

large questions of policy. Previous to my interview with Mr. Ballance, Mr. Tole, who was acting as Chairman of the Board while Sir Julius Vogel was in Auckland, intimated to me that Sir Julius thought we should vote with the Colonial Treasurer as if in a Ministry; but the immediate cause of my resignation was the fact that the Board had carried, by a large majority, a resolution asking the Government to take back the conduct of the association. No one was likely to oppose Mr. Graham, and I considered it my duty as a policy-holder to place myself in nomination, so that I might bring the matter fully before the policy-holders in the colony.

1208. Was it a general intimation that Sir Julius Vogel made to the nominated members that he expected them generally to vote with the Government on large questions of policy?—He stated that at the Board; but he said he had never interfered. Mr. Fisher took it down in shorthand at the time; I took a note of it myself.

1209. Then, you think, on the whole, that the business and management of the association have been improved by the Board?—I consider that it has been vastly improved; and, if the questions of buildings and Mr. Driver's appointment had not been introduced, my opinion is that it would have been one of the best Boards in the colony.

1210. Do you think the Board is able to work advantageously and with full knowledge as to investments on mortgage and that class of investments in the colony?—I do. I think the greatest care is taken by the Finance Committee, which is a Committee of the whole, and many mortgages, especially for large sums, have been refused. I think the desire of the majority of the members of the Board is to lend out money so as to spread it well over the colony in moderate amounts. Very large sums have been placed before us, but in nearly all cases they have been refused.

1211. Do you consider the advice you get from the district officers, coupled with that of the valuers, sufficient information to guide the Board in investments at a distance?—The Board in many cases gets information outside these sources respecting investments. I have been connected with institutions of a similar class, and I do not know another Board that, on the whole, is more particular.

1212. What do you think of the reliability and value of the information you get from those officers to whom I have referred—those officers who give you information on which you act in the different parts of the colony away from Wellington?—I believe, as far as I know, they are reliable men. We are careful in selecting them, and in some of those whom I know personally I have the utmost confidence.

1213. What is your opinion of the necessity or otherwise for continuing the canvassing system for lives?—I am of opinion that if the canvassing is discontinued the business will diminish very considerably. Without the canvassing in a legitimate way the whole association will become a failure, and the other larger offices will step in and take the business. This, I think, has been the experience of all offices that have tried to discontinue canvassing. I do not approve of the touting that was in vogue under Government management. The Board has been careful to select as canvassers the most reliable men that they can get, and have, since they took office, discontinued the services of a great number of the class to which I refer.

1214. Will you state to the Committee what is your opinion of the suitability of the four principal officers for the positions they occupy—that is to say, the General Manager, the Secretary, the Actuary, and the Travelling Inspector?—The three latter are unquestionably, to my mind, as efficient officers as the association could secure. In two of the cases other associations have tried to induce them to leave by offering them larger salaries; and, privately, some of the members of the Board have advised those gentlemen not to do so, but to remain in the service of the Government. My impression is that either of those three gentlemen could do better, as regards salary, if they desired to sever their connection with the association. I think it would be a great pity if they did so.

1215. Have any recent changes been made in the salaries of those officers?—Yes.

1216. Which of them?—In the three just mentioned. In March last the General Manager's salary was increased. Sir Julius Vogel was in the chair. It was then decided that on the 30th June the salaries of the other three gentlemen should be increased.

1217. Was it a material increase?—About £100 each, I think.

1218. You have referred to the question of the sites of buildings as having been one of the disturbing causes on the Board: what is your opinion as to the necessity of the sites that have been purchased for offices in which to conduct the business of the association?—I think the association wanted better offices. They were, undoubtedly, in a very disreputable state, both in Christchurch, Dunedin, Auckland, and Napier. They were anything but creditable to the association; there was not sufficient convenience to carry on the work. As to the advisability of going into such expensive purchases, that is a matter which is, in my opinion, doubtful.

1219. Two of those purchases—the Wellington and Dunedin properties—were made prior to the association being inaugurated?—Yes.

1220. In the case of the Christchurch purchase, it was commenced before the existence of the Board, and concluded with the assent of the Board?—Yes; a few days after it was called into existence the transaction was closed.

1221. Then, the only purchase that the Board dealt with itself was the Auckland purchase?—Yes.

1222. Had you anything special to do with that purchase as a member of the Board?—Yes.

1223. Did you go to Auckland as one of the Board to inspect the property?—Yes. Sir Julius Vogel was in Auckland at the time, and he telegraphed to Mr. Tole, saying that a site was offered belonging to Mr. Shera, and asked that Mr. Graham and myself should be sent up there with powers to purchase.

1224. What did you do?—I refused at the Board to take powers to purchase; but I recommended that we should go to Auckland, come back here, and report before any purchase was completed.

1225. Did you report in favour of completing the Shera purchase?—I voted against the pur-