

stamp-tax on every premium receipt—so much per £100. It may, perhaps, strike you that a number of people might not insure, but, as a rule, we find it is very few that do not insure, and, of course, if they did not insure it would be at their own risk. This principle that I have suggested would also be a check to a certain extent on over-insurance by having to pay an extra stamp duty on the amount insured against.

21. *Mr. E. G. Allen.*] That system would apply with regard to this contribution of the insurance companies?—Yes. That is the only reason why I think that insurance should be taxed; that you get at a number of people who own large stocks with perhaps a very low rental value.

22. *Mr. Herries.*] With regard to these provincial districts, you do not propose to tax the country districts?—No, only those districts which receive protection from the brigades.

23. *Mr. Sidey.*] Do I understand that you consider the contributions should be limited to the insurers on the one hand and the insurance companies on the other?—No; under this Bill the local body has to provide half the cost while the insurance companies have to provide the other half. Our association suggest that it should be divided into three—the Government paying one-third, the local body one-third, and the insurance companies the other third. I was only making a suggestion that the proper principle is that fire protection should be provided for by property-owners according to their fire risk, and the amount should be raised according to the value of these two parts—the buildings and their contents. A building might have a very low rental value and perhaps a very heavy stock—perhaps a stock of the value of £10,000. Another building might have a high rental value with perhaps a stock risk of under £5,000.

24. I understand you are in favour of having larger districts than are provided for in this Bill?—Yes, the association believes that would save a multiplicity of Boards, and would save a great deal of expense and trouble in collecting information, &c.

25. They would have to have separate accounts?—Yes, for each district protected by a fire brigade.

26. There has been a recommendation made, by one brigade at any rate, with respect to the choice of members of the brigade by the Boards. Do you think that the Boards should be limited in any way in this respect?—I take it that will be only the case with respect to paid brigades or partially paid brigades. Under the volunteer system that could hardly apply. I think if the Board found that the volunteer brigade's work was efficient—if for instance an officer appointed by the Government reported to them that the volunteer system suited a certain district—they would find it much more economical to retain it than to do away with it and provide a partially paid brigade.

27. You would not be in favour of putting any limitations on the Boards' powers—in fact, you would allow them to have a free hand?—If it is a partially paid brigade it does away with the volunteer system, and it becomes very expensive, although there would be better control. At the same time there are very many volunteer brigades in the colony very efficient and very well carried on. Mr. Webb, of the Sydney Brigade, points out that it is only in Australia, London, Hamburg, and Cape Town where any assistance is given towards the support of fire brigades by the insurance companies and the Government. In London, in 1902, the cost was £215,000. Of that the Government contributed £10,000 and the insurance companies £32,000—a very small percentage.

28. *The Chairman.*] You think, then, that the larger areas are better than the smaller ones suggested in the Bill?—Yes, I agree with the larger areas. It would be a question of book-keeping; but I think that, as far as the insurance companies are concerned, it would be much more simple, and to their advantage.

29. And from your experience of fire-brigade matters you think that an officer should be appointed to supervise the whole colony?—I am satisfied that it would be much more economical if such an officer was appointed. The brigades would then have an officer of experience to go to for advice. They would be able to apply to him with regard to uniformity of work and the style of plant to be used. An officer of experience would give them advice, whereas now they have to take advice sometimes pointed out from manufacturers' catalogues, which is very often misleading.

FRANK ALLEN examined. (No. 4.)

30. *The Chairman.*] Mr. Kernot and yourself, I understand, represented the Underwriters' Association?—Yes, and the insurance companies generally.

31. Your name is?—Frank Allen. I am general manager in New Zealand of the Commercial Union Assurance Company (Limited), of London.

32. The Committee will be very pleased to hear you Mr. Allen upon this matter?—It has been taken for granted, I think without sufficient inquiry, that fire-insurance companies do not object to being specially taxed for the purpose of contributing towards establishing and maintaining fire brigades, &c. In my opinion most fire-insurance companies object most strongly; at all events I object on behalf of my company, and I should not, I think, be doing my duty to my company were I not to enter a protest against the Bill. Compelling fire-insurance companies to contribute towards the cost of establishing and maintaining fire brigades, &c., is unjust and illogical. It is unjust for the reason that fire-insurance companies should no more be selected for a special tax than marine-insurance companies are selected to contribute towards the establishment and maintenance of light-houses and other matters affecting marine. Life companies are not compelled to contribute towards the cost of sanitation of towns, &c. It is illogical because this taxing of fire-insurance companies compels them to contribute towards the lessening of their own incomes, as it is incontrovertible that the more efficient are fire brigades, &c., the fewer will be the number of persons who will insure their properties. Should the tax be enforced fire-insurance companies would not only have to contribute towards the cost of protecting this uninsured property, but also the underinsured property, of which there is a considerable amount in New Zealand; and, in addition, they would have to submit to a diminution of their incomes—in fact fire-insurance companies would be compelled to burn