Mr. Moss employed to value the property?—When I was at Auckland lately I had a meeting of the policyholders, and a gentleman present asserted that the property was bought at auction very much below what we gave for it. I asked Mr. Shera how it was that the price was so different; and it appears that it was offered at auction encumbered by long leases, with powers of renewal, Mr. Shera being, I think, the principal lessee. Mr. Shera gave me the papers showing what took place at the auction, and the leases by which the property was encumbered.

423. Was Mr. Moss employed as a valuer?—Yes. I suggested to the Board, pending the Committee coming up, that Mr. Moss might be asked to value it.

424. You do not know anything about the completion of the matter?—No. I had nothing to do with it. Mr. Moss valued it at considerably less than the price asked; but, as I was in no position to negotiate for the purchase, I left it to the Committee, and the Committee got it for less.

425. *The Chairman.*] Do you not think it is undesirable that members of Parliament should act in any of these capacities for the Board?—When I am acting for the Insurance Board I try to do the best I can for that Board. I thought Mr. Moss would be the last man in the world to make an exaggerated value of the property.

426. My question was a general one—whether you do not think it is desirable they should not act?—In some parts of the country it is desirable. Mr. Whyte, for instance, is a very good valuer. I do not see any reason why we should refuse to avail ourselves of the best services we can get.

FRIDAY, 25TH JUNE, 1886.

Hon. Sir ROBERT STOUT in attendance and examined.

Witness made the following general statement: I have been for many years, and am still, a director of the Colonial Mutual Life Insurance Company; and when I joined the Government the question of the Government Insurance came up. I then stated to my colleagues my position, and also stated that any action the Government might take ought to be based on representations made by the Government that had been previously in office, and who had had the management of the Government Insurance for some years. I spoke to Major Atkinson on the subject, and he strongly advised that the Bill which he had prepared should be passed—namely, a Bill constituting a Board to manage the Government Insurance. I and my colleagues thought it would be proper to give that system a trial. To my mind there were two ways of looking at Government insurance; and I still hold the same opinion. First, whether the Government Insurance should be managed the way the Post-Office Savings-Bank is managed—in connection with some Government department—inexpensively, having no canvassers, advertisements, buildings, &c., but simply having a Government department open to any one who may choose to go and insure his life. The other view of the Government Insurance business was to have it "run" like a business concern, and like other insurance offices in the colony. As I understood it, the passing of the Act was to place the Government Insurance in a position similar to other insurance companies in New Zealand—namely, to carry it on as a business concern, and to be freed from governmental control. That being the intention, the question arose, was it necessary to have buildings? I thought, and still think, that, if the Government Insurance was to be managed like other insurance societies, it would require to have buildings. I may point out that the freehold land and buildings for offices owned in New Zealand by the Australian Mutual Provident Society at the end of last year were valued at £85,000, and that sum did not include, I think, the last Dunedin purchase, amounting to upwards of £20,000. I forget whether it was £23,000 or £25,000. I may also state that the society of which I am a director has as its chief directors in New Zealand the following gentlemen: Mr. Spence, of Dalgetty and Co., the Hon. George McLean, Mr. Larnach, and myself. It has also local directors in Wellington—Mr. Beetham, M.H.R., and Mr. Harcourt—and local directors at Auckland. We have all thought that it was necessary to have special buildings of our own. We have bought land in Auckland, Wellington, Christchurch, and Dunedin. We intend to erect a very fine building in Dunedin, and we are also getting plans prepared for a building in Wellington, at Krull's corner, opposite the Bank of New Zealand. I might also add that the National Mutual and the Mutual Life Association of Victoria have bought buildings in the colony; and, indeed, if the Government Insurance Association is to be managed like any business concern it will require buildings in the best positions in the principal cities. I mention this fact to show with what view I approach the question of the Government Insurance Association having buildings. If the Government Insurance Association is not to be managed as a a Government department, I believe, in order to compete with other insurance associations, it will require special buildings. I shall mention further on what my views are as to what the Government Association should be; and I shall give my opinion quite impartially. As to the purchase of buildings for the Association, I was consulted about the purchase of the Provincial Government Buildings in Wellington. I thought that a cheap purchase—in fact, too cheap a purchase for the vendors. I thought that a building of some kind was necessary for the Government Insurance Association in Wellington, and I do not think it could be got cheaper. As to the Dunedin purchase, I did not advise the purchase, but I said, if a purchase was to be made, the building that was ultimately purchased was a cheap purchase; and I further said, if a building was not purchased the Insurance Association would have to rent offices, for it was impossible, and is now impossible, for them to carry on their business effectively in the present buildings. The result at present is that the Government of New Zealand have to pay many hundreds a year as rent for other offices, being driven out of its own buildings to make room for the Government Insurance. We have got to pay for the Immigration Officer's room in Dunedin, for rooms for the Official Assignee, also rooms for Railway Audit, for the Inspector of Machinery, and other officers. The rents we pay in Dunedin for Government offices amount to something like £700 or £800 a year. That is leaving out, I think, the rents we have to pay for the Magistrate's Court, Police-