

1904.  
NEW ZEALAND.

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# FIRE BRIGADES BILL COMMITTEE:

(REPORT OF THE) TOGETHER WITH MINUTES OF EVIDENCE THEREON.

(ALFRED KIDD, ESQ., CHAIRMAN.)

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*Report brought up on 14th September, 1904, and ordered to be printed.*

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## ORDERS OF REFERENCE.

*Extracts from the Journals of the House of Representatives.*

FRIDAY, THE 8TH DAY OF JULY, 1904.

*Ordered*, "That the Fire Brigades Bill be referred to the following Select Committee—viz., Mr. Aitken, Mr. Arnold, Mr. Ell, Mr. Hanan, Mr. Herries, Mr. Kidd, Mr. Massey, Mr. Sidey, Right Hon. R. J. Seddon, and the mover, to consider and report; the Committee to have power to call for persons and papers: three to be a quorum."  
—(Hon. Mr. CARROLL.)

FRIDAY, THE 15TH DAY OF JULY, 1904.

*Ordered*, "That the names of Mr. E. G. Allen and Mr. Lawry be added to the Fire Brigades Committee."  
(Hon. Mr. CARROLL.)

## REPORT.

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### FIRE BRIGADES BILL.

THE Fire Brigades Bill Committee, to whom was referred the above-mentioned Bill, have the honour to report that it has been duly considered, and they recommend that the Bill be allowed to proceed with the amendments as shown in the copy of the Bill attached hereto. A copy of the evidence taken in connection therewith is also attached.

ALFRED KIDD, Chairman.

Wednesday, the 14th day of September, 1904.

## MINUTES OF EVIDENCE

THURSDAY, 21ST JULY, 1904.

DEPUTATION from the Municipal Conference.

*The Chairman:* The Committee will be glad to hear any statements or evidence the members of the deputation would like to give bearing on the proposed Fire Brigades Bill.

*Mr. C. M. Gray (Mayor of Christchurch):* I represent Christchurch, and the first objection I have to offer is to the representation on the proposed Fire Boards. I have had a great deal to do with fire-brigade matters in Christchurch for a large number of years, and have been chairman of the committee for twelve or thirteen years. My opinion is that the proposed Board should be divided into thirds as regards liability and representation, which is similar to the representation that obtains in Australia—that is to say, the Government should contribute one-third of the expenditure, the municipalities one-third, and the insurance people one-third. Another objection to the Bill is that it does not appear clear from its provisions how the Government proposes to deal with the existing property and plants of the municipalities. In the case of Christchurch, we have land used in connection with fire brigades to the value of £3,190, which, together with the value of the buildings and plant, totals £14,736, and our expenditure last year was £2,095. Our average expenditure may be stated at £2,000 per annum for working the brigade. As compared with other centres, taken on a population basis our expenditure is much lower than the average. We have not a high-pressure water-supply, but we have chemical engines and steam-engines. The members of the brigade are all paid, some full time, but the great bulk of them only part time. Another point in the Bill we do not like is that all our estimates are to be submitted to Wellington for approval. This we consider to be a retrograde movement, in centralising matters which should be localised as far as possible. In Victoria they have Fire Brigade Boards of different kinds. The Metropolitan Board consists of nine members, three representing the Government, three the insurance companies, and three the local bodies. There are also country Boards, two members of which represent the Government, two the local bodies, and two the insurance companies, while two are elected by the fire brigades.

*The Chairman:* We have information as to how other similar Boards are constituted.

*Mr. Gray:* In that case I will pass on and state briefly the principal objections we have to the Bill. We think the Government ought to contribute one-third of the funds, and that if they are not going to contribute they should not have the representation provided for, because the sop thrown out providing for the fire-brigade rate over Government buildings is not, in our opinion, sufficient. It is easy to suppose a case where the Government would have undue power by such representation as compared with the local bodies and insurance companies, and we think the Government ought to pay for that power. With regard to the property of the fire brigades, this has been partly provided by subscription and partly by the local bodies for the maintenance of the brigades, and we think some provision ought to be made for allowing the local bodies the value of the plant, land, and buildings, which have been largely provided by the local authorities.

*The Chairman:* Allowance should be made to the Corporation?

*Mr. Gray:* Yes, if a separate rating Board is going to be established. I think that is all I have to say.

*Mr. Hanan:* What form of Board do you think it necessary to create?

*Mr. Gray:* Personally I am not in favour of establishing separate Boards, but I think Mr. Robbin, one of the deputation, can deal with that point. He has had more to do with the Fire Brigades Association, and they have promoted a Bill which I think more nearly meets the wishes of the municipalities.

*Mr. Hanan:* Are the views of your Council in the direction of allowing things to remain as they are?

