

by the association; that costly buildings were intended to be constructed on the sites; that all the purchases must be regarded as having been made partly for speculative purposes, and that it was undesirable the funds of the association should have been so invested.

The Committee considers the erection of costly buildings, with the idea of thereby attracting business, quite unnecessary, and recommends that only such buildings be provided as are requisite for the proper and convenient conduct of the association's business.

The Committee considers it extremely advisable that any future purchases of land or buildings, and all salaries of officers, should be submitted for the approval of Parliament.

In respect to the general working of the association under the present Board, in the opinion of your Committee the evidence justifies the following conclusions:—

That the disagreements on the Board, and the publicity given to these disagreements, have acted injuriously to the interests of the association.

That the working expenses of the association have been considerably increased, and that no proportionate advantage has accrued.

That the interests of the policy-holders require that a portion of the funds should be invested in securities yielding a better return than can be obtained from Government securities.

That canvassing for lives is necessary to the success of the association.

Your Committee has agreed to the following resolutions, which it recommends to the consideration of the House:—

That the present Board should be abolished.

That the general management of the association's business should be intrusted to an officer of high character and attainments, possessing experience in the business of insurance.

That the Act of 1874 be re-enacted, subject to the recommendations of this Committee.

That not less than one-half of the funds of the association should be invested in Government securities and in debentures of public bodies in New Zealand secured by rates.

That the remainder of the funds should be invested in advances on policies and on mortgage of freehold properties in New Zealand; provided that no such mortgage shall exceed £10,000, and the money lent shall not exceed one-half the market-value of such property.

That all moneys lent on mortgage should be invested in the various provincial districts, as nearly as practicable, in the proportion in which the same have been derived from such districts, provided this can be done without loss to the association.

That applications for loans not exceeding £500, secured upon real property, should have priority over applications for larger sums.

That for dealing with investments a special Board should be appointed: such Board to consist of the Minister in charge of the department, the General Manager, the Surveyor-General, the Property-tax Commissioner, and the Public Trustee.

That no investment by mortgage or loan should be made without the unanimous vote of all the members of the Board present at the meeting at which such loan be considered, and that in all cases the assent of not less than three members shall be required.

That canvassing for lives should be continued, and that every encouragement should be given to the issue of small policies.

MINUTES OF PROCEEDINGS.

FRIDAY, 11TH JUNE, 1886.

The Committee met, pursuant to notice, at 12 o'clock noon.

Present: Mr. Ormond (Chairman), Colonel Fraser, Mr. Gore, Mr. Holmes, Mr. Levestam, Mr. M. J. S. Mackenzie, Mr. Montgomery, Mr. W. D. Stewart.

On the motion of Mr. Montgomery, seconded by Colonel Fraser, Mr. Ormond was appointed Chairman.

Order of reference read.

Mr. Holmes suggested that printed copies of the order of reference should be supplied to members of the Committee.

On the motion of Mr. Holmes, *Resolved*, That there be obtained from the Manager of the association a schedule of the lands purchased by the association, and the prices paid in each case; stating whether the same be for purposes of investment or sites for offices of the company.

The Clerk was instructed to summon a meeting of the Committee for Tuesday next, at 11 o'clock forenoon; Mr. Luckie, Manager of the Association, to be summoned to attend at the above hour on that day, with all papers and books connected with the land-purchase operations of the company.

The Committee adjourned till 11 o'clock on Tuesday next.

TUESDAY, 15TH JUNE, 1886.

The Committee met, pursuant to notice, at 11 o'clock forenoon.

Present: Mr. Ormond (Chairman), Mr. Holmes, Mr. Levestam, Mr. M. J. S. Mackenzie, Mr. Montgomery, Mr. G. F. Richardson, Mr. W. D. Stewart.

Minutes of first meeting read and confirmed.

Mr. D. M. Luckie, General Manager of the association, was examined, and gave verbal and documentary evidence in respect of the property purchased in Christchurch on behalf of the institution.

The Committee adjourned till the following day at 11 o'clock.