

986. And the association lets two-thirds of it?—We found the tenants there, and kept them on.

987. It would be easy for the owners of the property to have possession of those offices for the necessary purposes of the association?—It was always open to us, and it is quite so now.

988. Do you think there was any necessity for the proposed pulling-down of those offices and erecting a building, of which we have seen the plan, which is estimated to cost £35,000?—Yes; I think there was. I still think so. The building stands upon only a portion of the land, and the frontages to two streets are entirely unused. There is not sufficient depth in my opinion, and in the opinion of professional men, to those two side streets on which to erect two separate and independent buildings. We have paid £18,000 for the site, and if we make up our minds to occupy the whole land and the present building, without having any tenants, then I think we shall be living at a higher rent than we ought to live at. The building is one storey, of fairly good rooms, and part of it only a second storey. The old Provincial Hall has nothing above it. We are, therefore, occupying part of one of the most valuable sites in the city with a building which has two storeys only as to part, and one storey only as to another part. As I have already said, if your land is worth £100 a foot, you must have a building of three storeys upon it if you are going to live profitably at a rental founded upon such a basis. That being so, we endeavoured to ascertain whether we could get Government tenants for the buildings which we proposed to erect, and we found that we could get Government tenants for a considerable part of it, though we had only made a bargain with one, namely, the Public Trustee, who is a new tenant. What we felt was, that if we could get Government tenants at a rental which would give us 6 per cent. upon the cost of the building and the land, we should practically get permanent tenants, because the Government service in Wellington grows, and does not diminish.

989. Then, that would practically be spending on purposes of building with a view to investment of the funds of the society?—Yes; but only as to property which we are actually possessed of.

990. In reference to the proposed alterations in the constitution of the Board, will you state briefly what alterations you think would be most desirable?—I think it is most desirable that the association should be returned to the charge of the Government.

991. Would you return it to the charge of the Government, retaining the same Government control as at present, that is to say, with the Colonial Treasurer as ministerial head of the association?—Yes; but I would give the investments to the Public Trust Office.

992. Do you not think that the association would be worked more in the interest of the policy-holders and more efficiently were an expert of high position intrusted with the management of the affairs of the association, subject to the control only of Parliament?—Yes; I have no doubt about that at all. What is really wanted is an insurance expert at the head of the concern.

993. Then, if that were possible, do you think it would be a preferable course to returning the institution to the control of the Government?—I have not considered that at all; but it seems to me to be immaterial, if you have really a good man at the head, whether he is subject to Parliament or to the Minister.

994. Must there not, in your opinion, be a very great difference in the position of an officer who is subject only to the control of Parliament, and one who is working as a manager under a ministerial head?—Of course a man subject only to Parliament would be in a far more independent position.

995. And you think the general affairs of the Board, and outside investments, could be efficiently conducted by such an officer?—Yes. I think the Board is perfectly useless for all purposes except the purposes of investments. What I mean is, that the Board is perfectly useless, and ought not to be referred to on matters of general business.

996. What sort of a Board would you suggest to assist such an officer in the matter of investments?—I think the Public Trust Board is or ought to be the kind of Board that would be required for that purpose. It is intrusted with large powers of investment already.

997. Who compose that Board?—Three or four of the highest public officers under the Government.

998. And you think that that Board, with the advice of its valuers and district officers, would be able to act efficiently in the consideration of investments?—I think so. It would only have the duties which are already intrusted to it by statute.

999. Are those powers extended to investments on mortgage?—Yes; there are large sums invested on mortgage by the Public Trust Board.

1000. Do you consider the business of this association would be too much to place upon officers who are already performing very considerable duties?—I think not, because of those gentlemen three are already members of the Insurance Board, and do perform those duties at present, and I do not think they have complained of the labour—I refer to the Public Trustee, Secretary to the Treasury, and the Solicitor-General.

1001. Will you state your opinion as to the necessity of canvassing for the business of the association?—I have no doubt that it is essentially necessary. I was at one time of a contrary opinion. People will not come to be insured, and you cannot reach the people whom, as I conceive, the Government Insurance Association is specially bound to insure—I mean the £50 and £100 policies. I have taken that view of it since I have been a Director. If we have the Government guarantee we ought to be specially careful to see that smaller policies are taken. I may explain that other offices would not take small policies beyond a certain number, because of the necessity of keeping the average life above a certain amount.

1002. Have the expenses of the association considerably increased since the appointment of the Board?—Yes.

1003. Are you of opinion that, with a return to a more simple form of management without the Board, the business could be done with a diminution of expenses?—Yes; there is no doubt whatever in my mind about that.