*Mr. Gray:* As far as my Council are concerned, I am quite satisfied with things as they are. The only sore point we have is that we have had to bear the burden of maintaining the fire brigade alone, with no contribution from the insurance people or any one else.

*Mr. Hanan:* Supposing things remain as they are, but a contribution is directed to be given by the insurance companies to your brigade-maintenance, do you not think the companies should have some representation on your Council?

*Mr. Gray:* Under the present Act the Council has power to call in outsiders.

*Mr. Hanan:* But would you not give them some right of representation on your Fire Brigade Committee?

*Mr. Gray:* Yes, I think they are entitled to that. Some years ago we occupied a somewhat exceptional position, inasmuch as the fire-insurance companies contributed some £250 or £260 to the brigade. They never asked for representation on the committee, but we always gave consideration to any representations they made to us. Owing, however, to the action of the Australian Underwriters' Association they are debarred from giving anything now, and consequently we ignore them altogether.

*Mr. Hanan:* Supposing this Board is set up, you say that compensation should be paid to the Council before the property in connection with fire brigades is handed over. This point then crops up: where is this compensation to come from?

*Mr. Gray* : In Victoria the Board has power to borrow money, and I have no doubt the contributions would enable interest on the money raised to be paid, and they would share and share alike.

*Mr. Hanan* : Seeing that your city has gone in for what may be termed Greater Christchurch, and that other places may follow suit shortly, do you not think that some departure is necessary in the way of establishing Boards which shall give representation to a wider body than sary your Council?

*Mr. Gray* : We find that we are quite competent to undertake the fire service for fifty thousand living within the city boundaries and within a mile of the city boundaries. We have a system by which we attend fires within a radius of a mile, if people will give us a guarantee beforehand that they will pay the expense for going out that distance, so that we are able to attend all fires within that radius, and the system works very satisfactorily.

*Mr. Sidey* : I understood you to say that the amount you are called upon to pay now for the fire service is £2,000 a year. I want to know what rate that would represent?

*Mr. Gray* : We have not worked it out on the unimproved value yet, but it would be a very big figure now representing the unimproved value.

*Mr. Sidey* : Would £3 in the thousand be sufficient to meet your case on the capital value?

*Mr. Gray* : Speaking offhand, I should say that would be more than ample.

*Mr. Sidey* : On the annual value it would give you far too much? You cannot say whether the amount required here would be ample to meet your case?

*Mr. Gray* : I think it would be ample.

*Mr. Sidey* : You are in favour of the principle that the insurance companies should contribute?

*Mr. Gray* : Yes.

*Mr. Sidey* : I was not quite clear as to what you said as to representation of the insurance companies on the Council.

*Mr. Gray* : You are acquainted with the provision giving power for the Council to allow any citizen to sit who has a special knowledge of any particular subject. We have set up a Waimakariri Water-supply Committee, and have included several citizens who know more about this question than members of the Council; and the same principle might be extended to the Fire Brigade Committee, with satisfactory results.

*Mr. Sidey* : You think that with such representation the insurance companies ought to be satisfied?

*Mr. Gray* : I think so.

*Mr. Sidey* : This Bill provides for a Board, and I understand that you think the boundaries of the districts might be extended under the jurisdiction of the Boards?

*Mr. Gray* : I did not say that. I think if provision were made for districts like Christchurch, which is self-contained, leaving out the country districts, it would be better. You might find districts in New Zealand where you could group a number of small districts under one Board, but I should be strongly against bringing in any country districts so far as Christchurch is concerned.

*Mr. Sidey* : Have you anything to say with regard to the selection or choice of the men who should form the brigade?

*Mr. Gray* : That has always been left to the Superintendent. The Council appoints the permanent men. We appoint the Superintendent and Engineer, and the selection of the rank and file we leave to the Captain or Superintendent, who has power to engage or dismiss. We never interfere.

*Hon. Mr. Carroll* : I think the Fire Brigades' Association in their proposed Bill recommend that the districts should be parcelled into Fire Board districts, with the terminus of the old provincial boundaries?

*Mr. Gray* : I am not sure about that.

*Hon. Mr. Carroll* : Would you be inclined to favour such a scheme, provided the four large centres were excluded as self-contained bodies?

*Mr. Gray* : I do not know how that would work. It is problematical. I am inclined to think it would not work well. These things work better under local management. If you notice the rise of the small towns: they start a fire brigade by getting a hook-and-ladder brigade, and afterwards get a little steamer, and gradually grow in that way. But I have not had any experience in small districts, and am speaking more particularly as to small centres.

*Hon. Mr. Carroll* : Taking Christchurch as an instance, you prefer that things should remain as they are instead of having a Fire Board appointed in place of the present local body?

