

(3) Four hundred and one claims on the Fund were lodged during the year, as compared with one hundred and thirty-four in the previous year, and only eighty-two in the year before that.

Earthquake damage was claimed for in localities from Auckland to Southland. The most damaging shocks occurred in rural and farming areas, where buildings are mainly of wood and are well separated. Had the cities or large towns, where there are so many older buildings of heavy construction of a type lacking resistance to earthquake, been similarly shaken, the damage would have been very much more serious.

Earthquake shocks which caused the most severe damage in various localities are listed as follows:—

Date.	Location.	Modified Mercalli Scale Rating.	Number of Claims.
24th April, 1947 ..	Eastern Southland	Force V	32
6th June, 1947 ..	East Coast (Tokomaru Bay and Tolaga Bay)	Force VII	64
23rd August, 1947 ..	Gisborne district (Matawai and Motu) ..	Force VI	38
15th January, 1948 ..	Wanganui district	Force VI	153

An unusual form of earthquake damage in this Dominion was suffered on 26th March, 1947, when a sea wave, occurring as the direct result of an earthquake, swept a part of the Poverty Bay Coast, doing damage to buildings and their contents, for which claims made on the Fund were paid during the year.

(4) The Commission feels impelled to point out that of all natural causes of loss to which the Dominion may be exposed earthquake is the most likely to cause disastrous damage, and that the Fund, although now growing satisfactorily in the absence of heavy claims, will be insufficient for years to come, independently of the contingent guarantee of the State, to meet losses arising from a severe earthquake in one of the main centres. Prudence urges therefore that the Fund, which is restricted to indemnification for damage caused by earthquake and war only, should not be encroached upon to provide relief for other kinds of loss, however deserving.

A different system of collecting premiums would be needed under any scheme of national insurance which might be established for the protection of those who suffer at present uninsured losses through damage to land, crops and stock, or other property. Compulsory contributions to the Earthquake and War Damage Fund are restricted to property which is insured against fire. Land, of course, is never so insured.

(5) The ratio of working expenses (0·789 per cent.) for internal administration, including cost of audit by officers of the Commission, is less than for the previous two years. In addition, the Commission pays 2½ per cent. for collection of premiums.

(6) At the close of the year under review the total sum invested overseas was £(N.Z.)1,500,000.

(7) The Commission desires to express its high appreciation of the competent service rendered by the Secretary and his small staff under a much heavier burden of work than occurred during the previous year.

J. H. JERRAM, Deputy Chairman.