

pull down the present building, and erect in its place a structure estimated to cost £35,000. Plans have been prepared and paid for, and architects are engaged in preparing working plans and specifications with the view of calling for tenders.

The Dunedin purchase was made in December, 1884. The price paid was £35,500, costs and expenses, bringing the price up to £36,029 9s. 2d. The premises have not been used by the association, other offices being rented in another part of Dunedin at a rental of £75 a year. Portions of the premises are subject to leases which have some years to run. Some of the buildings are described as being in a dilapidated state. The present rents return £2,007. The evidence states that to utilize the purchase a large expenditure on new buildings will be required.

The Christchurch property was purchased from two different parties, the larger portion from Mr. Maling for £10,250, and an adjoining section from Mr. Phillips for £1,500. The Maling property has since been let to him for twenty-five years at a rental of £500 per annum for five years and £600 per annum for twenty years. It has been proposed to build offices for the conduct of the association's business on Mr. Phillips's section.

At Auckland a property was purchased from Mr. Shera, the price paid being £19,000. The purchase was made on the 31st March, 1885, and the buildings have been unoccupied since the 31st October, 1885, although the association rents other premises as offices.

The Committee has to report in respect to these purchases that an outlay of £84,779 has been incurred; that, with the exception of the Wellington building, the premises are not used for offices by the association; that costly buildings were intended to be constructed on the sites purchased; 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 Chairman moved, The Committee further considers it extremely undesirable that any member of the Government should be placed in the position of initiating and dealing with purchases of this nature, and recommends that this be provided against in future.

Mr. Macandrew moved, as an amendment, The Committee considers it extremely undesirable that any purchases of this nature should have been effected without the express sanction of Parliament, and recommends that in future all expenditure in respect of salaries, office sites, and buildings should be submitted to the House of Representatives for appropriation.

The Committee divided:—

For the amendment—Mr. Macandrew, Mr. G. F. Richardson, Mr. W. D. Stewart.

Against—Colonel Fraser, Mr. Holmes, Mr. M. J. S. Mackenzie, Mr. Montgomery, Mr. Levestam.

Amendment negatived.

Mr. Holmes moved, as a further amendment, "That the Committee considers it extremely advisable that any future purchases of land or buildings, and all salaries of officers, shall be submitted for the approval of Parliament."

Amendment agreed to, and original motion negatived.

On motion of the Chairman, the following resolutions were agreed to:—

"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."

On motion of the Chairman, *Resolved*, That the present Board should be abolished.

On motion of the Chairman, *Resolved*, 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.

The Chairman moved, That such officer should be appointed by the Governor in Council, but his appointment should be subject to confirmation by Parliament; that he should be a statutory officer, responsible to Parliament, but subject to suspension of office by the Governor in Council. That the General Manager should have full control and direction of the staff of officers of the association, and have power to suspend any officer, subject to inquiry by the Governor in Council. That the officers of the association should be appointed by the Governor, but that all appointments be first submitted to the Manager for his report and recommendation.

Mr. Macandrew moved, as an amendment, That the Act of 1874 be re-enacted.

The Committee divided:—

For the amendment,—Colonel Fraser, Mr. G. F. Richardson, Mr. Holmes, Mr. Macandrew, Mr. W. D. Stewart, Mr. Levestam, Mr. M. J. S. Mackenzie.

Against,—Mr. Montgomery.

Motion negatived, and amendment agreed to.

The Chairman moved, That not less than one-half of the funds of the association shall be invested in Government securities.

Mr. Macandrew moved, as an amendment, That, in the opinion of the Committee, the whole of the funds of the Insurance Association should be invested in Government securities.

The Committee divided:—

For the amendment—Mr. Holmes, Mr. Macandrew