

648. Have you any agent at New Plymouth?—No.
 649. Have you any agent at Oamaru?—Yes.
 650. What does he get?—£175 a year: he is a young man.
 651. Is not that in Mr. Driver's district?—Yes; it is a resident agency and part of the Dunedin District.
 652. Have you any agent at Invercargill?—Yes; that is where Mr. Naylor, formerly of Auckland, has gone. He gets £300 a year.
 653. Does he devote all his time to the business of the association?—Yes.
 654. Has he any clerks assisting him?—Yes; there is a cadet who gets £70 a year.
 655. Does he report on securities in that district?—Yes, when necessary: they are sent to Mr. Driver principally.
 656. Do you communicate directly with the Invercargill office?—Yes. We must do that, or there would be delay.
 657. Does Mr. Driver supervise the business done in Invercargill and Oamaru?—It is referred to the head office direct; but he has records of the business done—they are transmitted to him.
 658. Does he pronounce any judgment on the business done in those places?—No; unless it is specially referred to him.
 659. *The Chairman.*] Do you require reports from any other valuers than the agents?—Yes; we have special valuers in all the districts.
 660. Have you valuers in the Otago and Southland Districts?—Yes.
 661. So that you would require valuers' reports besides your agents' reports, from Dunedin as well as elsewhere?—Yes; it is a *sine qua non*.
 662. Has the man in Christchurch, who has been a long time in office, given you satisfaction?—Yes; he is an efficient officer.

THURSDAY, 1ST JULY, 1886. (Mr. MONTGOMERY, Chairman.)

Mr. D. M. LUCKIE in attendance and further examined.

663. *Mr. Stewart.*] Can you state generally what progress has been made in the business?—For the first eight years there were issued 10,825 policies, for a total sum of £3,847,000 in round numbers. Up to June, 1878, the business done was 10,800 policies.

664. When did your connection with the department begin?—In the beginning of 1879. Since that time we have done 24,000 policies, insuring £5,885,000. In June, 1878, the total funds of the institution amounted to £292,520, and the annual revenue was £111,000.

665. That is from investments?—Yes—interest on investments and other sources of income.

665A. What is the amount of your accumulated funds?—At the present moment we have upwards of £1,200,000 of accumulated funds, and the income is about £250,000.

666. What percentage does the revenue yield to the capital money invested?—A little over 5 per cent.

667. What do your investments yield per annum?—About 5½ per cent. gross. Of Government securities we have £559,100, yielding an average interest of £4 14s. 10d. per cent. In debentures of local corporate bodies we have £170,572, yielding an average interest of £6 1s. 9d. In mortgages of real property, which have been invested during the Board's existence, we have £135,530, yielding £6 4s. 6d. per cent. per annum.

668. What property-tax do you pay?—About £3,700.

669. Upon what basis is the property-tax computed?—It is seven-eighths of a penny per pound on the amount of the accumulated funds.

670. You are not charged on premiums?—Yes, we are. The net income from current premiums and interest, &c., forms part and parcel of the accumulated funds from year to year, and we are assessed accordingly.

671. In what respect do you consider the property-tax operates unfairly in respect of your association?—Because it makes policy-holders pay on the surrender-value of their policies, although in a great majority of cases they themselves would be exempt from taxation because of the exemption of £500.

672. That is to say, the association pays property-tax on the surrender-value of the policy-holders' policies.—Quite so.

673. Does the association in this respect differ from any other insurance company?—No, I believe not.

674. *Mr. Levestam.*] Have you got any rule by which the rate of interest is fixed in accordance with the amount of money borrowed?—We have no fixed scale.

675. I see in the table you furnished there is one amount of £5,600 which pays 6½, and a smaller amount of £2,500 which pays 6 per cent. Can you state the reason of this?—It may have been because the Board assumed there was a fuller margin upon the smaller property, and at certain times the interest varies. We are charging more now than we did six months ago.

676. One of the reasons is because the property is better security?—Yes.

677. For some of the securities, which are of a first-class character?—They are all first-class; but there are some of larger margin.

678. It is a generally-accepted dogma, I may say, that the more risky the security is the higher the rates of interest are: seeing that on the smaller property you charge a higher interest than for the other, the security cannot be so good?—All the securities are good, for they have been carefully examined. That £5,600 was one of the first loans made under the Board.

679. *Mr. G. F. Richardson.*] Have you not a fixed rule that the advance you make shall not exceed 50 per cent. on the property?—Yes—50 per cent. on the value of the property: that is the law.