you as we could have wished. It being, however, requisite for us to furnish a detailed report to each lodge on its condition as brought out by the valuation, and as there are as yet no district members, it is not obligatory on us to make any formal valuation report to the District Meeting.

But as this is the first official valuation of the lodges in the district, it is but reasonable to assume that the results will be regarded with special interest, and therefore we propose to give some account of the class and character of the materials supplied to us for valuation, and also an explanation of the principles on which the valuation has been conducted, as this course may serve to abbreviate in some measure the reports to be furnished to the lodges.

To accomplish the valuation it was necessary that we should be supplied with certain information regarding all the members on the books of the lodges at the date already given, also a summary of the sickness and mortality experienced, and the number of members admitted and left during the five years next preceding the date of valuation, together with particulars of the receipts and expenditure of the Sick and Funeral and Management Funds, the amount of funds at the end of each of the five years aforesaid, and a balance-sheet as at the 31st December, 1879.

After consultation with the committee of management it was agreed that, for the sake of convenience in this valuation, and for future use by the district officers, the information regarding the members should be entered on cards—one card being allotted to each member; and in accordance with this resolution cards were prepared. For the other items of information required, a valuation return was prepared and provided by us.

For the guidance and assistance of lodge secretaries, a circular was drawn up to accompany the sets of cards and valuation returns, and these were forwarded to the lodges the third week in April. Copies of all these documents are attached to this report.

The first set of documents returned to us was that of the Dunedin Lodge on the 27th April. During the month of May we received no fewer than twelve sets, five were received during the month of June, three in July, and one (the last) on the 26th August, as already stated.

In regard to the filling-up of the cards, it affords us great pleasure to be able to state that several of the sets were models of neatness, and in the large majority of cases it was evident that great care had been exercised in the filling-up. In regard to the remaining sets, however, some of them were very carelessly filled up; in others, despite the clear directions given, strange misapprehensions appear to have existed as to the precise nature of the information required. For example, one secretary gave the amount of weekly contribution to the Management Fund instead of the monthly contribution to the Sick and Funeral Fund only; several took the trouble to fill in the amount of sickness experienced by the members during the quinquennium, and in some cases cards were furnished containing particulars of persons dead. In a few cases it was found that, in defiance of the district and lodge rules, the extra annual contribution was not being charged. On this fact being reported to the committee of management, the lodges were communicated with, and an assurance obtained that, for the future, the extra annual contribution required by the rules would be levied. In regard to the number of wives returned, we are of opinion that members are remiss in informing the lodge secretaries when they marry, and therefore that the number of married members returned to us is understated.

In regard to the valuation returns of particulars of the lodges, only a few of them were filled up in a satisfactory manner. In saying this, however, it is not to be understood that all the blame is chargeable to the present secretaries, for we have found them willing in general to give us such information as was in their power. But in regard to transactions previous to their taking office frequently no proper record was contained in the lodge books, and, in consequence, we had to make an examination of the returns of these lodges to the district for the five past years, and had to be satisfied with the information thereby afforded.

From the returns supplied to us it appears that, on the 31st December, the number of members was 1,620, at ages varying from 19 next birthday to 60, the average age being 35 years 13 weeks. Of this number it appears that 962 were married, and their average age 38 years 5 weeks.

The rates of contributions to the Sick and Funeral Fund are as follows: For all members, admitted previous to July, 1879, the rate is 2s. per lunar month, and 3s. extra annual contribution with a few exceptions. The members admitted since the above date pay contributions graduated according to age at entry, ranging from 2s. to 4s. per lunar month. The total yearly contributions for benefits for the district is found to be £2,369·49, and this sum divided by the number of members gives £1·4614, or £1 9s. 2¾d., as the average contribution. It will therefore be seen that, so far, the adoption of the new scale of contributions has not had time to make any material difference.

The benefits assured to members are uniform throughout the district—viz., 20s. per week during the first six months of sickness, 13s. per week during the second six months' continuous sickness, and 10s. per week for any sickness after a continuous sickness of twelve months; £20 on the death of a member, and £10 on the death of a member's wife.

The valuation of the district has been made on the basis of the sickness and mortality experience of the Manchester Unity for 1866-70, combined districts. In the absence of colonial data sufficiently extensive to be reliable, the Manchester Unity experience, on account of its being the largest hitherto collected, and from its applicability to friendly societies generally, has come to be regarded as the best standard extant, and therefore the most suitable for us.

As regards the rate of interest, 4 per cent. has been assumed in all the calculations, as there is little doubt but that this rate will be easily obtainable on good securities during the currency of the present policies. We are decidedly of opinion that a higher rate than 4 per cent. cannot be employed generally with safety in the valuation of the risks undertaken by friendly societies. Apart from the doubts that exist regarding the reliability of the above data at the higher ages, all actuaries are of opinion that the rate of interest to be used in life and sickness calculations should be lower than the rate which the society can fairly reckon on as likely to prevail for the next generation at least. In regard to this district, an examination of the average rate of interest, credited to the Sick and Funeral Fund, affords an additional reason why this rate has been adhered to.

Seeing that the contributions of members are received fortnightly (with a few exceptions), these