

848. What have you, in your position as Inspector, to do with investments?—Nothing.

849. You do not know anything of the system under which valuers are selected?—No; the names are not submitted to me, not being in my department.

850. You have already stated in your evidence that the necessity for a Board of Management arises from the Colonial Treasurer's time being too much occupied to permit of his giving the attention required to the business?—Yes.

851. Did you arrive at the conclusion that a Board of more than one person could deal more satisfactorily with the administration of the general business than any one holding the powers which the Colonial Treasurer formerly held?—Yes, I did.

852. *Mr. Levestam.*] Who recommended the appointment of Mr. Pearson, the agent at Invercargill?—Mr. Driver recommended his appointment. I was out of Wellington at the time.

853. Then appointments are not always referred to you?—When I have been out of Wellington appointments of agents have been made without any reference to me.

854. Is it usual to do so?—I think I ought, as Inspector of Agents, to be advised of appointments.

855. Was this a case of great urgency?—No: merely to add his name to the list of canvassers.

856. Who appointed him?—The Board.

857. I understood you to say the General Manager made the appointments irrespective of the Board?—No; the Board makes all appointments.

858. Is it not an important function of the Inspector to ascertain whether appointments are satisfactory or not?—Yes.

859. *The Chairman.*] Are the canvassers all remunerated on the same basis of percentage?—Yes, there is a uniform rate of commission.

860. There is no variation?—No.

861. Would you like to make any general statement to the Committee on any points which would further elucidate the evidence you have given?—Yes. I think it only right to inform the Committee that private offices are doing their utmost throughout the colony to disparage the work of the Government Insurance Association, and to get rid of all its agents. In the past we have done the largest business, and the directors, many of whom are members of Parliament, are very jealous of the success of the association. I am quite sure of this: that if the staff of agents were dispensed with, and the business left in the hands of the Postmasters, in a few years hence the office would be in a very serious state. Had it not been for the work of the agents last year, we should have had a net decrease of business of something like £480,000. With such opposition and the feeling that now exists, without the assistance of the agents the office would in a few years be gradually wound up. I think the principal officers of the association should be brought more in contact with the Board. They should have direct communication with the Board upon matters of importance. The General Manager has so many things to attend to it is almost impossible for him to bring them under the notice of the Board. In large institutions the principal officers are in communication with the Board direct. The principal officers of the association are the Actuary, Secretary and Accountant, and the Inspector. At present all our communications pass through the General Manager.

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Mr. J. H. RICHARDSON in attendance, and examined.

862. *The Chairman.*] You are Secretary to the association?—I am Secretary and Accountant.

863. What are your chief duties?—I am responsible for the whole correspondence of the office, with the exception of that connected with properties and mortgages. I am also responsible for the whole of the books kept in the office, with the exception of those in the Actuary's department. I have the control of the staff, with the exception of the Actuary's staff and the Inspector's clerks.

864. Do you mean that you have any duties in connection with keeping a record of investments, purchases, &c.?—Of course I have to see to all the details with regard to the investments. I attend the meetings of the Finance Committee and the Board, and make a minute of the Board's decision on the papers.

865. You act as secretary to the Board at its meetings?—Yes.

866. Can you give the Committee a brief sketch of the ordinary business conducted at the Board's meetings?—The whole of the work first goes to the Finance Committee, which meets on Monday evenings. That committee consists of the whole of the members of the Board.

867. What business does that comprise?—They deal with loans on mortgage and all investments, and pass the death-claims, surrenders, annuities, &c., and payments in connection with the management of the office.

868. Why is that called a "committee-meeting"?—Simply to get the business of the Board meetings done more expeditiously.

869. All the members attend?—Yes, with the exception of Sir Julius Vogel, who never attends the meetings of the Finance Committee.

870. There is no reason why the Chairman should not be there?—The committee is a committee of the Board as a whole; he has a right to attend if he likes. The Board practically takes the position occupied by the Commissioner under the previous Act.

871. Then, after dealing with the various questions you have referred to, does this committee of the whole make recommendations formally to the Board?—A report is drawn up the following day, stating exactly what occurred at the Finance Committee meeting, and is signed by the chairman of the committee: this report is placed before the Board at its next meeting.

872. Who is chairman of the Finance Committee?—Mr. Nicholas Reid was until last week. Mr. Bethune is now chairman.

873. Is it a temporary chairmanship?—No; a permanent chairmanship. Mr. Reid has been chairman hitherto.