the 17 lodges, 10 earned over 4 per cent. on their Sick Fund, and only 2 failed to earn 3 per cent. The District Funeral Fund obtained a yield of over 5 per cent.

The valuation shows surpluses in 13 lodges, totalling £8,578, and deficiencies in 5 lodges, aggregating £666. The district is therefore in a very fine position, and, what is more, the executive is showing a grip of the business, which will still further improve matters. As an evidence of this may be cited the establishment of a Central Investment Fund, and the adoption of a good policy in regard to money invested in halls.

The Funeral Fund is supported by levies according to average age, an inequitable method which should be amended.

*Motueka District, M.U.I.O.O.F.: Valued as at 31st December, 1906.*

At the valuation-date the district consisted of 4 branches, with a membership of 473.

The sickness experience of the quinquennium was unfavourable to the extent of £86, or 2½ per cent. The rates of mortality prevailing in the district are very low, there having been only 52 deaths in nineteen years, as against an expectation of 69 by the standard table.

Three of the four lodges earned over 4 per cent. on their Sick Fund, the remaining one coming close to 4 per cent. The mean rate earned over the whole district was 4½ per cent.

The valuation shows a surplus of £371 in one lodge, and deficiencies totalling £2,125 in the others. These deficiencies are partly due to the inadequacy of the contributions in the earlier days. The district was to some extent unfortunate in the quinquennium from the profit-earning point of view, as the loss through unfavourable sickness was accompanied by an unusually small profit from lapses, the lapse rate being less than 1½ per cent. per annum.

The Funeral Fund is not constituted on a good basis, the levies on lodges being made according to the number of members, without regard to age.

*North Westland District, M.U.I.O.O.F.: Valued as at 31st December, 1907.*

At the valuation-date the district had 6 branches, with a membership of 435.

The sickness experience of the quinquennium was in excess of the New Zealand friendly societies table to the extent of £441, or nearly 18 per cent. All the lodges but one are situated in mining towns,