

TABLE showing the Total Worth of the SICK AND FUNERAL FUNDS of 500 Lodges as on the 1st January, 1906, and the 31st December, 1906, inclusive of the Accumulations held by the Central Bodies; also the Amount and Average Rate of Interest earned.

Name of Society.	Total Worth of Sick and Funeral Fund as on—		Amount of Interest.	Average Rate per Cent.
	January 1, 1906.	December 31, 1906.		
	£	£	£	£
M.U.I.O.O.F.	425,748	451,616	21,038	4·91
I.O.O.F.	45,586	49,465	2,145	4·62
N.I.O.O.F.	4,576	4,488	196	4·42
B.U.O.O.F.	1,772	1,960	97	5·84
A.O.F.	242,055	257,107	11,517	4·72
A.O.S.	1,146	1,157	67	5·99
U.A.O.D.	81,683	91,796	4,100	4·84
I.O.R.	46,880	49,838	2,444	5·18
S.D.T.	12,608	13,232	591	4·68
H.A.C.B.S.	8,647	8,998	358	4·14
P.A.F.S.A.	13,096	13,710	609	4·65
R.E.B.S.	3,022	2,914	122	4·20
Total	886,819	946,281	43,279	4·84

In my last report I drew attention to the importance of the close investment of funds, and in this connection an improvement might readily be effected by reducing amounts held on current account. In some districts and lodges the sums so held are out of all proportion to requirements, and, seeing that the Post-Office Savings-Bank is available on special terms for societies, it does not reflect much credit on the part of those responsible that the funds should be deprived of the interest-earnings so necessary to insure future benefits to members. I cannot but reiterate the desirability of establishing centralised investment funds, the benefits of which in those districts where they have been set up are constantly coming under the notice of the Department.

The table I append below illustrates two important improvements in the management of societies —(1) the increasing proportion of funds invested on mortgage and at interest; (2) the decreasing proportion sunk in halls.

How invested.	1896.	1897.	1898.	1899.	1900.	1901.	1902.	1903.	1904.	1905.	1906.	1907.
Ratio to total assets (per cent.) of—												
1. Investments at interest ..	74·49	75·45	76·49	77·57	77·98	77·95	78·68	78·94	78·89	80·29	80·53	81·62
2. Value of land and buildings ..	19·48	18·45	17·65	16·74	15·87	16·15	15·27	14·80	14·17	13·66	13·48	12·83
3. Cash not bearing interest ..	4·07	4·16	3·93	3·91	4·29	3·98	3·89	4·17	4·58	3·90	4·00	3·74
4. Value of goods, &c. ..	1·72	1·67	1·66	1·54	1·47	1·42	1·26	1·18	1·20	1·16	1·12	1·08
5. Other assets ..	0·24	0·27	0·27	0·24	0·39	0·50	0·90	0·91	1·16	0·99	0·87	0·78

VALUATIONS.

This branch of the Department completed a very heavy year's work, many large valuations which had been outstanding for some years having received attention, and the staff is now in a position to attack current work.

In 1907 there were 131 lodges valued, representing a membership of 13,151, the heaviest output of valuation-work on record.

The usual tables will be found in the appendices, and I also attach the Actuary's report on the valuations he has completed during the year.

MEMBERSHIP AND BENEFITS.

Although the rate of increase in the membership of friendly societies in New Zealand has not so far fallen off, it is noticed that in the United Kingdom the increase in the large affiliated orders does not keep pace with the increase in population, and it would appear that unless societies meet modern demands by adapting their business to present-day requirements they will find it difficult to maintain the splendid position they now occupy. That the failure to proportionately increase membership in the United Kingdom is not due to a decrease in the thrift of the people is evidenced by the great increase in the business of industrial and life insurance, savings-banks, and building societies, and the inference is that the friendly society run on the old lines is unable to hold its own among the institutions which cater for the worker.

The low rates at which friendly societies in New Zealand can offer death benefits compared with the rates asked by institutions doing industrial insurance is not, I think, quite realised by members of societies themselves, and a study of such comparison should set friendly-society leaders thinking as to the practicability of a scheme whereby the economy of their organizations can be utilised to meet com-