*Mr. Gray* : I would not object to a Board if it were more on the lines adopted in Victoria as regards representation, if the expense were divided up between the Government, the insurance companies, and the municipality, with equal representation, provision being made as to the manner in which they should be selected or elected.

*Hon. Mr. Carroll* : You would not have very much objection to the Fire Board, then?

*Mr. Gray* : No.

*Hon. Mr. Carroll* : With regard to the point you mentioned as to the value of the plant owned by the local bodies, supposing the local body were compensated for that, would it, to your mind, remove a material objection?

*Mr. Gray* : Yes.

*Mr. E. G. Allen* : Do you think, Mr. Gray, that it would be right for the Government to contribute one-third, seeing that the majority of the people of the colony would have to contribute to this fund indirectly, and could not possibly be benefited by the action of the fire brigade at all? Those who live outside the radius to which the fire brigade could possibly travel—country people, for instance—would, under your proposal, have to contribute to the cost of the fire brigade, while at the same time they would get no benefit from it?

*Mr. Gray* : As I said before, I am dealing more particularly with a district like Christchurch. It would make people who escape at present—including the Government—pay towards the upkeep of the brigade, because the tax would be general throughout the colony. There are a lot of people who do not pay anything, and there is a lot of Government property in these places that we think ought to pay something towards the upkeep of the fire brigade. They escape the rates, and are not taxed in any way.

*Mr. Hanan* : Is not the risk by the Government out of proportion to the amount contributed by the Government ?

*Mr. Gray* : Yes, I think so.

*Mr. Parr (City Councillor, Auckland)* : It seems peculiar, Mr. Chairman, that I should be called upon to explain to you, who are the father of the brigade in Auckland, matters in connection with the fire brigade ; but the trouble seems to us to be that the Bill is evidently framed to meet the case of young towns that really have no fire brigades. The cardinal section of the Bill is section 17, which states that it is the duty of the Board to establish and maintain an efficient fire brigade for the suppression and extinction of fires, &c. From the point of view of a small country borough, I do not know that there could be much objection made to the Bill ; but from the point of view of the large cities, the very gravest objection can be taken to it. It seems to me that at the last moment this was recognised by the draftsman, because in the last section (28) he seems to meet the case : "Every brigade existing in any fire district on the commencement of this Act shall be subject to the control of the Board, and the equipment provided for or belonging to the brigade (except in the case of a volunteer brigade) shall be deemed to be the property of and vest in the Board." That is rather a wholesale method of dealing with our property. In Auckland, I think we have spent about £15,000 in equipping thoroughly an up-to-date fire brigade during the last few years, and that does not include the cost of the land. I think the total cost is about £17,000. Naturally, the cities will kick against a Bill which proposes to take away £17,000 without compensation. The problem is, what is the best thing to do?—and we recognise that you have a very difficult problem to solve. It seems to me that keeping the plant vested in the present local body is hardly workable. I think you will have to set up a Board, and I do not see any objection to that Board so long as you compensate the present local bodies for their expenditure. The question was raised by one member of the Committee as to where the compensation was to come from. That, no doubt, is another difficult matter. It is true that you give the Boards power to borrow, but to borrow on what ? What security have they on which to borrow ? At present in the cities you have the city revenues, but what will the bondholders say when you propose to give them another security, and what security will that be ? It seems to me that that will be the crux of the whole question. So long as you give us compensation there seems to me to be no objection to taking over the fire-brigade plants. The question of finding that compensation may be one that may be wrestled with successfully. That is the position. We have no objection to the Board, provided compensation is made by the Board. With regard to the constitution of the Board, we object to section 3, which proposes to set up a Board consisting of seven members, one member to be appointed by the Government, three to be elected by the insurance companies, and three to be elected by the local authority. That practically gives the Government control of the Board, because I can quite conceive that the interests of the citizens and insurance companies might on many occasions conflict, in which case the Government representative would have the balance of power, and the Government now being in the insurance business, the representative's vote would be given in favour of the insurance companies to the detriment of the citizens. It seems to me that the Government, having entered into the insurance business, should not have such representation on the Board, especially if they are not going to pay practically anything towards the upkeep of the brigade. We think the citizens should be represented by a majority of members on the Board. There are other matters of detail which I have no doubt others will go into, and I have just stated briefly the main principles we object to.

1. *The Chairman.*] The money raised in connection with fire-brigade plants has been referred to?—Yes.

2. The debenture-holder will still have the city revenue as security?—Yes.

3. You object to the representation on the Board as proposed?—Yes; it seems to me that you ought to give the citizens predominant power in the partnership.

