Wellington, 22nd June, 1886. B. Sievwright, Esq., Solicitor, Dunedin.—*Re* Insurance-purchase Committee asks how is it that £500 not paid to Hepburn. I understand Reid was vendors' agent, and you obeyed him. To whom was it paid, and why?—ROBERT STOUT.

Dunedin, 22nd June, 1886. The Premier, Wellington.—Wired Chairman last night. I did not know Hepburn in the matter except as a principal on his wife's behalf. Reid made his own arrangements with the vendors, who demanded thirty-seven thousand; but I put down my foot at thirty-five thousand five hundred, and declined any liability for commission. There were other agents concerned, and for all I know they may have divided commission, which the vendors were certainly at liberty to pay, and as much as they pleased; but Hepburn did nothing to entitle him to £500, or any other sum, so far as I know. Ask him what he did, and how much he got from Reid (if any). At the request of the parties and their solicitor, Mr. Hodgkin, I consented to apportion the purchase-money. The reason is obvious where interests are diverse. My intervention saved fifteen hundred, perhaps.—BASIL SIEVWRIGHT.

24th June. G. Hepburn, Esq.—Sievwright states he did not know you in purchase Wise's corner, except as principal on your wife's account; that Reid made his own arrangements with the vendors, who demanded thirty-seven thousand pounds. Please state whether Reid got particulars of price from you as agent for vendors, what price you quoted, and date on which you gave quotation to Reid; also, what was the reserve price when property was offered by auction, and was property after the auction open to purchase at such reserve price.—J. D. ORMOND.

Dunedin, 24th June, 1886, J. D. Ormond, Esq., Chairman, Government Insurance Committee, Wellington.—Never knew Sievwright in the transaction till completion of purchase, when his firm paid the different proprietors 67, their cheques in Howorth and Hodgkin's office, solicitors for the proprietors. The trustees for my wife acted for, and received her share. Mr. Sievwright ought to know I could not act as principal on my wife's account. Mr. Reid never made his arrangements with the vendors, but dealt only with McLandress, Hepburn, and Co. The property was placed under offer by McLandress, Hepburn, and Co., by letter dated 23rd December, 1884, to Mr. Reid, at the price of £35,500. The proprietors expected to get about £38.000, at auction. the property, after being offered, remained in my firm's hands for private sale, at a price to be approved of by the vendors.—WM. HEPBURN.

TUESDAY, 29TH JUNE, 1886 (Mr. MONTGOMERY, Chairman.)

Mr. D. M. LUCKIE in attendance and examined.

Witness: I produce, as requested by the Committee, voucher for purchase-money and commission paid by Messrs. Sievwright, Stout, and Co., Dunedin, in respect of the property at Wise's corner purchased for the association. It is headed, "Settlement-note, Kilgour and others to the New Zealand Government Insurance." "Mr. James Kilgour, £12,500; Mrs. Hepburn's trustees, £8,750; Mrs. Park's trustees, £4,375; Mr. J. W. Brindley (Ross's assignee), £4,375; Mr. Charles Reid's commission, £500: total, £30,500." The name of the recipient in each case is signed opposite the sum paid, and duly stamped. The following shows the whole of the transaction in reference to the building bought in Auckland. As directed by the Committee, I obtained schedules from the District Land Registrar, Auckland, which show the following transactions: Costley, leased to Shera, at rental to be fixed by arbitrators, lease for twenty-one years from the 15th March, 1883. 10th January, 1884: executors of Costley to J. M. Lennox for £5,600; sold at auction subject to outstanding leases. Conveyance, 12th December, 1884: Lennox to Shera Brothers for £4,000, subject to outstanding leases and mortgage; Lennox to Auckland Savings-Bank for £4,000 (mortgage subsequently paid off by 91,764). Assignment (dated the 29th December, 1884) of outstanding lease, Nathan and others to Shera Brothers, for £2,500. Conveyance of equity of redemption, 29th April, 1885, Shera Brothers to New Zealand Government Life Insurance Association for £9,000, subject to mortgage by Shera Brothers to New Zealand Land and Mortgage Company to secure £10,000.

524. *Mr. Holmes.*] How much did Shera Brothers pay altogether for the property, as shown by this schedule?—They paid to Lennox, £4,000; to Savings-Bank, £4,000; to Nathan and others, £2,500: total, £10,500.

525. *The Chairman.*] I have received from Mr. Ormond, who is unavoidably absent, a number of questions which he wishes me to put to you in continuation of his examination *re* purchase of buildings: Are any of the three sites purchased at Dunedin, Christchurch, and Auckland made use of for offices for the business of the association?—No.

526. Were those purchases made as much with a view to being held as investments as for providing offices?—The object was, as stated to me by the Colonial Treasurer, and also by the Board at the time, to obtain excellent and attractive offices. That was the first point. The renting of parts of the building was looked upon as a secondary, but still an important point. That will be seen by reference to the rough note of instructions I got from Sir Julius Vogel, which is already in evidence.

527. Is not the purchase from Maling an investment of funds chiefly, seeing the premises are let for twenty-five years?—Yes; the whole of the premises are let, but we have a blank space on which it was intended to build. Practically, that is the result at present.

528. In your evidence, at page 9, in memorandum to the Hon. the Premier dated the 24th December, you state, "In consideration of the valuable services which Mr. Pym has rendered," &c. Will you explain specifically what these services were?—I think the main services that he rendered were in standing out as he did after proposing the sale of the property to the Government, and holding his tongue—in point of fact, keeping out of the thing altogether and not doing anything. My reason for saying that is this: I was told by Mr. Sievwright that, if I talked at all about it, or allowed Pym to speak about it, immediately the vendors would raise the price, if they knew or suspected a Government department was negotiating.

529. Did not Pym quote £37,000 as the price of the Dunedin property?—He did.

530. Did you understand he had made inquiries, and got the property under offer at the lowest price?—He did make inquiry, as I understood from himself, but what was the result I could not say. I do not think he made inquiry of any one except Mr. Sievwright after I went down to Dunedin.

531. He had inquired of somebody before—had he not?—Most probably. I do not know of whom. I could not answer that question.

532. Who acted as agent when it was decided Pym should stand aside?—Mr. Charles Reid,