somewhat doubtful about that: I do not know whether it would really have very much effect, because the great majority of the policy-holders think more of the guarantee.

898. You are of opinion that the guarantee gives a large stimulus to the business?—Yes; it is a good argument in the hands of those carrying on the business. Of course it would be of little avail without the canvassers.

899. What is your opinion as to the necessity of continuing canvassing?—If we did not canvass we should very soon become a "burnt-out cinder."

900. Is there anything objectionable, in your opinion, in the present mode of canvassing?—I do not think so. I think if the office is to be kept up—if it is to get the necessary influx of new lives to keep down the mortality—there must be canvassing.

901. Is care taken, in the instructions given to the canvassers, not to depreciate other institutions?—I think so. I think the Inspector exercises a reasonable care.

902. Speaking of the class of canvassers generally, can you say that they are efficient, and such as the association's business requires?—I think so. Every care is taken to inquire about them. We get a bond from them of £100 or £150. A man must be entitled to some respectability, or else he could not get the bond.

903. You do not think it would be sufficient to abolish the canvassers, and deal only with the insurance business through the post-offices?—No; the new business would be reduced to a minimum.

904. Is the retention of the services of the canvassers at all dependent upon their success in promoting business?—Yes. If they do not obtain a reasonable amount of business the Inspector gets them removed by the Board.

905. How are your medical referees selected?—Their applications are referred to the Chief Medical Officer in Wellington. If he is satisfied with their qualifications, they are selected for recommendation to the Board by the General Manager.

906. Who are they recommended by?—Dr. Johnston.

907. Who recommends them to Dr. Johnston?—The recommendations usually come from the district and resident agents.

908. And, as a rule, do the recommendations made by the medical referees prove satisfactory?—Yes, I think so, in the majority of cases. Of course some of the medical referees are indifferent. I think, however, the majority of them are as good men as we could get. The association is much more careful in that respect than the private offices.

909. What is the present mode of dealing with investments?—The applications are put before the Finance Committee at the Monday evening meetings each week. The applications for loans on mortgage are made on printed forms, in which the applicant has to answer a series of questions, and furnish particulars of the property on which the money is sought to be obtained. In addition, we usually have a report from our nearest district or resident agent, containing general remarks. The papers are then placed before the Finance Committee, accompanied by a schedule of particulars, a copy of which is placed before each member, giving details somewhat similar to those in the application-forms. The chairman of the committee has a paper placed before him showing the business to be dealt with, and the Manager explains the nature of each case as it comes on.

910. Then, who initiates these applications in the first place?—They come from various sources. People may apply direct, or through the district or resident agents.

911. Is there any examination by the solicitor to the association before these cases come before the Board?—No, not until afterwards. If the Board decide to entertain the application, a valuator is appointed, usually on the recommendation of the Finance Committee. His valuation, when received, is placed before the Finance Committee, which makes a recommendation to the Board either to grant the application, or refuse it, or to grant it for a smaller amount.

912. Then the Board entertains the application before the valuation takes place?—Yes.

913. What have they to guide them—the statement of the applicant, or what?—We find out the property-tax value of the property; and, generally, we hear from the agent his opinion of the value; besides which the application-form contains the full particulars.

914. Then, what rule is adopted with regard to the interest—is there any rule?—No fixed rule. The members of the committee are generally controlled by what they think is the market rate.

915. Supposing the market rate of interest is 6 or 7 per cent., is that the rate on which the business is done?—Yes: the committee is guided by the market rate. We have never been below 6 per cent. on loans on mortgage.

916. Are there not in the list of investments submitted to the committee investments on mortgage bearing rates of interest varying from $5\frac{1}{2}$ up to 7 per cent?—There are no loans on mortgage at $5\frac{1}{2}$ per cent.

917. You start on the basis that a margin of 50 per cent. is required?—Yes; we are limited to that by the Act.

918. Then, with reference to the table of investments, can you state how it is that the rate of interest varies from 6 to $7\frac{1}{2}$ per cent.?—The Finance Committee practically settle these rates, and is influenced by the rates ruling in the different places.

919. You know of nothing else?—No.

920. Has the amount any bearing on the rate of interest charged?—In some cases it would have. If the amount was small a larger interest would be expected.

921. How are your valuers selected?—The first valuers were recommended by the Bank of New Zealand. Others have been nominated by members of the committee from time to time, and placed in the book containing the names of the valuers.

922. Who selects the valuers in all cases?—The committee recommends the applications to be entertained by the Board, subject to valuation by the particular valuer it thinks should be selected.