

Act?—Yes, he had to report to Parliament; but, of course, though he was nominally Commissioner, the Colonial Treasurer really was supposed to control the business.

433. Mr. Gisborne was the first Commissioner?—Yes, he was the first Commissioner.

434. *The Chairman.*] Do you think what you have stated would be a desirable mode of management?—You would need to associate with the Commissioner some of the officials to look over the granting of policies. I may say that I have been, as already stated, for some years a director of a company, and we have a very good secretary, a man who was trained in Edinburgh at the Standard Office, and was also in the Government Department—who has had large experience in insurance; and even we find that very difficult questions come before the Board for decision—as to accepting policies, and other questions—to which we need to apply all our mind. Therefore I do not know that it would be safe to leave in the hands of one man the important position even of accepting policies without the aid of a Board. All the other questions, such as appointing officers, could be left to him. Seeing that it is to be managed as a *quasi* Government department, and as the Public Trust Office would have to manage investments, as I suggested, the only thing would be to associate with him two or three men who would be a Board of Advice, to whom might be referred the question of whether lives would be accepted or not. That is all that would be necessary.

435. And you think they could be found among the head officers of the Government?—I think so. I mean to say this: that in my opinion the Government Insurance now, by getting men like Mr. Gavin, Mr. Reid, and others to work long hours at night and paying them nothing, is most unfair, and that if they remain a Board of Advice they ought to get some allowance for the services they render.

436. You have spoken of the present Board as being, in your opinion, anything but satisfactory: do you think the political element has been the cause of the Board working so unsatisfactorily?—I should not like to say that the Board has done anything wrong, or not done its work faithfully, to the best of its ability and light, but the impression has gone abroad that it has been unsatisfactory, and that of itself is enough to condemn it. I feel certain, from the discussions that have taken place in regard to the management of the Government Insurance, that the association has been greatly injured, and I am afraid that on the Board political feeling has been manifested. I do not like to blame anybody, but that is my opinion.

437. You spoke of the Wellington building as being a good purchase?—Yes.

438. Are you aware that that building is only to a very small extent utilized for the purposes of the association?—I should imagine that fully one-third is utilized, and as the business increases it will need more room. The Government have no rooms. In fact, the Government have had to rent rooms even for the Public Trust Office. This question of Government buildings is pressing upon us in all directions. The want of extra Government buildings is much felt, and I have done what I could to keep down the expense out of loans on buildings.

439. You have heard of the proposal to build large new offices?—I have heard of it, and I have seen it in the papers. I may say that, although I am a policy-holder, I have not attended the meetings, or taken any interest in them, or even voted, because I am a director of another company.

440. Do you know that the intention was to take down the present building altogether, and erect upon the site buildings estimated to cost £37,000?—I believe so.

441. Are you aware that these buildings are only proposed to be used to a small extent for the purposes of the association, and that they will principally be to accommodate other departments of the Government?—Yes. We need accommodation; and, to save us putting up buildings and to lessen the interest on the sinking fund we should have to pay on the buildings, I believe the Government said they would be willing to rent certain buildings from the association. I have not gone into the question as to whether it would pay the association to do this or not. I never looked at it from that point of view, and, except I had before me the cost and the probable return, I should be unable to give an opinion whether it would be a wise thing to do or not. It all turns upon what interest the association is to get for its investment.

442. Would not such investment tend to operate against the returns which the shareholders are expecting to get from the association?—That depends on the interest they would get on their investment. One has to look at two things—first, the probable rise in the value of land in towns; and, second, the probable deterioration of the buildings. You have to look at both these things. If the matter was left to me, I should hesitate very much before I went into expensive buildings in every town for the Government Insurance. I do not say it would be a wrong thing to do, but I should be rather cautious.

443. Did you say that the Government in Dunedin was inconvenienced by the offices occupied by the Insurance?—Yes, we have been inconvenienced; because if we had the rooms the Government Insurance now possess, we should put in them offices we have to pay rent for now.

444. You know nothing of any of the purchases except the Wellington purchase and the Dunedin one?—I have heard of them, but I know nothing particular about them.

445. Did Mr. Luckie put himself in communication with you when he went to Dunedin?—I am not sure whether I was in Dunedin before Mr. Luckie or not. I was only asked one thing, because I explained to my colleagues the position I was in as a director of another company. I was simply asked my opinion as to whether the purchase was a good one. I have no doubt Mr. Luckie put himself in communication with me if he said so in his evidence. I advised that the purchase was a good one, and I still believe it was a good one. At one time there was, I believe, £42,000 asked for that block.

446. Did you hear of Mr. Pym being connected with this business when you were in Dunedin?—Yes. I understood he was acting for the Government for the purchase, and had been so acting before Mr. Luckie came to Dunedin.

447. Of what he did you have no knowledge?—No; only when Mr. Luckie asked my opinion