payments ought to be invested as frequently as possible, as thereby their value is increased. In this valuation we have assumed that the contributions will be invested at least twice a year, and therefore one quarter of a year's purchase has been added to the present value of the annuities used in determining the present value of contributions.

With reference to the funeral liabilities it seems necessary to make the following remarks. These liabilities are undertaken by the district in the following manner: Every six months a levy is made of an equal rate per member on all lodges in the district, according to the number of members as per their last return, the rate per member being determined by the amount expended by the district for funeral claims during the previous term. From this it will be evident that the value of the funeral benefit does not depend on the ages of the members of each lodge, but on the average amount of liability on account of each member in the district. To obtain this value, the value of all the members' funeral benefits has been ascertained according to their several ages, and the total so obtained has been apportioned rateably among the lodges. From the table of present values of funeral benefits for the district, in respect of members, it will be seen that the total value is £11,570·7694, and this divided by 1,620, the number of members, gives £7·14245, or £7 2s. 10¼d. as the average liability per member. Therefore, multiplying £7·14245 by 298, the number of members in the Hand and Heart Lodge, gives £2,128·4501=£2,128 9s., the value of all the members' funeral benefits in that lodge; and so on for the other lodges.

The value of all the wives' funeral benefits depends on—(1) The number of wives; (2) the proportion of the age of the wife to that of the husband; and (3) the probability of her dying before the husband. The number of wives given in the returns is 962, and we have assumed that the wife is of the same age as her husband, no other course being open to us, seeing that in several instances lodge secretaries were unable to furnish complete returns of the ages of the wives. The total value of the wives' funeral benefits has been obtained in the same manner as was used for the members. From the table already referred to it will be seen that the total value is £2,343·7584, and this divided by 962 gives £2·43634=£2 8s. 8¾d. as the average liability for each member's wife. Therefore, multiplying £2·43634 by 186, the number of wives in the Hand and Heart Lodge, gives £453·1592=£453 3s. 2¼d. the value of all the wives' funeral benefits in that lodge; and so on for the other lodges.

Before showing the net liability, in expectation, of each lodge for the benefits assured by it, it is necessary to explain how the amount of District Funeral Fund has been dealt with. This fund being raised by levies of an equal amount per member, the value of each member's share has been obtained by dividing the total fund by the number of members. Therefore, dividing £166·171 by 1,620 gives £0·102575=2s. 0¾d. per member, and multiplying £0·102575 by 298, the number of members in the Hand and Heart Lodge, gives £30·5673=£30 11s. 4d. as the proportion due to it, and so on with the other lodges; and the proportions so obtained have been added to Sick and Funeral Funds of the lodges.

Having made these explanations, we would now direct your attention to the table containing the Summary of Results of Valuation of the lodges. See Table A.

The results therein given may be summarized as follows:—

Deducting the present value of the future contributions from the present value of the Sick and Funeral Benefits the net liability is obtained, and is found to be £34,246 4s. 4d. To meet this, there is—(1) The Sick and Funeral Funds of the lodges, £22,943 17s. 4d.; and (2) the District Funeral Fund, £166 3s. 5d., or a total of £23,110 0s. 9d., and this sum being subtracted from the net liability leaves £11,136 3s. 7d. of a deficiency

By Table B, it will be seen that 19 of the lodges have amounts to the credit of Management Fund to the extent of £3,351 2s. 2d., and 2 have other funds amounting to £806 7s.—together amounting to £4,157 9s. 2d. At the date of valuation the District Management Fund amounted to £200, and the Relief Fund to £189 8s. 11d., the total of these several amounts being £4,546 18s. 1d. Were this sum placed to the credit of the Sick and Funeral Funds it would reduce the deficiency to £6,589 5s. 6d., or, in other words, it would raise the proportion of assets from 13s. 6d. per pound of liability to 16s. 2d.

In addition to the sums we have mentioned there is a sum of £719 15s. 5d. owing by the Management Fund of 9 lodges to the Sick and Funeral Fund, but this amount has not been taken into account by us in the valuation.

The deficiency brought out by this valuation is, without doubt, mainly attributable to the inadequacy of the rates of contribution, aggravated in many cases by the low rates of interest realized, although it may be found, on a more careful examination of the experience of the lodges than we have yet been able to give to them, that in a few cases the deficiency has been increased by a sickness experience somewhat above the average.

An examination of that portion of Table B, relating to rates of interest realized by the lodges conclusively proves, either that the management has been careless in the extreme, or that the principle in vogue to the end of 1878 of allowing lodges to appropriate (if they so choose) all interest over 4 per cent. on the funds invested, has been grossly abused. The higher rates realized in 1879 afford presumptive evidence in confirmation of this supposition.

It will be seen from the interest table that, in the matter of the profitable investment of the funds, the Blue Spur Lodge, with an average rate of £7 11s. for the quinquennium, heads the list, and is followed by the Hand and Heart with an average of £6 11s. 10d.

A number of other important and interesting matters might have been dwelt upon had time permitted, but sufficient has been said to demonstrate that, if this district is to attain a position of solvency, the utmost prudence and care must be exercised in the management of the lodges, and every endeavour made to obtain the highest rates of interest for investments, consistent with safety If measures in this direction be persistently maintained, the position of the district will, without doubt, be greatly improved; and in view of the fact that considerable alterations were lately made in the scale of contributions in the direction of improvement, though we are of opinion they are still inadequate for the benefits promised, we think that, speaking generally, the necessity of recommending an