

chase of any property in Auckland. The Shera property was offered at £22,000—£550 per foot. I considered this an enormous price to ask for any property in Queen Street.

1226. Did you not reduce that price before the purchase was completed?—After the vote was carried in favour of purchasing, I allowed my name to go on the purchasing Committee, believing that I should be able to considerably reduce the price. That price was reduced, I believe, to £19,000—£475 per foot—which I still consider too much.

1227. Do you know whether the valuations were such as to guide the Board to giving that price?—We went there on our own judgment to look round.

1228. You did not take any valuation from the usual valuer of the association?—We had no valuer for that purpose. We relied upon our own information; but Mr. Moss, I believe, gave Sir Julius Vogel a valuation.

1229. Do you know how much it was?—I do not remember.

1230. Had the Board Mr. Moss's valuation before it when it decided upon the purchase?—I think so.

1231. The building has never been used, although it has been purchased over twelve months ago?—It has not.

1232. And offices are still rented elsewhere in Auckland for the business of the association?—Yes.

1233. Is that because the premises purchased are unsuitable, or what?—The notion was to pull down the old buildings and rebuild, but the matter has been hung up from time to time.

1234. The old buildings, you say, were not suitable for conducting the business of the association?—Not on the scale that apparently it was intended the association should carry on its business.

1235. But could they have been utilized for carrying on the business in?—Yes; they could.

1236. Have you, as a member of the Board, been opposed to the proposed expensive buildings that were intended to be erected in the different large centres of the colony, or have you been in favour of them?—I have not been opposed to more suitable office-accommodation than we now have. My opinion is that you not only require canvassers, but decent offices in which to conduct your business.

1237. In the proposals for building, has it not been contemplated, in all the plans that have been prepared, to build in such a way as that part of the premises would be available to let for other purposes?—Yes.

1238. Was that done for purposes of investment for the association, or was the object to have attractive buildings, and in that way promote business?—I think the idea was to have attractive buildings, and at the same time secure a revenue of at least 6 per cent. from the investments.

1239. Have you any knowledge of what the return from those investments for purchases of sites has been or is likely to be?—I do not remember the exact figures, but they are all computed and placed on record.

1240. *Mr. Levestam.*] You say among the many improvements made in the conduct of business was a closer scrutiny of canvassing?—Of the appointment of the canvassers.

1241. Did you ever receive any reports from the Inspector?—Yes.

1242. By the Board?—Yes.

1243. Then you would be surprised to hear that it has been given in evidence that no such reports were sent by the Inspector?—I would, because you will find them on the table in the Board-room. From what date do you speak?

1244. It is since the establishing of the Board I am speaking. You say the investments of funds were better—that greater care was taken in the investment of funds by the Board under the new management?—Yes, from a policy-holder's point of view. Moneys were invested at from 6 to 7 per cent., whereas previously they were given to the Government at from $4\frac{1}{2}$ to 5 per cent.

1245. Do you think the investments were better from a policy-holder's point of view if they were in excess of what they ought to be, considering the value of the property upon which you lent the money; in other words, do you think it is good for the policy-holders to lend a greater amount upon a property than it is worth?—We are guided by the Act, which prohibits us from lending more than 50 per cent. on the ascertained value made by the Board's independent valuers, and my own opinion is that moneys lent upon half the value of the property are safe investments. At one time it was suggested at the Board by Sir Julius Vogel that we should obtain power to lend up to two-thirds of the value. I believe the majority of the members of the Board agreed with him, but after experience he, as well as the Board, found that we could get as many really good investments as we wished to make at 50 per cent. of the value. Therefore, I think that it is undoubtedly to the advantage of the policy-holders that the Board should lend out their money on such security, and not to the Government at $4\frac{1}{2}$ and 5 per cent.

1246. I suppose you mean to add to that, not exceeding 50 per cent. of the value of the security?—That is what I have already said.

1247. Are you aware that the Board has lent money in excess of the total value of property as ascertained by the county valuation, and in excess of what a private company would lend on that property?—The county valuation, the assessment of borough valuers, the Doomsday-book, and the opinion of Mr. McKerrow, Surveyor-General, are almost in all cases referred to before loans are granted, and I am not aware of any case where the money lent has exceeded the valuation of the property-tax or that of other valuers. At the same time, I do not place a great deal of reliance on the Doomsday-book, or the property-tax, or other valuations that are made in this way. I rely more on our own valuers, and we take care, as far as possible, to find that they are independent men.

1248. Would it weigh with you if you were informed that a private office had refused a lesser amount than you were asked to grant on a certain property?—That would entirely depend upon the office, and the conditions under which the loan was refused by another office.

1249. Are you aware that some valuers of the Board have been dismissed for over-valuing,