

to the opinions expressed, and how much may be attributed to the natural desire to set up professional exclusiveness. Mr. Bell, who inquired into the subject at Home, has come back with the belief that canvassing is to a large extent necessary. I am bound to say that other inquiries which I have made show me that some large proprietary offices have departed more or less from the old conservative policy of waiting for business to be brought to them. It is impossible for me, therefore, in the face of the strong opinions arrayed against me, to undertake the responsibility of urging that the business could go on without canvassing. I held that opinion very strongly when the Board was first formed, and thought that the policy-holders themselves, for a moderate commission, would be the best canvassers. I have received no support in this view from the officers of the institution. I am bound to say that I believe they are unconscious of any yielding to trade-unionism or professional jealousy, and that their opinions really are that canvassing is necessary to the full extent. I will frankly add that my belief is somewhat shaken, and that I would not take the responsibility, without express direction of Parliament, of carrying on the business without canvassing. I may be altogether wrong in my idea as to the extent to which business could be pushed by mere advertising, and by agents whose duty it would be only to intimate that they are available for explanation if desired. Still, I cannot help thinking that, if the institution reverts to the Government, canvassing may to some extent be reduced, and a more dignified attitude taken up. But I should hesitate to reduce the canvassing without the express sanction of Parliament, as I am sensible that it might possibly lead to a diminution of business. And there is especial truth in what Mr. Bell says as to its affecting the small policy-holders, who, above all others, I hold are entitled to the utmost consideration at the hands of the institution. The officers have not, in my opinion, at all exaggerated, in the evidence which they have given, the difficulties to which the association is subjected by the efforts of other offices. There is one example on record which is sufficient, without anything else, to give the Committee an idea of what the Government office has to contend with. At a great celebration in New Zealand of one of the offices its representative deliberately stated that the policies in the Government Insurance were not protected by a Government guarantee, and threw doubts upon the probability of Parliament voting such guarantee. I need scarcely say, as a matter of fact, that the guarantee is to the fullest extent made legally absolute, that it is placed on the footing of a permanent appropriation, and that no vote is required to enable the Colonial Treasurer from time to time to make up any deficiency there may be in the funds. The decision which the policy-holders came to, that local Boards were not necessary, deprived the course adopted, of handing over the department to a Board, of much of its value. Indeed, it almost seems to me that when the policy-holders thought the existence of local Boards unnecessary, they indicated such a desire for a central management as left it comparatively unimportant whether that management was in the hands of the Government or in the hands of the Board. I do not believe the policy-holders can obtain any large power in working the details of the institution without local Boards. And, as regards what I might perhaps call the policy of the institution, I consider that that is a matter which primarily belongs to the determination of the Legislature and of the administrative Government. The salient points for which Government or parliamentary control is necessary are all those relating to the investment of money, to the scale of charges for life insurance, to the expenses, whether in the shape of commissions or salaries, and to all questions relating to the division of profits. I do not think the taxpayers can leave these questions in any sense to the unfettered control of the policy-holders. Nor, as far as the policy-holders are concerned, do I think they should desire it. What the Government requires is safety, and that is also what is most beneficial to the policy-holders. Great stress, I observe, is placed upon lending money on mortgage. I am bound to say that the experience of the Board does not lead me to recommend that this process should be continued. All over the country traps are set to get money from the Government institution. As I showed lately at the public meeting, we have lent £135,000 to thirty-five people; and, although we have obtained for it an interest of over 6 per cent. for a period of from three to seven years, my feeling is that we should be much better off if we had a local-body or Government loan at 5 per cent. extending over a long period. I have observed, from questions put to some of the witnesses, that the Committee entertain some suspicion about one particular loan, of a large amount. This loan has not come under my notice, and was made, I believe, during my absence. I am quite convinced that the Board exercised careful discretion, and, if it made a mistake, is equally liable to make others of the same kind. I do not think that when large amounts are at issue it is possible almost to avoid mistakes being sometimes made. Experience shows us that where persons become impecunious, and have too large a claim on particular money institutions, the desire is strong to get them to take part of their liabilities elsewhere. With the enormous sums the association has at its command, the temptation is, of course, strong to try what can be done with it. Although it is unquestionably the case that large loans are more profitable, yet I should be inclined to most strongly advise, if loans are to be made on mortgage, that they only be for small amounts, not exceeding from £750 to £1,000, and that they only be made on the condition of the persons borrowing insuring their lives for the full amount during the period of the loan. This would aid the institution, and, although the profit on each transaction might be less, the risks would be much more largely distributed. There is no question that the Public Trustee, with the assistance of his Board, could safely make loans of this character; but I should not be inclined to trust to the Public Trustee the making of loans for large amounts. Not that I have any doubt as to his judgment or the judgment of the Board, but I think it would be placing him in the unfair position of being shot at by marksmen all over the country. If it is considered desirable that money should continue to be lent in large sums, I do not think it can be better done than by such a Board as at present exists. But even then the responsibility is a large one. I do not think there is a single loan institution in the colony that lends outside of the provincial district in which it has a regularly constituted office or agency and staff.

The evil of the present management is that the Board frets at Government control; but,