

that my name should be removed from the committee, as I did not wish to be held responsible in any degree whatever for the purchase. My name was removed accordingly, the name of the chairman, Mr. Tole, was substituted, and the purchase was effected. I also, at the same meeting, proposed that the purchase should not be effected until the policy-holders had had an opportunity of expressing their opinions upon the subject of the purchase, as the annual meeting was to be held in a period of about five weeks from that day. That motion was rejected on the casting-vote of Mr. Tole.

1069. What was the amount eventually paid for the property?—The amount eventually paid was £19,000. As I have said, firstly it was £22,000, then it became £20,500—this was Shera's second offer—and finally it became £19,000. If the association had held out, I am pretty confident the amount would have come down to £15,000. Mr. Moss, who made a valuation for the association, said, in a subsequent official communication to the Board, that he believed he could have bought the property for £17,500.

1070. Has any use been made of this building during the time it has been the property of the association?—None whatever. Mr. Shera remained there a few months after receiving the purchase-money. He then left. It has been unoccupied ever since, and I calculate that during the last year we have lost a thousand pounds in interest.

1071. In what way could those premises be made suitable for your business at Auckland? Are they capable of being made suitable without large expenditure?—The premises themselves are not capable of being made suitable to the purposes of the association. They are twenty-five years old, and the only way to utilize the site would be to pull the building down at once and build, and in that way as soon as possible get some return for the money spent upon the purchase.

1072. Can you give any opinion as to what this property would realize if it was put in the market?—Any opinion that I could give upon that point must be based upon these facts: that about a year or fifteen months previous to the date of our purchase I am informed that the land and building as they stand were sold, firstly, for £6,000; after the lapse of about three months sold again for £8,000; and my own opinion—which must be taken, of course, for what it is worth—is that the property is worth £12,000 at the very outside.

1073. Do you know what you are paying as rentals for office accommodation in Auckland?—I think it is about £75 a year. The reason why we do not go into Shera's building is, that it is in a dilapidated and wretched condition—so much so that we could not go into it.

1074. Were not two of the purchases of building-sites made prior to the establishment of the Board?—Yes—Wellington and Dunedin; and the third purchase—that of Christchurch—was virtually concluded prior to the establishment of the Board.

1075. How long was the Dunedin purchase completed before the association came into existence?—The purchase was completed in December; the Board came into existence in January; and, although the transaction itself was completed, it devolved upon the Board to issue the cheque for the purchase-money.

1076. The Board were not in any way responsible for the negotiations for that purchase?—The Board had nothing to do with it.

1077. You provided for the payment?—Yes.

1078. Has the Board been able to avail itself usefully of those buildings?—No. We are at present renting offices in High Street, above the Occidental Hotel. We are not occupying Government offices in Dunedin.

1079. What rent are you paying?—£75 a year.

1080. How far are the buildings purchased suitable, and when is it expected they will be available for the purposes of your association?—They are not at all suitable for the purposes of the association. The portion of the buildings occupied by Wise and Co. will not come into our hands for four years, that being the unexpired term of their lease. Another portion—occupied, I think, by a man named Glover—will not come into our possession for seven years, that being the unexpired term of his lease. The buildings as a whole are very dilapidated. The Otago Hotel is tumbling to pieces, and is really held up by a little stone building alongside of it; for the foundation of the hotel is sunk at least six inches on that side.

1081. Did the Board anticipate that before these premises could be utilized a further expenditure must take place in the way of renovation and alteration of buildings?—We have altered them as far as it is possible to alter them, to make them fit for occupation; but they will never be fit for the purposes of the association. The Board contemplated pulling down all the buildings, as in the case of the Auckland purchase, and putting up an entirely new building.

1082. Are you of opinion that, supposing that intention were carried out, the transaction would be a profitable one to the association—that the whole transaction would be a profitable one to the institution?—I do not say it would be profitable, but it is the only means I can see of getting back interest on our money. It is making the best of a bad bargain.

1083. The Wellington purchase was also made prior to the Board coming into existence?—Yes.

1084. Is that building suitable for the business purposes of the association?—With some necessary alterations, yes.

1085. Is not a very considerable portion of the building at present let to other offices of the Government?—Every portion available for letting is let; and I may say, in regard to the proposed new building, that every portion of that is by anticipation let. We could, if we decided to do so, let another storey, if built, in addition to the three which it is proposed to build.

1086. The proposal was to erect a building, a plan of which we have had before us, at an estimated cost of £35,000?—Yes.

1087. And that building, as you have said, provided first for the offices of the association and then very largely for suitable offices to let?—Yes.