

other places—one for the Government Insurance, and the other for the Public Trust Department. The Postmaster of the place acts for the Insurance. Then this comes in: that if you apply to the Trust Office, and are refused there, mainly through the action of the agent, then if you apply to the Insurance they always refuse if the Public Trust Office refuses.

3734. Do you know the reason of that?—Because they are practically the same Boards. I think that the placing of trust funds in the hands of a few men, as now, is detrimental to the public service.

3735. Of course it is open to considerable argument whether a Board of Civil servants is the proper Board to determine loans?—I do not think it is. However, that is my opinion. I can say positively that as far as Gisborne is concerned there is very great dissatisfaction. People who want money will go and pay 1 or 2 per cent. more to private lenders rather than apply to the Public Trust Office, believing, before they apply, that their applications would be refused on account of political matters. That is a feeling which people ought not to have, but it is well founded. When the agent was defeated for the Harbour Board by public vote the late Government put him upon the Harbour Board as their nominee.

3736. That is a very unusual procedure, to put a defeated candidate on the Board, unless there was some special object in it?—There was none in this case, except that he was a political supporter of the Government.

3737. Then, the late Government did reward their supporters?—They made Captain Chrisp a Justice of the Peace just before they went out—a man utterly unfit for that position. I may safely state that it has been a very sore point with the people up in Gisborne that they could not avail themselves of the Trust Office.

3738. One result of our investigation has been this: that the securities at Gisborne have been extremely unsatisfactory?—Those who borrowed were nearly all political adherents of the late Government party you will find. Those were the people who succeeded in obtaining money on loan through the Public Trust Office. They are, as a rule—nearly always—political supporters of the late Government, so far as the district of Poverty Bay is concerned.

3739. Do you mean to infer from that that they received larger advances than would otherwise have been the case?—Yes, I do.

3740. And that it is not a matter of surprise that the security is not “panning out” as it should do?—Not the slightest, to any one in Gisborne.

3741. *The Chairman.*] You stated that the transaction of £20,000 negotiated by the Gisborne agent had not been advanced?—I do not know that the money has been paid yet, but the loan has been agreed on.

3742. Then the negotiation for the £20,000 was either completed or in course of settlement?—It is in course of settlement now.

3743. And you stated that, in order to get that advance, the borrower had been black-mailed by the agent to the extent of £100, or a hundred guineas?—Yes. The same borrower had been refused by the agent previously when he declined to pay the fee.

3744. Then, in fact, until he agreed to pay one hundred guineas?—Partially that. First of all, the agent would not make the application.

3745. What was the name of the proposer of the loan?—Captain William Harry Tucker, late Mayor of Gisborne. The securities were ample.

3746. Are you sure the Public Trustee has agreed to lend the money?—Mr. Tucker tells me so; and I have got an order to give the securities.

3747. How long ago is it since the application for the loan of £20,000 was made?—Very recently; within six months—within twelve months, at any rate. Another thing I should like to mention. There are bitter complaints from New Plymouth all the way down to Wanganui about the refusal of the Public Trustee to sign any leases for the last two years—any leases at all. He will sign nothing. I believe the reason is that he has been told legislation is impending. They allege that numbers of people selected lands which have been surveyed for the purpose of settlement, and the Public Trustee flatly refuses to sign any more leases at all, although no title can be given without his signature. It is a great detriment to the settlement of those lands. Thousands of acres would be taken up by people waiting to take them up, but they cannot get a title; and the Natives complain very much of the Public Trustee having the management—a man they never see, and know nothing about. They think the man ought to be on the ground.

3748. I find an application here from Thomas Chrisp, inquiring whether the Board would be likely to grant £20,000 at 5½ per cent., and there is a reply from the Public Trustee requesting details, which details apparently were supplied. The statement appears, that the property is at present mortgaged for £20,000 to the executors of the late Robert Rhodes?—It is not £20,000, it is £18,000. The mortgage altogether is between £18,000 and £19,000. There may be some arrears of interest. So far as I know, the security is good. It is a perfectly proper transaction. Mr. Tucker is always able to pay interest and principal. What I complain of is, that the agent would not have recommended it unless he got a big fee.

3749. Did the procuracy-fee also include the fee for valuation?—No.

3750. There is nothing on the papers to show that Chrisp refused to send the application. It seems to have been simply declined, with thanks?—He had ample security to offer, and there is not the slightest reason why he should not get the money. Mr. Tucker is a man of high reputation and of considerable property, and of absolutely good credit.

3751. *The Chairman.*] Then, was the £20,000 refused?—No, because Mr. Tucker at last consented to pay the procuracy-fee. The £100 has either been paid or is under promise to be paid.

3752. Mr. Rees, you spoke of the legal profession in Gisborne having felt much aggrieved at the agent's mode of doing business?—Yes.

3753. Now, tell me this: is the legal profession comprised of a large number of men at Gisborne?—There are ten or twelve of the legal profession in Gisborne.