4. There is no other clause in the Bill that meets your objection?—No; the machinery seems all right.

5. No doubt in all Bills of this sort the objections will have to be found out by the working of the measure?—Yes. The main thing we want is to get contributions, and as soon as possible. In Auckland we are spending £2,500 a year, and the citizens have to find every penny of that, and we think the insurance companies should pay their share of it. We want a Bill of some kind, even if it has some unsatisfactory features, to assist us in meeting the expenses.

6. *Mr. Sidey.*] With regard to clause 3, do I understand you to mean that there should be only the insurance companies and the Council represented on the Board, and that there should be a majority of members of the Council on the Board?—Yes. Under this Bill the Government pay practically nothing.

7. A Board with three representatives of insurance companies and four representatives of the Council would meet your view?—Yes; I think that would be a fair thing.

8. *The Chairman.*] If each had to pay half, you think the Board should be equally divided, and that that would be better than at present?—Yes.

9. *Mr. Sidey.*] Do you know anything about the Victorian Act?—No; I only know the contributions, not the machinery.

10. *Hon. Mr. Carroll.*] In answer to a question by the Chairman I understood you to say that with equal contributions of the insurance companies and local body they should have equal

strength on the Board?—Yes; I put it in this way: that if I could not get anything better I would be satisfied with that. I think the citizens should have the control by having an additional vote in case of conflict between the parties.

11. In case of conflict between the insurance companies and the local body, you think the representative of the Government would become an ally of the insurance companies?—I think it would probably be so, now that the Government are an insurance company.

12. It is a question of proportion with you, and you think the balance of power should rest with the local body?—Yes.

13. *Mr. E. G. Allen.*] Seeing that the insurance companies would naturally increase the premium rates to make up their contributions to the Board, would not the municipalities have to pay the whole cost of the Board's fire brigade? If the insurance companies were to contribute even one-third of the cost, would they not increase the premiums to make up that loss?—No; I do not think so. I think the Government would take steps to stop that. The companies have a formidable competitor in the State now.

14. *Mr. Herries.*] Are you satisfied with the definition of "fire brigade"?—Yes; as far as Auckland is concerned. We are a very large borough, and prefer to have our own brigade.

15. What about the contiguous boroughs?—Why should they have the benefit of our brigades? At present they have no brigades, but if they have to pay compensation I see no objection to their being included in the area. They should pay a rateable part of the compensation. The City of Auckland has two contiguous boroughs—Parnell and Grey Lynn—and neither has any fire brigade worth mentioning. I have no objection to these boroughs being included, provided they pay a certain portion of the compensation.

16. And you do not see that provided for in the Bill?—No.

*Mr. J. J. Devine (City Councillor, Wellington).* Our objections to the Bill are similar to those raised by Auckland and Christchurch—certainly Christchurch—because the circumstances are almost identical in these two cities. The position in Wellington is that we have an actual loan for which debentures have been issued for £9,000. That is not the cost of buildings. We have supplemented those from other sources. The land is a very considerable asset, of which I could not give you a detailed estimate; but I am assured by the Mayor that the total value of the equipment, land, buildings, and plant is not less than £45,000. That, of course, is an enormous sum to have confiscated as this Bill proposes. It is absolutely clear, from section 26 of the Bill of last session and section 28 of the Bill of this session, that actual confiscation to the Board of all our plant and property is proposed. What do we get for that? We get a contribution from the insurance companies. In common with the gentlemen who have previously objected, I think the contribution of the Government is practically nothing. They get representation as ratepayers. Wellington is in an extraordinarily singular position, because the largest amount of Government property is in Wellington, and is protected at the cost of the ratepayers. If they paid rates they would probably be the largest ratepayers in Wellington. What Wellington has always sought for is that there should be an equal contribution, as in the Australian Colonies, from the Government, the underwriters, and the citizens. At one time in Wellington the Underwriters' Association did contribute, but it is a strange thing that when we went to great expense in getting an efficient water-supply they immediately dropped their contribution, and for many years the citizens have had to pay for the establishment and equipment of the fire brigade, and also the extension of the water-supply: and they have now the question of still further extending the water-supply, which leaves the insurance companies sitting on velvet so far as Wellington is concerned. The objections of Wellington to the Bill are similar to those raised by Mr. Parr and Mr. Gray. The impression we gather from the Bill is that it is a Bill which largely helps the small boroughs to equip and maintain fire brigades; but we consider that in cities like Auckland, Christchurch, and Wellington we should be left alone if we get contributions. It is of special significance where we protect such a large amount of Government property. The property is the property of the people of New Zealand, and we are protecting it for the people of New Zealand. If the Government Buildings were burnt down the loss would fall on the whole of the colony, and when we protect it we are benefiting the whole of the colony. The insurance companies are benefiting for the same reason. We have to find everything, and the insurance companies contribute nothing. Wellington objects to the constitution of the Board, and agrees with Mr. Gray and Mr. Parr that the local body should have a preponderance of voting-power on the Board. As the election of members of the Council takes place every second year in April, I think the month of April proposed for the meeting of the Board should be extended to May, but that is a matter of detail. The Minister and the Government have a very strong pull on the Board. Under section 10 the annual estimates of expenditure have to be submitted to the Minister, and I think that is too much interference. Section 11 provides that the amount of the annual expenditure so estimated shall be contributed and paid to the Board. The annual contribution to the brigade in Wellington, I think, is about £2,000 a year. We have this year ordered a chemical engine, and secured sites in the suburbs for the placing of this engine, and for the equipment of the brigade. There has been a large expenditure in the way of capital, and also a large annual expenditure. There is a Superintendent at present and about thirty-seven men, and I say that that number will have to be increased. I do not think the Boroughs of Onslow and Karori are able to maintain brigades, but probably arrangements might be made by which, if Wellington continued to provide a fire service, these districts could be brought in. If the policy of the Bill is to come into effect this year, then it seems to me that the districts will have to be made very much larger.

