

papers were at the time made, it is true, on account of the remarkable nature of the statements to which they relate, but they were not made for the purpose of subsequent or future reproduction. I wish it to be understood, therefore, that I answer only because I do not wish to appear discourteous to the Committee.

Upon my agenda papers, which are filed in chronological order, I find these two notes:—

- (1.) On the question of the reinvestment of the sum of £200,000—a deposit which had come to maturity—the Chairman proposed that the amount should be reinvested in Treasury or deficiency bills bearing $4\frac{1}{2}$ per cent. interest. Mr. Bell proposed that the rate should be 5 per cent., and a discussion followed, during which the Chairman, according to the note which I find on my agenda paper, said, “I put it to the nominated members whether, as a matter of good taste, they should vote against the Government on the question of the interest to be paid upon such a large sum.”
- (2.) In regard to the Auckland purchase, which I strongly opposed, at the end of the discussion, the Acting-Chairman, Mr. Tole—according to the note which I find on my agenda paper—said, “If there are any more of these objections, the Government will have to consider the question of abolishing the Board and reverting to the old system of management.”

Many indications of this peculiar view were thrown out in various forms and at various times, but these are the only notes, made at the time, which I find on my papers.

W. Mitchell, Esq., Secretary,

Government Life Insurance Inquiry Committee.

I have, &c.,

GEORGE FISHER.

SIR,—

Wellington, 19th July, 1886.

In reply to the letters addressed to us, enclosing extracts from the evidence given by Mr. Shannon, we have to say that, as to the statement that the nominated members of the Board were under the control of the Colonial Treasurer or of the official members of the Board, no condition whatever was imposed or even suggested, and from the first we have acted without any interference, direct or indirect, on the part of the Colonial Treasurer.

One part of Mr. Shannon's evidence is quite correct. Sir Julius Vogel, as Mr. Shannon states, did, in the course of some general observations at the Board, say that on large questions of policy, vitally affecting the association, and bearing on the responsibility of the Government and its guarantee, he should expect the support of the nominated members. He also said on a later occasion that he had never interfered with the free action of either the nominated or official members. We desire to state that, in fact, there has been no interference of the kind on any question that came before the Board. In no instance have our actions or convictions been controlled by the Colonial Treasurer or by the official members.

It is considered only proper for us to say that on various occasions the Chairman has made suggestions regarding the business of the Board, which we found of valuable practical usefulness.

The Chairman of the

Government Life Insurance Association Committee.

We have, &c.,

N. REID.

J. H. BETHUNE.

SIR,—

The Treasury, Wellington, 19th July, 1886.

I have the honour to acknowledge the receipt of your note, dated Saturday, enclosing a printed copy of a portion of Mr. G. V. Shannon's evidence, which was supplemented by a further portion received yesterday.

In reply to the request of the Chairman that I should make any remarks I may think fit on the evidence submitted to me, I can only say that I have no recollection of Sir Julius Vogel having, as stated by Mr. Shannon, intimated at the Board that he expected nominated members to vote with him on all large questions of policy. I may not, however, have been present on the occasion referred to. I wish to add that the Colonial Treasurer has never, within my knowledge, on any occasion, interfered with the voting freedom of either the nominated or official members of the Board.

W. Mitchell, Esq., Secretary,

Government Insurance Association Committee.

I have, &c.,

J. C. GAVIN.

Memorandum for the Chairman of the Government Insurance Association Committee.

I UNDERSTAND from a note received from Mr. W. Mitchell that it is desired that I should make such remarks upon certain printed evidence forwarded to me (and which is herewith returned) as I may think proper.

As regards question 1204, I must reply that I believe the Board, as constituted, was in a position to take action independently of Government control.

With respect to 1205, the Government officials were perfectly free to vote as they chose, and it cannot be said that they constituted a “controlling power” on the Board. I have never known the Colonial Treasurer to use any influence with any of the Government officials upon any question connected with the business of the association.

The questions unnumbered—(1206, 1207, 1208)—do not appear to call for any comment from me, except, perhaps, the last. So far as I can recollect, Sir Julius stated on the occasion referred to that he could conceive that important questions might arise between the Government and the association where he might be justified in asking for the support of the Government officials and the nominated members.

R. C. HAMERTON.