

105. And what arrangement was made for occupancy for the purposes of the offices?—That was left for further arrangement, inasmuch as it was intended to build on the land. The property is somewhat dilapidated in some of its parts. We were at that time in the post office. Since then we have taken temporary buildings in Manse Street—the old Provincial Council building at the corner of that street.

106. When is it proposed to utilize this property for offices?—So soon as the Board decide to build.

107. What present arrangements are there for the profitable use of the land?—None, beyond the existing tenants, whose rents produce now £2,007 per annum.

108. What are the arrangements under which these properties are now held or occupied?—They are all under monthly tenancies with the exception of Wise's—the lease of which expires on the 6th June, 1890; Seeger's, which expires on the 2nd July, 1890; and Glover and Co.'s, which expires on the 1st December, 1887. All the rest are now arranged as monthly tenancies in view of the probability of building.

109. Have you got the particulars of the rentals paid by the different tenants?—No; I shall obtain the information from the books.

110. Whose is the largest rental?—Wise's. Their rent is £400 a year.

111. Will those people who have leases until 1890 interfere with any possible building arrangements?—It was understood at the time that they would be willing to take places in the new buildings, but since then Mr. Wise has asked for compensation for his lease. The amount was so very large that negotiations were speedily discontinued.

112. Then, can the property be used before the expiration of these leases for the purpose of building for the association?—Yes; a building can be erected on the Rattray Street frontage.

113. That would not be interfered with by any existing leases?—No. What was proposed was to erect buildings that could be put up in blocks, and we got a plan from Mr. Wales to that effect; but nothing more was done.

114. That was with the view of utilizing the Rattray Street frontage?—Yes.

115. You said just now that the rents had been rearranged with the monthly tenants?—Yes.

116. Have they been much reduced?—Yes; they have been reduced about £200 odd a year. I am speaking from recollection, but will supply the exact figures.

117. Have any changes taken place in the occupancy?—There have been very few. A photographer has, I think, gone out. Heymansson, Low, and Co.'s building was vacant.

118. There is no arrangement at present by the association for building?—No; it has been under consideration for some time.

119. But was postponed?—It was postponed.

120. The offices used now are temporary offices?—Yes; we rent them.

121. At what rental?—£75 a year.

122. Could not any portion of the property purchased have been utilized as temporary offices?—Yes; but, in view of the intention to build, it was thought as well to wait until the building was decided upon.

123. Would it be any gain to the association to use the building purchased in preference to the offices rented?—No; it would not be any gain. To get as convenient an office would cause a loss, inasmuch as we should require the tenant to vacate a good place. That is my opinion.

124. In reference to the answer you gave previous to this last answer, have you not said that the building which is proposed would not interfere at all with those premises which are now let?—It would not interfere with the front premises.

125. Are Heymansson and Co.'s old premises empty?—They were empty for some time, but are now let.

126. Was that not suitable property?—No; it was too dilapidated.

127. On what terms was the property actually purchased?—For £35,500. I may say that Mr. Pym was requested to stand outside altogether from the business, on the advice of Mr. Sievwright, and not let himself be known. He was to keep silent about the transaction. Knowing that there were so many people connected with it, Mr. Sievwright recommended that another gentleman should be employed to arrange for the purchase, so as to avoid the chance of the matter getting wind—to prevent its being known that the Government Insurance Department were after the building. Several insurance people had been after the property. The Australian Mutual Provident Society had offered £34,000 for it some time before. In accordance with Messrs. Sievwright and Stout's recommendation, I put the matter into Mr. Sievwright's hands to make what arrangements he could.

128. Who did Mr. Pym represent himself to be acting for, and did he absolutely offer the property for sale?—I understood he was acting for the Government for the purchase.

129. In what capacity?—As commission agent, to buy the property.

130. Where did Mr. Pym get his offer from that he transmitted to the Government?—I do not know that he had any offer. This is the letter, dated Dunedin, the 12th December, 1884, which Mr. Pym addressed to Sir Julius Vogel:—

REPORT PROPERTIES, DUNEDIN.

(Memorandum.)

Dunedin, 12th December, 1884.

SECTION 39, Block IX., corner of Princes and Rattray Streets. Full particulars and plan attached (marked A). Price, £37,000.

Section 53, Block IX., corner Princes and Dowling Streets. Particulars of tenancies: Vacant land not let, 30ft. frontage (in Dowling Street), worth £75 per annum; Samson and Co.'s, auction-room, let by year at £2 10s. per week, £125; Peace and Co., per week, £1, £50; Peace and Co., office, per week 10s., £25; Stone, publisher, per week, 10s., £25; Leask, dentist, per annum, £70; Cook, lawyer, per week, £1, £52; Wertheim Sewing Machine Co. (tenancy expires next year), per week, £6, £312; McKay, lawyer, per month, £8 6s. 8d., £100; Rose, barber, £1 15s. per week, £91; Craver, auctioneer, £16 13s. 4d. per month, £200; Smith, fishmonger (lease expires at end of 1885), £208; Aitken, labour agent, monthly, £2, £24; tailor's shop (unlet), rental should be £150. Price, £27,000. The