17. *Mr. Hanan.*] Has any loan been raised upon fire-brigade land and plant in Wellington?—No; the loans have been saddled on the city generally. They are special loans, and the city is liable for them.

18. Has your Council apportioned any of the cost with the view of charging the expenditure in connection with the upkeep of the brigade in Wellington on the boroughs you have recently brought in under the Greater Wellington scheme?—No; there is a uniform rate, out of which it will come.

19. Are you going to increase your rate?—Not for fire-brigade purposes.

20. Then you do not think the outside boroughs will pay more?—No.

21. They will get the benefit of your fire-brigade service without any increase on their part?—Yes.

22. As to the contribution by the fire associations and the Government, do you not think the contribution by those bodies should carry with it the right of some representation?—Yes. I agree in the main with what Mr. Gray has said. Under the present law we allow others to come in, and there is ample provision for that. We have a standing Brigades Committee, and we should be quite prepared to take in some persons representing interests connected with fire-brigade matters specially.

23. Would you give them voting-power?—Yes.

24. What representation would you suggest?—I think the proposal of 3 to 4 is a fair one. The local body ought to have a majority. Supposing the Fire Brigades Committee consisted of seven; four should represent the local body and three the insurance companies; or, say, three representing the Council and three representing the insurance companies, with the addition of the Mayor of the Council.

25. Although you would give representation on your committee as you suggest, it would not follow as a matter of course that they would have the controlling power, because matters would be brought up in the Council relating to the fire brigade that could not be settled by the committee at all?—That is so; but when the committee brings down a report the Council does not care to interfere.

26. But the door would be open to the control of the Council?—I think probably it would work harmoniously. I cannot anticipate any friction occurring. The whole thing would devolve on the official management of the brigade.

27. Would you agree to this: that matters dealing only with fire-brigade affairs should only be dealt with by the committee?—If it could be defined, I think so. When the Fire Brigade Committee want additional plant they must come to the Council for it.

28. The Council really possesses the power to veto, because no matter what recommendation the committee may make the Council may, if necessary, improve or modify it, and its decision is final?—If the committee wanted any more plant they would have to come to the Council to get the money required. There has always been an amount of freedom given to the committee, and the Council has invariably met the committee's recommendations. I notice that it is proposed to pay the Fire Board. Our Fire Brigade Committee are members of the Council and work without fee or reward. If this proposed Board is going to be paid there will be an effort made to get on it. I do not think there is any necessity under our system of local Boards to have a paid Board. There have always been a number of men willing to come forward and work on the Council without any emolument or fee.

29. Do you not think it is necessary, where you have not an amalgamation of boroughs, to have a Board in connection with works, the members of which have a community of action, such as with fire brigades?—If you are going to have Boards over larger areas.

30. You have a city and outside boroughs, and so far as fire-brigade services are concerned there is a community of interest; that being so, a community of action is required, with the result that you should have—should you not?—a representative Board?—How are you going to fix the representation of the local bodies?

31. I would fix it on the proportion of cost. You think that matters are going on very well as they are, do you not?—Yes, so far as Wellington is concerned. The citizens never question the raising of a loan if new buildings are required, and they thoroughly indorse the expenditure for the upkeep of the brigade, and are satisfied with it in every way.

32. You have no suggestion to make for a more efficient fire-brigade system in smaller boroughs?—I think the policy of the proposed Board would meet cases of that kind.

