

and that the association had been cautioned as to their excessive valuing before they lent money on those properties and before they dismissed those valuers?—I do not believe that such facts were ever brought before the Board as a Board. I never heard of such a case.

1250. You claim, as one of the improvements instituted by the Board, a more satisfactory keeping of the books under the present Accountant, and a more satisfactory canvassing than previously existed under Mr. Thorne?—Yes; that is my opinion.

1251. Is it not a fact that both the present Accountant and the present Inspector of Canvassers were appointed long before the existence of the Board?—They were appointed before the existence of the Board, but still I am of opinion that the supervision of the Board and their direction has been a great improvement on the then existing state of things under the Government.

1252. You said that the greatest care was exercised by the Board in getting reliable canvassers?—Yes; and getting rid of undesirable ones.

1253. Had you ever an undesirable canvasser who was appointed by the Board without any reference to the Inspector, and who was afterwards, through the Inspector, got rid of?—I do not remember such a case.

1254. The real reason of your resigning your position at the Board was because you wished to address the policy-holders upon the desirability of not handing back the business to the Government control?—That was one of many reasons.

1255. *Mr. Montgomery.*] Were all the periodical reports of the Inspector laid before the Board and considered?—My impression is that at the earlier period of the Board's existence the General Manager did not lay them all before the Board.

1256. Was the Board influenced by the local knowledge of some members in granting loans?—Not that I am aware of. The valuers and their reports, as far as I am aware, influenced the Board.

1257. And the opinion of independent members with regard to the value of a property had no influence with the Board?—Not as far as I am aware.

1258. Was any recommendation from any member or members of the Board made to purchase the Auckland property at the price asked?—When Mr. Graham, Mr. Fisher, and myself went to Auckland, we called on Sir Julius Vogel. He said that he had only seen the property from the outside when passing, but he thought we might safely give £22,000 for it. That is the only recommendation that I am aware of.

1259. Was there any estimate made of the cost of the new building in Auckland?—Not that I remember.

1260. How did the Board arrive at the conclusion that it would secure a 6-per-cent. interest for the money invested in the proposed new buildings?—Personally, I am not aware that the Board went into the calculations.

1261. When was Mr. Driver's name mentioned, and by whom, as Manager for the Dunedin branch?—On the 31st December, 1885, and by Sir Julius Vogel, before a Committee that was appointed to inquire into and reorganize the Dunedin business. On the 11th November, Sir Julius Vogel proposed that a Committee, composed of himself and Mr. N. Reid, should proceed to Dunedin, and report. Sir Julius Vogel met with an accident in Christchurch. Mr. Reid returned; and on the 2nd December he reported on the Dunedin branch, and stated that Sir Julius Vogel was not able to proceed with him on account of the accident. This extract is a portion of Mr. Reid's report on the Dunedin agency, of 28th November, 1885:—

I agree with the Manager and the Inspector that the person selected for this important post should be one who has had good experience in insurance business, and who will be able to refute the falsehoods directed against this office.

On the adoption of Mr. Reid's report the following gentlemen were appointed a Committee to consider the condition of the Dunedin office: Mr. Gavin, Mr. Graham, Mr. N. Reid, and Mr. Shannon. Nothing was done in the matter until the 30th December, when, at the regular meeting of the Board, Sir Julius Vogel brought the subject forward and said it was necessary that something should be done, and that he would call a special meeting both of the Committee and the Board. A special meeting of the Committee was called on the 31st, half an hour before the special meeting of the Board, and it was then that Mr. Driver's name was first mentioned by Sir Julius Vogel. Mr. Reid had stated unofficially at the Finance Committee meeting that the only likely individual for the office was a Mr. Wills, but he was already in the service of an insurance company, and it might be difficult to secure his services. There were present at the meeting of the Committee: Messrs. Graham, N. Reid, Sir Julius Vogel, and myself. Sir Julius Vogel spoke highly of Mr. Driver's ability; that he would be able to get large policies; that the position was equal to that of a bank manager; and suggested that the salary should be £800 a year, and stated that Mr. Luckie had informed him that an overriding commission of 2s. 6d. would amount to £200 or more. The Board met afterwards. The £800 a year was carried and the 2s. 6d. overriding commission. Sir Julius Vogel went next week to Auckland, but on the eve of his departure he ascertained that the overriding commission would only amount to about £64. Sir Julius Vogel communicated with Mr. Reid, and he, at the meeting held on the 6th January, brought forward a proposition that the £200 overriding commission should be guaranteed for the first year. This I voted against and strongly opposed, as I considered any overriding commission should be earned without guarantee.

1262. Mr. Driver was appointed?—Yes; and the £200 a year was guaranteed, making his remuneration £1,000.

1263. Do you consider the present Board the best that could be devised?—No; I think it could be improved in its constitution.

1264. How?—As a policy-holder I should be satisfied, if I could not get better representation, with three nominated and three elected members.

1265. *Mr. G. F. Richardson.*] Do you think that one of the main objects of this association should not be to encourage small-life premiums?—Yes; more particularly as it has been argued