

61. Do you not think that, in the event of a poll being carried in Auckland, it would be rather harsh to adopt section 61, subclause (2), compelling the people to insure with the Government whether they liked it or not?—That comes under the compulsory clauses. If the compulsory clauses are passed, I take it that will mean driving all the companies out of New Zealand. But I do not think that would be politic.

62. The effect of it would be to drive them all out?—If there was no reinsurance, I do not think any company would care to remain in New Zealand.

63. If clause 61 became law, would not the other companies lose all their business after twelve months?—As I say, that would be the effect.

64. Do you think that desirable?—I do not.

65. *Mr. G. W. Russell.*] Do the Auckland Trades and Labour Council wish fire insurance to be a monopoly of the State?—I do not see how it could be a monopoly, unless there was only one company for the whole of the colony, which, I think, would be a serious risk to take. The Council think that a Government Fire Insurance Department would do the greater amount of the business.

66. I understand that the Auckland Trades and Labour Council wish a rival company to be set up under State patronage and State management?—No; I do not think they desire that.

67. They either want a monopoly of fire insurance by the State or they want another fire-insurance institution added to those already in existence. Which is it?—I believe the idea is that it would gradually lead to a monopoly as the Government institution got stronger and was able to take insurance without requiring to reinsure. I do not think the Council think it right to drive the other companies out at the start.

68. You are not able to define the position of the Auckland Trades Council as to whether they desire a Government monopoly in fire insurance, or whether they wish a rival institution to those in existence set up?—Naturally, it would be a rival company if set up to compete with the others.

69. You said in the course of your evidence that the Auckland Trades Council think the Bill, if passed, would help to drive the other companies out of the market, but that you, yourself, do not think that desirable. That is why I asked you the question which I put to you just now. I want to know in what capacity you appear here—as the representative of the Trades Council, or are you expressing your own views?—The Council's view is that if the Government undertook fire-insurance business there would not be the constant rise and fall in the rates of premium that there is now; the Government would keep them more stationary.

70. Well, now, you said that the Government Fire Insurance Department should be under the same managers as the Life Insurance Office?—That is, where they have knowledge with regard to fire business. The idea is that you would not want two sets of managers and officers to run the two Departments.

71. I suppose you understand that fire insurance is regarded as a highly expert profession?—I look upon it as a gamble. That is the experience of the highest authorities.

72. Even in gambling, I suppose there is something in understanding how to gamble to make a profit?—The best gambler comes out on top in fire insurance.

73. The point I want to come to is this: according to every law of supply and demand, if the gentlemen who were referred to are being paid salaries of £1,500 a year to manage a business, is not the presumption this, that they are worth the money as experts in their business?—I have strong ideas about that. I do not consider there is that difference between a manager getting such a salary and a clerk getting, say, £150.

74. Would you be prepared to hand over to the Manager of the Government Life Insurance Department in Auckland the question of the insurance of the whole of that huge city and its suburbs, so that he alone may be the manager for that part of the colony?—I know Mr. Speight well, but I do not know what his knowledge of fire insurance is. I do not think I should be called upon to answer the question as to whether he should have the control of the Fire and Life Insurance Department or not.

75. You said that life insurance conducted by the Government had been a success and there was no reason why a Fire Insurance Department should not be a success also under the same managers?—I did not mean the same men, but under one management—not dual management—and with the same staff of officials.

76. You stated also—and this is a very important statement—that at Auckland the underwriters were constantly altering the rates, and that if losses occurred the premiums were raised—presumably in the following year—to cover these losses. Are you prepared to justify that assertion with any figures?—No, I have not got any figures; but there have been meetings held about the increased rates in the Auckland district. Auckland has been singled out because there have been more fires there than in other parts of the colony, and the premiums are higher on that account. The people are in the hands of the fire underwriters, and they have no redress; whatever the rate is you have to pay it.

77. Are you prepared to stand by your assertion—noted in your evidence—that at Auckland the underwriters are constantly altering the rates, and that if a loss occurs the premiums are raised to cover it?—That has been done in the past.

78. I would like to ask your authority for stating that during last year £24,000 was paid in fire-insurance premiums on properties mortgaged under the Advances to Settlers Act, and that only £16,000 was paid on losses in the same period?—My authority would not be accepted here. I saw the statement in the newspapers that a return showing the figures which I have quoted was laid on the table of the House.

79. *Mr. G. J. Smith.*] I understood you to say that the Government life-insurance business had been a success, and, therefore, Government fire insurance would be a success?—I think it is possible for fire insurance to be made a success in the same way as life insurance has been.