33. Can you make any suggestion as to how compensation could be paid in those places where there are large boroughs and smaller boroughs adjoining, and no amalgamation?—You can take the principle of charitable aid as an example. They make the contribution on the local body in proportion to capital value.

34. In the raising of a loan you will have duplication—you have a loan raised in the cities for fire-brigade purposes, and then you have another loan raised over the whole area?—That is how it would affect Wellington. We should be saddled with two burdens, the present one and the contingent one.

35. You have the additional expense of raising the loan, and also the cost of transferring?—Yes.

36. *Mr. Sidey.*] Have not the small boroughs you refer to fire-brigades of their own?—No; the nearest one is at Petone.

37. Have you considered the provisions for borrowing money?—Yes; and that system would not do for Wellington.

38. Do you think a Board would have any difficulty in raising loans from the public on the security offered to them under the provisions of this Bill?—For small loans there would probably not be any trouble, but there would be if large loans had to be obtained at  $4\frac{1}{2}$  per cent.

39. Do you think, if the local authority had charge with direct power of levying rates instead of the Board, that the loan might be raised better?—Certainly.

40. Do you object to the proviso in clause 19, which says that "It shall not be necessary to take a poll of the ratepayers in respect of any such loan"?—It has advantages and disadvantages. It is better in the case of small loans not to have to go to the ratepayers.

41. *Mr. E. G. Allen.*] I understand that the Wellington assets in connection with the fire-brigade are very large?—Yes.

42. And it would be difficult for the Board to borrow money to liquidate that debt?—Yes.

43. Would you be satisfied with the interest on the value of your fire-prevention assets being paid by the Board, and the property being held by the Board in trust?—We should, if we got the amount to repay the loans. Assuming that you could provide for the repayment of the loans the matter might be arranged. I think the loans are for ten years, and we are creating a sinking fund, so that they will be exhausted in ten years.

44. Have you any idea of the value of the Government property in Wellington?—No.

45. You do not know what amount of revenue would be realised to the Board at  $\frac{1}{2}$ d. in the pound on the rateable value?—Leaving out Government property, we know that there is eight millions' worth of capital value.

46. Do you think the Government should not be represented on the Board?—I do not see any purpose that is really served by it. If they contributed one-third, then they would be entitled to representation. In some places where there is little Government property private ratepayers would pay considerably more and would stand out.

47. *Hon. Mr. Carroll.*] That would not be the case in Wellington?—No.

48. You think the Government should contribute sufficient towards the Boards to justify them in getting representation—either one-third of the contribution or a lesser amount?—Yes.

49. *The Chairman.*] What arrangement do you think would be fair in reference to your water-supply in connection with this Bill? That is a question that has not been broached in the Bill. It seems to me to be a very important question, and none of the witnesses have touched upon it?—That is a very large question. I am glad you mentioned it, because in Wellington we have raised tremendous loans for our water-supply. The Board under this Bill would get the benefit of that. That is the reason I emphasize the contribution of one-third to cover that matter.

*Mr. Parr (Auckland).* : So long as the Council has a fire brigade in its district I see no objection to the Board using the water; but if you are going to bring in a larger area, then the question arises, why should the Board have the benefit of the water?

*Mr. Robbins (Hawera).* : I represent not only the Borough of Hawera, but also the United Fire Brigades Association. The objections raised to the Bill are in regard to certain matters as to the constitution of the Board or as to the Board itself. As far as the contributing bodies are concerned, I may say that the Fire Brigades Association agree with the principle that the Municipal Conference has agreed to—that is, that the three parties should contribute equally. However, they have gone into the matter more minutely and under different circumstances, and consider that the Government Insurance Department will be coming in under "insurance companies," and will have to contribute. Then, again, we shall have the right to levy a rate upon Government property in all these boroughs and cities, which will put a different complexion upon the scheme altogether. As to the constitution of the Board, the Fire Brigades Association passed a resolution recommending extended Boards instead of small boroughs, and the extension of the Board over areas coterminous with the old provinces. My opinion is that the Victorian Act would come in here, and we should have metropolitan and country Fire Brigade Boards; that is to say, the metropolitan Boards would answer for such places as the four large centres, and then you would get over a great many difficulties which have been raised by previous speakers. The country Board would operate over small and large boroughs in the country district, and these would be coterminous with the district I have mentioned, but excluding the four centres. I think something on those lines would be found to be practicable, and would be better than cutting them up amongst themselves. As far as the members of the Board are concerned, I emphatically say that those bodies which contribute should have direct representation. It would be almost impossible to work it on the lines suggested, by the local body calling in outsiders. The point was raised as to whether the Borough Council would be absolute. There is no doubt about that. A committee might consider that certain plant was necessary, and the Borough Council might be absolutely unanimous, and yet when the proposal came up for confirmation the whole thing might be vetoed, and there would be friction between the two bodies. If you are going to have a scheme for placing fire brigades in an efficient state, you must have a special body set up to control the fire brigades and the equipment of them. With regard to the matter of plant in hand, I see no difficulty. On the bare face of it it seems like confiscation for the Board to take it over without compensation; but supposing there was a clause in the Bill stating that this particular plant was vested in the town or city, and that the only charge was for interest and sinking fund, which they would have to provide—or depreciation you might call it—I see no objection to it. The plant is secured to the city or town, the interest will be provided for, the insurance companies will be paying, and the Government will be contributing as well as the local body. I would be very sorry to see the Bill crippled or thrown out through anything of that description. There are other matters that the United Fire Brigades Association would like to see given attention to. It has been suggested that the cost would all come back through the action of the insurance companies on to the people, but I do not think that would be the case. Take the fire brigades in the large centres at the present time, and you will find that there are four of them with an upkeep costing about £8,000 per annum. Then there are ten first-class country brigades, with an annual upkeep costing £500—that is £5,000. Then there are seventy brigades of what you might call the second-class, and their annual upkeep costs about £100: the whole amounting to about £20,000. When you consider the large figures representing the premiums raised in this colony, the sum referred to is a very small amount indeed to put on the premiums to recoup the companies for their expenditure in



