

573. Did Mr. Driver accept the conditions laid down in your letter? If not, what alterations did he wish made in those conditions? Tell us what he objected to?—In the first place, he wished twelve months' notice instead of one. He expected that the salary and commission would in no way be less than £1,000 a year. I think these are really all the principal objections he made; the others were of minor importance.

574. Then, what took place—what reply, if any, was made?—There was a reply to the effect that the Board adhered to the original terms. That was stated in my letter to him.

575. He then entered upon the office, and has since performed the duties?—Yes.

576. What was Mr. Clapcott getting for performing the same duties?—£410 a year, and the 2s. 6d. per cent. on net increase; also travelling-allowance while lecturing.

577. *Mr. Mackenzie.*] Was he performing the same duties?—He was district agent and lecturer.

578. Was he performing the same duties as Mr. Driver is now performing?—Yes, practically he was.

579. Was there one important branch of the business which Mr. Driver now performs which Mr. Clapcott had not to perform?—Yes; that was with reference to applications for loans.

580. *The Chairman.*] Was Mr. Clapcott lecturing also?—Yes.

581. Does Mr. Driver lecture?—No.

582. So he was doing the lecturing part of the business in excess of the ordinary duties?—Yes; but they were found to be incompatible sometimes.

583. *Mr. Stewart.*] Has any alteration been made in the terms of Mr. Driver's appointment?—No.

584. Is he entitled to any increase of salary from year to year beyond the £1,000?—No.

585. And he holds his term of office subject to a month's notice?—Yes.

586. Have any investments been made in Otago since January last?—No, I do not think there have been any investments made.

587. Have there been any applications?—There have been a number of applications made, on which Mr. Driver reported, and gave his advice.

588. I suppose you found Mr. Driver's opinion of considerable service in respect to valuations?—Yes, it has been very useful in several cases.

589. What effect has his appointment had on the general business of your association in Otago and Southland—has it increased it materially?—There has been a slight increase during the last quarter as compared with the corresponding quarter of the previous year.

590. Does Mr. Driver supply the clerks?—No; we supply the clerks.

591. Does he supply the offices?—No; we rent those offices that are now occupied.

592. So that, besides rents of the offices, all the agency expenses are borne by Mr. Driver?—No; they are borne by the office.

593. How many clerks are employed under Mr. Driver?—Three. The names of the clerks are Mr. Niven, Mr. Burnes, and Mr. D. R. Niven.

594. Has there been any increase in the office expenditure since Mr. Driver's appointment?—Yes—nearly £700.

595. Has there been any increase in the clerical assistance—any additional salaries for clerks or other expenditure?—Yes; the addition is about £240, besides Mr. Driver's salary.

596. Is Mr. Clapcott still retained as lecturer?—He is lecturer for the whole colony, but, being unwell, he has got leave of absence.

597. It has been suggested that the Canterbury District has been starved, and that the Otago District was, so to speak, nursed fat: is that the case?—No, that is not the case. One travelling-agent wanted to go down to Otago and he did go down.

598. Who has the direction as to where the lecturer has to go?—The Head Office.

599. *Mr. Mackenzie.*] As I understand it, delivering lectures for the benefit of the association and the office-work in which Mr. Driver is now engaged, are two distinct and separate lines?—Yes, properly so.

600. Did you ever find much new business follow the delivery of lectures?—Yes, a great deal, after Mr. Clapcott's lectures.

601. While by public lecturing you may get some new policies, does it tend to prevent lapses?—It tends to do so very largely.

602. Are those lectures well attended?—Yes. Mr. Clapcott is very well adapted for that work. He has been very successful, and wherever he goes he is very popular.

603. Can you give any reason why other companies have not followed out the lecturing business?—I do not know.

604. Has Mr. Driver, since he has been in office, been instrumental in preventing investments—stopped the association from making investments which otherwise they would have been inclined to enter upon?—He has advised regarding more than two or three investments.

605. Has his advice been followed?—Yes; but I must say I was of the same opinion before his advice was given, in one important case. I do not think the application would have gone through even if he had not advised against it. Still, his advice has been valuable in various cases.

606. Did Mr. Clapcott ever advise about investments?—No.

607. He had nothing to do with it?—No. Very little came to the office through him. It generally came direct to ourselves. There did not come many applications from Otago.

608. *Mr. Stewart.*] What I gather from you is this: that Mr. Driver advised against investments which were bad, or which were unsatisfactory?—Yes.

609. *Mr. Mackenzie.*] I presume you admit that local advice coming from capable business men would be of great service to you here in Wellington?—Certainly.

610. Do you consider Mr. Driver a capable man?—I do.