

property for premises in Auckland; Mr. Graham and Mr. Shannon to proceed to Auckland and confer with Sir Julius Vogel on the subject, and after inquiry to report to the Board. Carried. (c.) That Mr. Graham and Mr. Shannon proceed to Auckland by first boat with a view of conferring with Sir Julius Vogel. Carried."

180. Who was present at the meeting?—The members present were Mr. Tole, the Secretary to the Treasury, the Public Trustee, Messrs. Bethune, N. Reid, Shannon, Graham, and Fisher.

181. Was any particular proposal ordered to be considered by this sub-committee?—No particular proposal then. They were to go and look at the different premises.

182. What is the next record in connection with the acquisition of premises?—The committee's report to the Board on the 19th March.

183. What did the sub-committee report?—They reported as follows:—

THE Building and Repairs Committee have the honour to report that, pursuant to the special resolution of the Board, dated the 18th February, relative to the purchase of sites for the transaction of the business of the Board in Auckland and Napier, they at once proceeded to Auckland, and immediately on arrival there had an interview with Sir Julius Vogel upon the subject of the offer made to the Board by Messrs. Shera Brothers.

The interview elicited a common expression of opinion on the part of the committee that the price asked—£22,000—was excessive; and, having decided to invite other offers—to all of which the committee have devoted very great attention—they have decided that these offers should be placed in the order of eligibility as follows: (1) T. and S. Morrin, (2) Shera Brothers, (3) Loan and Mercantile Company, (4) Owen and Graham. The other offers the committee cannot recommend to the favourable consideration of the Board.

It will be observed, in reference to the schedule of prices attached, that since the visit of the committee to Auckland the offer of Messrs. Shera Brothers has been reduced from £22,000 to £20,500, and it is the belief of the committee that, in regard to this offer, a still further reduction is possible.

The point having been raised by a member of the committee as to the power of the Board to enter into purchases which might possibly be construed as being *ultra vires* of the Insurance Association Act, and the opinion of the solicitors to the Board having been taken upon the point, it has been deemed desirable, for the information of the Board, to attach the solicitor's opinion to this report.

GEORGE FISHER, Chairman.

The next record on the subject in the minutes of date 19th March, is as follows:—

*Special Committee's Report on Auckland and Napier Sites.*

THE report of the special committee was considered and it was proposed by Mr. Graham and seconded by Mr. Bethune, That a committee, consisting of the Chairman and Messrs. Graham and Shannon, be appointed to conclude the purchase of either of the two properties offered respectively by Mr. Morrin and Mr. Shera, the latter property to include that of the National Insurance Company.

Mr. Fisher then moved, and it was seconded by Mr. N. Reid, as an amendment, That the proposal to purchase property in Auckland be deferred until the holding of the annual meeting of policy-holders, to be held in May or some time thereafter, as provided by section 50 of the New Zealand Government Insurance Association Act.

Mr. Fisher called for a division, when the Ayes for the amendment were Messrs. Fisher, Shannon, N. Reid, and Gavin; and the Noes were Messrs. Graham, Bethune, Hamerton, and Tole. The Chairman gave his casting-vote with the Noes, and the amendment was declared lost.

The motion originally proposed by Mr. Graham was then put, and agreed to without a division.

184. Where is the report of the Building and Repairs Committee *re* purchase?—It was received by the Board on the 19th March, and considered on that date. There was obtained an opinion from the Board's solicitors on the subject of purchasing property.

185. Who were the solicitors?—Messrs. Buckley and Stafford.

186. Did they give any opinion?—Yes.

187. How did this opinion come to be taken?—On the part of Mr. Fisher.

188. On his motion?—I am not sure, but I think it was on his own motion, acting as chairman of the Building Committee. Mr. Fisher submitted the following memorandum to the solicitors:—

QUESTION for solicitor to Board *re* clauses 76 and 77, New Zealand Government Insurance Association Act: Do these clauses empower Board to purchase land and buildings in any city in New Zealand at a cost of, say, £25,000 or any larger sum?

11th March, 1885.

GEORGE FISHER, Chairman Building Committee.

MEMORANDUM for Mr. STAFFORD.

THE definite point underlying the question submitted to you by me yesterday is this: Has the Board power to enter into speculative purchases, or purchases merely for the purpose of investing the funds of the Board?

Wellington, New Zealand.

GEORGE FISHER, Chairman Building Committee.

MEMORANDUM for GEORGE FISHER, Esq., Chairman Building Committee, Government Insurance Department, *re* Powers of Board.

In reference to your memorandum of yesterday with reference to the question whether the Board has power to buy land, we are of opinion that the Board has power, under section 76 of the Act, to buy land. Such purchases must be made with the consent of the Governor, and the land must be intended at the time of the purchase to be used for the transaction of the business of the Board. We understand that the Board desires to be advised as to whether there is a power to buy land for purposes of the investment of the Board's funds without reference to the question of whether the land is intended to be used for the transaction of the Board's business. We are of opinion that the express giving of the power to the Board to buy land for the above-mentioned purposes by section 76 is an exclusion of any power that the Board might otherwise have, and that the Board has no power to buy land other than that given by section 76. This view is strengthened by section 74, which provides for the investment of the Board's funds. Among the authorized investments is found no power to invest the funds of the association in the purchase of lands.

Wellington, 13th March, 1885.

BUCKLEY AND STAFFORD.

189. In Mr. Fisher's report, as chairman, he speaks of an offer to the Board by Shera?—Yes.

190. Where is the offer?—This is the offer:—

SIR,—

Auckland, 5th March, 1885.

I submit the offer of Shera Brothers' freehold, Queen Street, and of the National Insurance Company adjoining, on the following terms.

I have, &c.,

The Chairman Building Committee, Government Life Insurance, Wellington.

J. M. SHERA.

(1.) Shera Brothers' freehold, price £3,500, (2) subject to existing mortgage of £10,000 to the New Zealand Land and Mortgage Company (3) and to Union Insurance Company's lease (of the portion of ground-floor marked on plan) for fifteen years at £3 a week. (4.) Shera Brothers will undertake to extinguish Union Insurance Company's lease for an additional £2,000; (5) Union Company to have the right to remove office-fixtures. (6.) Shera Brothers to give possession in six months; (7) but immediate possession can be given of the portion of ground-floor on plan No. 1. (8.) Terms: £1,000 on acceptance of offer, and balance on execution of conveyance. (9.) This offer is open to