connection with brigades. I notice that there is no provision for the equipment and establishment of fire police in the different centres, and we want them in the small country places as well as in the large towns. They are almost a necessity now. To keep the crowd back you must have the fire police, and also as a salvage corps, and I consider that these should be provided for. Then there is another matter that we country people would like to have attended to. The country brigades are almost entirely volunteer brigades. The Superintendent would probably be appointed by the Board under the Bill, but the men are almost all volunteers, and have their own work to do. It follows, therefore, that they can pay very little attention to drill; and if we had instructors going over the colony to instruct and organize the brigades it would be a very great help to the country brigades, and would put them on a good footing. I think you would find that the insurance companies, and perhaps the Government too, would contribute more freely if they knew that the brigades were not only being equipped, but were being instructed and made efficient in fire drill.

50. *Mr. Hanan.*] You spoke of getting over the difficulty of paying compensation to the bodies who own fire-brigade services by placing the property and plant in the hands of the Board by way of trust?—Yes.

51. Then I take it that you would have a separate account kept, and the cost would be apportioned between the bodies represented?—Yes.

52. When do you say that the property should be taken over as the absolute property of the Fire Board?—The valuation would be made at the time it was taken over, and when the value was wiped out by the sinking fund or depreciation fund then the property would belong to the Board.

53. And in the meantime would you make your terms for the use of the property?—Yes.

54. Do you think the Corporation would agree to that?—I think an equitable basis might be arrived at.

55. You think the Corporation would agree to the property being taken over by the Board in trust?—I see no objection to that. I am speaking for the country brigades now.

56. What valuation would you assess for the property, at the time when it was taken over as a trust, or the value of the property at the time it was paid for?—You would have to make the valuation at the time it was taken over. You would be gradually creating a fund.

57. You think the City Corporations would be willing to hand over their property—some of it of a perishable nature—for you to look after?—Yes, I think so, provided it were done in the way I mention.

58. By the course you point out they would be sure of getting compensation in time, so that there would be no confiscation?—Yes. The plant is for the use of the city; it is there, and cannot go away.

59. Of course, the city has still the benefit of the service?—Yes.

60. *Mr. Herries.*] You say you object to the district as defined by the Bill?—I do not think I said that. I said that the Fire Brigades Association favoured larger districts: that is to say, divided up into metropolitan and country Boards, and leaving the large centres alone by themselves. Then you have the country brigades coterminous with the old provinces.

61. Supposing the fire district were left as it is, do you think that would be a good thing for the small boroughs?—I would have no objection if the fate of the Bill depended on it. I might say that one of our stations has cost £1,200, another has cost £250, and our plant, a good deal of which was got by the volunteers themselves, cost about £600 or £700.

62. But under this Bill the management would be very much more expensive than that of the boroughs?—I am speaking from the experience I have gained in travelling about the colony and seeing boroughs about our own size, where the equipment is simply a scandal—perhaps some old shed not fit for a dog-kennel, to contain the plant. They cannot get any equipment, simply because the local body says it would be such a terrible drain on the revenue.

63. Do you think it would be wise to combine and have a Provincial Board?—I think so.

64. Is that on the score of expense or better management?—I think it would be less expense and result in better management.

65. *The Chairman.*] Speaking of efficiency generally, do you not think it would be wise if a clause were inserted in the Bill under which the Board should have power to appoint a Superintendent to go round and establish brigades and bring them up to a state of efficiency?—I do; that is just what I suggest.

