

commission; but he said he had to pay the most of it away to other parties, but whatever amount he obtained he would divide with us, as he thought we were entitled to it. It turned out that Mr. Reid got £150, of which we got £75 from Mr. Burton, Mr. Reid having left the colony. We also learned from Mr. Burton that the balance of commission went to Mr. Montagu Pym, at which we were much surprised, as his name was never mentioned in the negotiations. We then called on Mr. Pym, claiming half his commission. He replied he had to share it with others, and refused to give us anything. The vendors of the property never paid one shilling commission to any one; and we maintain we are still entitled to the £250, less the £75 paid to us by Mr. Reid's agent, Mr. Burton. Where the balance of the £500 went we do not know, further than stated above.

We have, &c.,

McLANDRESS, HEPBURN, AND Co. (per G. D. HEPBURN).

J. D. Ormond, Esq., Chairman, Government Insurance Committee.

255. *The Chairman.*] When you were in Dunedin were you acquainted with the circumstance that the property was under offer at the £35,000, and that £500 was added for commission?—I was not.

256. Did you see Mr. Reid in the transaction?—Yes. When it was found that there was very little likelihood of Pym getting the commission he required, Mr. Sievwright asked me to go and see Mr. Reid myself. I did so, and Mr. Reid told me that he would give 1 per cent. commission to Mr. Pym.

257. That was for the purchase?—Yes.

258. Before the purchase, in what capacity did you meet Mr. Reid?—I did not meet him until after I had got Mr. Sievwright's letter enclosing copy of letter from McLandress, Hepburn, and Co., addressed to Mr. Charles Reid, sent by him to Mr. Sievwright, and copy of which he sent to me, offering the property for £35,500.

259. That letter came to you from Mr. Sievwright?—Yes.

260. What you are now referring to was before the completion of the purchase?—Yes.

261. Have you in these Dunedin papers any correspondence from Sievwright, Stout, and Co., informing your department of the completion of the transaction?—This is a telegram from Messrs. Sievwright, Stout, and Co. to myself, dated 6th February, 1885: "If Board remit £30,500, being the purchase-money less Kilgour's mortgage £5,000, we will provide further sum required, if any, and account to Board." I replied on same date, "Board will not meet till Tuesday. Matter will then be arranged. Please post particulars early as possible, so as to arrive here Sunday."

262. Would you have advised the Government to pay the 1½ per cent. commission claimed by Mr. Pym if you had understood that commission had already been provided for in the purchase-money?—No, certainly not.

263. Did you consider that the £35,500 named to you by Messrs. Sievwright and Stout was the actual purchase-money of the property?—I did, most distinctly. I understood the vendors would pay the commission.

264. Was there any question about commission until after the completion of the purchase?—I understood that the vendors would pay 1½ per cent. Sir Julius Vogel said Pym ought to get that commission.

265. Was that before or after the purchase?—Before. I thought that Mr. Pym would be deprived of commission, although he was the initiator of the sale and was entitled to it.

266. When did you first hear of this difficulty about the payment of commission?—Just after the purchase was completed.

267. When did this question of doubt about Pym getting commission first come to your knowledge?—Just after the closing of the bargain.

268. Will you render a statement of accounts from Messrs. Sievwright, Stout, and Co. of the disposal of the money they paid for this property?—This voucher shows that the sum of £30,500 was paid to Sievwright and Stout on the 13th February, 1885.

269. Will you obtain and furnish details of the disposal of this money, giving dates, amounts paid, and to whom?—I will.

270. I asked you to bring the plan of the Wellington building?—Yes. [Plan produced.]

271. Whose plan is that?—That is Mr. Charlesworth's plan.

272. That plan supposes that the present buildings are to be altogether removed and a new building erected?—Yes. In my former evidence it was stated, "or such portion as the Board might decide to erect." They would put up that building, or such portion of it as they elected to build at first.

273. About how much of that building is wanted for the purposes of your business?—About three-fourths of one section. It was proposed that the clerks' office should be at the upper storey—the third storey.

274. What was the rest of the building for?—The Public Trustee was to go on the first-floor rooms in the same wing, and it was proposed to let the lower storey of that wing on the ground-floor for a shipping office.

275. Then, in addition to providing offices for your department, this building was chiefly to be let as an investment?—Yes.

276. This design was a competitive design?—It was.

277. How much did Mr. Charlesworth get for it?—£200.

278. Who was second?—Mr. Turnbull, of Wellington.

279. What more has been done with regard to this plan? Have any steps been taken to give effect to it in any way?—The Board appointed Messrs. Toxward and Charlesworth jointly as architects to complete the design and prepare working-plans and specifications.

280. Why was Mr. Toxward brought into the business? Did Mr. Charlesworth agree?—Yes, Mr. Charlesworth agreed. It was thought advisable, after conference between the Building Committee and Mr. Charlesworth, to join Mr. Toxward with him as having had large experience.

281. And it was by Mr. Charlesworth's consent?—Yes.

282. Under ordinary circumstances the designer would have had the privilege of being the person employed to give effect to his design?—Yes. The Board was not bound to employ the