1004. What is your opinion as to the effect of some recent appointments on the business of the Board?—I presume you refer to Mr. Driver's appointment. I think his appointment has been attended with great advantage to the business—not the special appointment of Mr. Driver, but the appointment of some really competent man, with a knowledge of the people and the property of Otago, to manage the Otago and Southland Districts.

1005. *Mr. Levestam.*] Have you any reason to suppose that the increase of business in 1885 was due to a cause beyond the natural increase of population?—No. 1883 was a year of exceptional business, which nobody proposes to pursue again; and 1884 and 1885 are too recent to enable me to form any idea of the average business.

1006. Would the Trust Board do as well as the Board of Advice as to investments?—Yes.

1007. Do you think that they have any special qualifications by previous training or otherwise?—I do not know that any special training is necessary.

1008. If no special training is required, would not any other body of men do equally as well? —The Public Trustee has special experience as to mortgages; and the Secretary to the Treasury as to banking business.

1009. Supposing you had an expert as Manager, as suggested, would he not be supposed to have special knowledge of the banking business required?—No; I do not think so at all.

1010. What has been the rule as to lending money on mortgage: Did the amount borrowed bear any relation to the rate of interest?—Yes; but we never fixed a definite relation. The larger the sum, the less the interest.

1011. If it is found that two amounts have been lent on mortgage varying very much in magnitude, and paying the same amount of interest, am I justified in drawing the conclusion that the security on the larger amount is not first-class?—Certainly not.

1012. Then, what conclusion am I to draw?—We are required to have a margin of 50 per cent., which we insist upon in every case; but there are people to whom it is better to lend than to others. The name carries some weight, and it carries weight in the market. There are gentlemen in New Zealand who can get money at 6 per cent., where any other man, upon the same property and security, could not get the amount at less than 6½ or 7 per cent., for this reason: that there are a larger number of people who will lend to such men. The personal character of an applicant always has great weight with money-lending institutions, in addition to the security offered.

1013. Then, the individual is of greater importance than the value of the security?—No.

1014. I suppose you would hardly lend a man large sums of £20,000 or £30,000 unless he was a person in whom you had confidence?—The exceptional men are very few.

1015. What do you mean by "exceptional:" those to whom you would not lend?—Those to whom you are anxious to lend are very few.

1016. It appears from the list of mortgages furnished by the Manager that a certain property was mortgaged to the association?—I was not present when that was done and had no knowledge of it.

1017. *Mr. Stewart.*] Assuming that canvassers were employed throughout the colony, could the ordinary branch business be carried on through the Post Office Department receiving applications and premiums?—No; I do not think so. It is very important that you hold a policy effected and not allow it to lapse.

1018. You mean that it is part of the business of the agents to try and persuade persons from surrendering?—Yes.

1019. *Mr. Montgomery.*] You stated that there would be an outer public office and a private office for the clerks required in the buildings in the principal towns?—Yes; that would be required.

1020. How many clerks are in the office in Christchurch?—I do not know.

1021. Have you seen the plan (produced) of the new buildings in Christchurch?—Yes.

1022. Are you aware that the piece of ground is 22ft. or 23ft. wide?—Yes.

1023. And that the building is proposed to be four or five storeys in height?—The plan shows four storeys.

1024. If there were three clerks and a manager employed in Christchurch do you not think that building would be sufficient and good?—Yes; I have already explained what we proposed in reference to the Christchurch building.

1025. Looking at the proposed new building and the accommodation it affords, do you think it necessary to have two other rooms in Maling's building besides?—It was rather a question of the ground-floor—of having enough rooms on the ground-floor.

1026. You have stated that it would be to the advantage of the Insurance Association that there should be a first-class statutory officer to have the management?—Yes.

1027. Do you think that officer should be as independent of political influence as the Auditor-General or the Judges?—Yes, I think so. I had not considered the matter before being asked questions by the Chairman, but, from the short time I had for its consideration, my answer expresses the opinion I entertain.

1028. If there were associated with that statutory officer the Public Trustee and Solicitor-General, the whole to form a Board to decide upon loans or investments, do you think that would be sufficient to conduct the business safely and well?—I do not think that is a large enough Board of Advice. It is throwing too much responsibility upon them, and I think the effect would be to make them too cautious. I think a larger Board of the same class of public officers would be quite sufficient.

1029. Do you think that that Board should or should not be free from the control of political officers?—I do not know; I have not considered the question. So far as I have had time to consider the matter, I do not think there is any disadvantage in political control.