66. I am speaking of a paid Inspector who would go round the country districts and teach the country brigades in order that they might be brought up to the efficiency of town brigades?—That is so. The country brigades would be in favour of an Inspector who would go round and put them in the proper way to become efficient.

67. That could be better carried out if the districts were made provincial or of larger areas?—Yes.

*Mr. S. R. Webb (Mayor of Lyttelton):* The position I take up in regard to this matter is similar to that of the Mayor of Christchurch. We object to the constitution of the Board under the Bill, and prefer the thirds as formerly proposed. With regard to compensation, I think it would be impossible—ours is an exceptional case—to go in for selling our property, inasmuch as the building in which the Fire Brigade is located is used for the Technical School and for other purposes. The difficulty might be got over by a rental equal to the assessment of its value as a property. What we want to prevent is overlapping. In a locality such as ours it would be unwise and superfluous to have a Board managing our affairs, we having only four thousand of a population, covering an area of one mile and a half each way. Therefore our circumstances are very exceptional. What we want is to prevent overlapping; and in connection with the suggestion which fell from the Mayor of Christchurch, the power might be delegated by some amount of payment, which would have to be assessed, and then you could allocate the sum. The Council could

not restrict them in regard to the expenditure. I can understand this Bill being adapted to meet difficulties in country boroughs where there are not efficient brigades, but when you come to interfere with existing rights you will find great opposition. I say emphatically that, rather than have the Bill—which only came before me this morning—I would be working under existing circumstances. All that we were asking for was to have a certain proportion of the cost of these brigades borne by the insurance companies, which we at one time got in common with Christchurch, and which was withdrawn. Rather than have the cumbrous institution the Bill proposes, we would remain as we are. As far as the constitution of the committee is concerned, I think it should be as indicated by previous speakers. With regard to the question of high-pressure water-supply, that is a factor to be considered when the Bill is passed. Where a city or borough has gone in for a high-pressure water-supply it must be a factor as to how much should be contributed for the water-supply. I hope the Bill will be very materially altered, and that it will be sent back to the local bodies for suggestions.

68. *Mr. Hanan.*] You say that you want contributions from the insurance companies. Do you not think that contributions should carry representation?—They did not ask for representation. They simply gave us money to keep the brigade up to a state of efficiency.

69. But now that they are asked to contribute, should they not have representation?—Yes.

70. Do you not think, from your experience of municipal business, that the undertakings in connection with municipal ventures are so large and so difficult in their operations that really it takes the Council more than the time at their disposal to properly attend to them?—Well, we have such an able Town Clerk that he will not allow us to lag behind.

71. What objection have you, so long as you get the value of your plant, to hand it over to a Board?—We could not very well hand it over. We have the Technical School in our building.

72. But you would get rent for that?—Yes.

73.—*Mr. Herries.*] Are you satisfied with the definition of “district,” or do you think that the district should be a provincial one?—I prefer the local district, decidedly.

*Mr. Brown (Masterton).* I might say that we certainly prefer the districts as proposed in the Bill; that is, that the boroughs with a population such as we have should be constituted districts. There would be very great objection on the part of small boroughs to be combined in any large scheme. I think we are all of one mind with reference to the proposed confiscation. The clause is very vague, but it seems to me that the property would be taken away and vested in the Board. Under the Municipal Corporations Act the Council can appoint committees, and those committees have powers delegated to them. If the special representation of fire brigades consisted of three members, and the Council had an equal number, with the Mayor as Chairman, that would be a means of getting over one difficulty, and probably the property might be vested in the Council as at the present time. There would be considerable trouble in altering the ownership of the property. What we would like with regard to fire police and salvage corps is this: that where a borough has suburbs adjoining they might be allowed to come into the district. In Masterton we have a growing suburb across the river that is in the county at the present time, but we afford it protection from fire and make no charge for the service, and it is only right that that suburb should be allowed to come into a district of that kind. I do not think there is any provision in the Bill except for adjoining boroughs. There is one other point I would like to mention, and that is the principle of rating. Unless the Council levies a rate, it seems to me that the Government will not be called upon to pay anything at all, and it is very objectionable to ratepayers to have so many rates imposed. With regard to raising a loan without polls, that is rather a big order just now.

74. *Mr. Hanan.*] Would your borough have any objection to giving this Board, if constituted, power to rate?—I think they would.

75. *Mr. Hanan* (to *Mr. Devine*).] Would your Council object to the Board levying a rate in the city?

*Mr. Devine.* Yes. You would have to go to the same expense in procuring a farthing rate as a much larger rate.

*Mr. