I answered, "Probably by obtaining the Government valuation, and other inquiries." I also pointed out that it was no interest to you to decline an application; on the contrary, you were most anxious to get money out, but our funds being trust moneys the security must be absolutely safe; that you, as head of the department, were responsible for the safe investment of the funds, and were not even bound to accept even a valuator's opinion against your own judgment.

I only regret I did not advise you of this interview, but never dreamed that a personal attack would be made on you. The security offered would not stand the advance required, and even if he spent the £1,000 on improvements, the property would not show the required three-fifths margin. I enclose paper-clipping from to-day's paper.

Yours, &c.,

The Public Trustee, Wellington. J. J. M. HAMILTON, District Agent.

No. 11.

SIR,— Public Trust Office, Christchurch District Agency, 24th March, 1898.

J. C. Wason's Application.—The Public Trustee informs me that he has considered this application and decided to decline it. Yours, &c.,

J. J. M. HAMILTON, District Agent.

Messrs. Wilding and Lewis, Solicitors, Christchurch.

INTERVIEW between the PUBLIC TRUSTEE and Mr. J. J. M. HAMILTON, the District Agent of the Public Trustee at Christchurch, *re* Mr. J. C. WASON's application for loan.

Public Trustee.] You have just arrived, Mr. Hamilton?—Yes.

By the "Rotomahana"?—By the "Rotomahana."

And previously you wrote to me a letter, which I this morning received?—Yes.

From the newspaper clipping which you sent, you are aware that Mr. Wason has made certain charges against me in the House?—Yes.

Have you brought your office file with you?—Yes.

Have you in your possession any documents relating to Mr. Wason's application beyond what appear on that file?—No.

Did you write any letter of which a copy is not on that file?—No. I have got the press letter book up too.

With the exception of your letter to me forwarding Mr. Wason's application for a loan, and my reply, dated the 21st March, did you receive from me any communication whatever relating to Mr. Wason's matter?—No.

Or did you communicate in any way with me, except by the first letter which forwarded the application?—No.

Will you state in chronological order exactly what to the best of your memory transpired, and with whom, from first to last, in connection with Mr. Wason's application?—Well, the first was Mr. Lewis, of Wilding and Lewis, called on me to know if we had plenty of money. I said, "Yes, any amount." A day or two after he came and asked me if we would advance £7,000. I said, Yes; £70,000, if he wanted it. Then he came back again on a future day (I do not know how many days between, I thought the thing had gone off altogether), and said he would want about £5,000 for Mr. Wason on some property he had just purchased very cheaply, and he asked me who the valuer would be. I told him that Mr. David McMillan usually acted for us, but the custom of the office was not to put the applicant to the expense of the valuation till the Public Trustee thought there was a probability of the loan going through. I gave him my reason for this. I said, "The reason for this is that we have been blamed in the past for taking a valuator's fee and then refusing the loan." So that it was arranged that he should bring me the application and I would send it up to the Public Trustee. On hearing from him I would instruct the valuer, if the loan were one likely to pass the Board; to which he was quite agreeable as there was no hurry. I received a letter from Wilding and Lewis dated 11th March, enclosing the application. This letter is as follows: "DEAR SIR,—We enclose the application by Mr. Wason for a loan which we spoke to you about the other day. As soon as you have arranged for Mr. McMillan to value the land, he had better write and make an appointment with Mr. Wason, who will show him over the land.—Yours truly, WILDING AND LEWIS." On the 12th March I sent up the application. On the 23rd I received a reply from the Public Trustee, dated 21st March. On the 24th I wrote to Messrs. Wilding and Lewis as follows: "The Public Trustee informs me that he has considered this application and decided to decline it." A day or to after Mr. Wason and Mr. Lewis called on me to know why the application had been refused. I said all I knew was that the security was not sufficient, or not a suitable one, for the amount applied for. I pointed out to him, then, even with the £1,000 that he was going to spend, there would not be the three-fifths margin required under the Act. He said that he had got the property dirt cheap, and that it was worth a good deal more. He did not know how the Public Trustee could know the value of the property without obtaining a valuation first. I told him that he must know that we, being a Government department, had means of obtaining information which outsiders could not obtain. He said, "How?" I answered that we could obtain information from the Government Valuation Department and others, the heads of which were members of our Board. He was very wroth, and said it was disgraceful. I pointed out to him that the Public Trustee was quite as anxious to get the money out as probably he was to receive it, but our funds being trust funds we had to be absolutely safe. I futher told him that the Public Trustee was not even bound to take a valuator's opinion against