

1288. Why?—Because it is capable of improvement.

1289. What do you mean by "improvement?" is it rise in value or putting up new buildings?—By putting better buildings on it. The present buildings are not adapted for getting better rents. I should be satisfied, without putting up any building, to start any business like an insurance business in the existing building. If you want to purchase a freehold property, say between Brown and Ewing's and the Oriental Hotel, you will not be able to procure it any cheaper than at 5 per cent.

1290. *The Chairman.*] Would there be any inducement to make such investment in New Zealand when there are so much better investments of capital elsewhere?—That would depend very much upon circumstances. If you say positively that you can make better investments anywhere else, I should say No, certainly; but I do not know where you can get a better investment than 5 per cent. for capital at the present time in town properties in that particular locality.

Hon. Sir JULIUS VOGEL made the following statement:—

I understand that the Committee, through its Chairman, invites me to make any comments upon the evidence (as far as I have seen it—page 58) that seem to me desirable; also on the business that is at present carried on by the association, and its future prospects. With regard to the evidence, I will refer to two or three points that, as yet, seem to require notice. I have, however, to observe that the evidence of the two witnesses who were opposed to me at the Board has not yet been seen by me. The Government are distinctly responsible for the purchase of the Wellington and Dunedin properties; the Board are responsible for the Christchurch and Auckland properties. With regard to the latter, my personal share in the purchase was very small, as, owing to ill-health and other causes, I was absent from the Board; but I accept the full responsibility of what the Board has done. I consider that all the purchases were made for office use. Mr. Bell has explained how it is necessary, in making such purchases, to provide beyond the immediate requirements of the institution, and to let such portions of the buildings as are not required. I am still of opinion that good buildings are one of the best modes of advertising the institution, and of inducing persons to bring business unsolicited by canvassers. I think if the Board is to continue to carry on the business, and to compete with other institutions, it will, like them, have to have fine buildings. I am utterly unable to recognize the logic of those who contend that we must canvass as much as other institutions, and that it is not necessary that we should have equally good buildings. However, I may refer to those points later on. Meanwhile I will say that, if the institution returns to the Government, I am of opinion that we should be able to do without display, but that we should have buildings with quite sufficient room, and with a means of access that would be likely to be satisfactory to those using them. In such large centres as Dunedin, Christchurch, and Auckland there should be a doctor's room, a room for the Manager, and one or more waiting-rooms, besides the room required for clerical purposes. The enormous saving made by taking business over the counter is such that a very few policies during the year would cover the cost of the whole management. This may be judged when I state that on a £4,000 policy the canvassers receive £60. If the business revert to the Government, I am of opinion that the building in Auckland should, at a moderate expense, be put into a condition for future use, and any part not required by the association might be let for such time as was thought desirable. I cannot express an opinion as to the building at Christchurch until I am more thoroughly aware of what space could be spared by the post-office; but, seeing the great annoyance to which persons who are supposed to be anxious to insure their lives are subject from canvassers, I am of opinion that in the large cities persons would be more likely to go to the office and do the business themselves if there were thoroughly convenient means of entry and egress apart from the portion of the building used for postal purposes. The Dunedin property is yielding a good rate of interest, and I am certain that the time will come when we may provide for our own wants in Dunedin and find the rest of the property a very remunerative investment. I certainly should not recommend its sale at present. Mr. Bell has so explained the want of economy of leaving a large part of the Wellington land unused that it is not necessary for me to say more; but I would remark that, by having offices suitably built according to the modern views on the subject, a great deal more work could be got out of the officials. The custom in large cities now is to have a building so fitted up that the whole interior economy is open to the view of the superior officers. I have seen this system adopted in London, Paris, and New York with regard to banking institutions. I cannot speak positively on the subject as regards insurance institutions, but I believe, as a matter of fact, the same system more or less prevails. With such a staff as we must necessarily have at the head office, anything which conduces to efficiency of work or economy of management must amply remunerate the initial expenditure. I agree also with Mr. Bell that the question of building in Wellington should be made to depend upon our obtaining in advance—which I understand we are able to do—good tenants at remunerative rents. I may say something more on the buildings when I come to consider the question of canvassing. A great deal has been said about the appointment of Mr. Driver. I wish to place upon record the facts that are within my own knowledge. I was asked by the Board to examine into the Dunedin business in conjunction with Mr. Nicholas Reid. After I met with the accident in Christchurch I found I was unable to go to Dunedin. I asked Mr. Reid whether he would go down there by himself, and he was kind enough to agree to do so. On his way back from Dunedin he conferred with me at Christchurch, and he told me quite sufficient to make it evident that a very strong man was necessary in Dunedin. Mr. Reid was in Christchurch investigating carefully the working of the Christchurch office; and it became evident to us that the great value of the Manager's services at Christchurch depended upon the strength and judgment with which he could deal with persons who, turned against the office by the canvassers of other offices, were disposed to surrender their policies. We carefully considered the services the Christchurch Manager was rendering in the way of keeping the business together, and we entirely agreed that it was necessary to get some one who could speak to the people in Dunedin with the authority