

age for age with those of the previous quinquennium. This points to the possibility of an increase in sickness rates in the future. The mortality experience of the quinquennium was favourable, the deaths being 35, as against 40 expected. If we take the figures for the last twenty years we find that the actual number of deaths was 103, whilst the number expected, according to the present standard, was 109. The rate is therefore a little under the standard.

Five lodges credited an interest-rate of 4 per cent. or over to their Sick Funds, but in one case this was counterbalanced by an amount written off the hall. Three lodges earned between 3 and 4 per cent. and three under 3 per cent. It must be remarked, however, that in some cases the rate of interest earned by the Sick Fund was really greater, but was in part wrongly credited to other funds. Various amounts were written off halls by way of depreciation.

The result of the valuation shows this district in a very satisfactory light on the whole. Six of the lodges have surpluses totalling £5,995, five of them deficiencies totalling £2,023, the surpluses exceeding the deficiencies by £3,972. This result is mainly due to the excellent scale of contributions in force in the district, and to the good interest-returns. It is, however, noteworthy that the five lodges with deficiencies have all failed to earn 4 per cent. net on their funds in the last fifteen years, and here is to be found the main cause of their backwardness. The scale of contributions only purports to be adequate on the condition that not less than 4 per cent. is earned on the funds.

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

At the valuation-date there were 7 branches, but, 1 having seceded shortly after, only 6 were included in the valuation, the membership being 522.

The sickness experience of the quinquennium was unfavourable to the extent of £145, or 4 per cent., whilst the mortality experience was considerably higher than the standard, the deaths being 30, as against 23 expected. The excess in the number of deaths was due largely to an abnormality in one lodge (Good Intent). The figures of the District for fifteen years are as follows: Actual deaths, 84; expected, 75.

Of the 6 lodges, 3 realised over 4 per cent. on their funds and 1 failed to realise 3 per cent.

The result of the valuation shows that one lodge has a surplus of £267 and five have deficiencies aggregating £2,764, the net aggregate deficiency being therefore £2,497. The position is due mainly to the somewhat low scale of contributions, though there have been other influences working in opposite directions, such as high rates of interest in some cases and low rates and investment losses in others. One of the lodges has been particularly unfortunate in past years with its hall investment.

The District Funeral Fund is supported by means of varying percentage levies on the contributions of lodges and this is inequitable. The system would be fair enough if the percentage were properly fixed at the outset and then adhered to.

Otago District, M.U.I.O.O.F. : Valued as at 31st December, 1904.

At the valuation-date this district consisted of 30 branches with a membership of 3,764, showing an increase of 862 members during the quinquennium. Only 29 of these were included in the valuation, the remaining one having been dissolved since 1904.

The sickness experience of the district for the quinquennium shows considerable variations from the standard when individual lodges only are looked at. As a whole the experience of the district was in point of cost about $4\frac{1}{2}$ per cent. under the standard. Among the lodges with an unfavourable sickness experience were several belonging to mining towns. The mortality was practically identical with the new standard.

The district has for a long period been working with a scale of contributions which is not adequate at 4 per cent., and it is therefore a very gratifying feature that a good interest-earning power has been maintained, for twenty lodges realised more than 4 per cent. To quote from my valuation report, "So long as the present low scale of contributions is adhered to, a high rate of interest is an absolute necessity, and a solvent position cannot be attained without it." Some of the lodges have, however, failed to realise this fact.

Six of the lodges were found to have surpluses and 23 deficiencies, the surpluses aggregating £5,886 and the deficiencies £19,887. These figures relate to the Sick and Funeral Funds, only. The deficiencies are generally due to the handicap placed upon lodges by the original inadequacy of the contributions. The six surplus lodges, by an excellent management of the investments and a favourable experience, have overcome this handicap, whilst the others have so far failed to do so. Since the above was written I hear that in accordance with my advice the district has decided to increase the scale of contributions to new entrants.

The management of the majority of the lodges in this district is distinctly commendable.

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

At the valuation-date the district consisted of 10 branches, with 933 members.

During the quinquennium the sickness was favourable to the extent of £117, or about $3\frac{1}{2}$ per cent. The mortality was light, the deaths being 13, as against 20 expected.

Of the 10 lodges, 4 earned over 4 per cent. on their funds, and 5 failed to reach 3 per cent. Of the latter, however, some are but young lodges, whose funds do not yet amount to a large sum.

The valuation shows that 1 lodge has a surplus, amounting to £1,979, and 9 have deficiencies, amounting to £6,141, the net deficiency being therefore £4,162.

The deficiencies are due mainly to the inadequate scale of contributions. I have pointed out that the district is not complying in this respect with the rules of the New Zealand Branch with which it is affiliated. These rules provide an adequate scale.