

Mode of Investment.	Amount.	Rate per cent.
	£	
On deposit with the Post Office Savings-bank	8,270	4·5
On deposit with other banks	12,385	4·0*
On mortgage of freehold property	49,883	4·9
In Government and municipal debentures	194,782	7·5
Other investments	10,119	6·4
	8,734	7·8
	£284,173	6·7

* Interest on sums exceeding £200 in the P.O.S.B. is at the rate of 4 per cent.

14. The average sickness per member at risk has been calculated for the year 1889 in respect of lodges established twenty years and upwards. The number of members at risk was 11,091, and the average sickness per member 1·57 weeks. It is instructive to compare this average with the averages in the Manchester Unity in England for the quinquennium 1866–70, as shown in the following table taken from Mr. Ratcliffe's report, in which the lodges are grouped in districts classified according to density of population :—

Districts	Rural.	Town.	City.
Average sickness per member	1·36	1·49	1·57

15. The sickness during the year 1889 in two lodges of the Otago District, M.U., affords an illustration of the extreme variation which frequently occurs among small numbers. The average sickness per member in the Naseby Lodge was 0·038 weeks, while that in the Waitahuna Lodge reached the unprecedented height of 6·184 weeks, the ratio between the two being as 1 to 163.

16. The percentage of members sick and the average sickness per member at risk in lodges containing one hundred members and upwards at the beginning of the year, is given in graphic form in Appendix II.

17. Averages and percentages deduced from the tabulated returns for the years 1880–89 are given in Appendix I.

18. The incompleteness of the returns at the date when this report was sent to the printers rendered it impossible to publish a table of statistics for the year 1890.

VALUATIONS.

19. An examination of the valuation reports for the year conclusively shows how unsatisfactory must be any attempt to generalize the results. The widest divergence between average values in the lodges which are thus accidentally brought into juxtaposition appears in a surplus of £20·7 per member as contrasted with a deficiency of £22·3. Even within the smaller field of vision, which embraces one society only at a time, the branches exhibit marked contrasts in respect of their financial position.

20. Every valuation which discloses a surplus may be regarded as furnishing an answer to those who would make the adoption of certified rates of contribution a condition of registration. As the fact becomes more and more widely appreciated that both honour and substantial reward follow the introduction of a sound system and careful management, and that those who neglect these essentials must bear the blame as well as the loss of failure, it may be hoped that societies generally will recognise the responsibility entailed by freedom of action, and adopt measures for the perfecting of their thrift. With the exercise of a little more patience, if public sentiment continues to grow in the direction which it has taken of late years, it will come to pass that a society in an insecure position will be looked upon as a reproach alike to its members and to the order to which it is affiliated. Neither must it be forgotten that the due adjustment of a scale of contributions to the value of the benefits assured is not the only condition requisite for continuous success. Those, therefore, who would enforce a compulsory rate at the start should consider whether they are prepared to apply the principle throughout. An actuarial certificate, if required as a condition of legal recognition, would consistently be followed by periodical certificates of solvency. Every society insuring against either sickness or death should be required, in the public interest, periodically to publish, or furnish for publication, a true statement of its operations and position; and if such publication does not act as a sufficient warning to members and others, it is difficult to understand what better means of protection can be afforded, unless, indeed, a society financially unsound were declared an illegal society, which extreme action few probably would be found to advocate.

21. The valuations have been based on the same assumptions as in former years. It is not maintained that a standard once selected may not be varied, but at present no adequate reason appears for a new departure, except in the single instance of societies whose members are pledged to abstinence from intoxicants. In regard to these, the valuers will be instructed to base their calculations on the experience of the Independent Order of Rechabites in England, recently compiled by Mr. Neison. Neither have the results obtained been modified on any account. For if, in a valuation of the prospective assets and liabilities of a friendly society, an adjustment of values deduced from a selected table be made in roughly approximate accordance with the experience of the society for the period under review, comparison between the respective results of two successive valuations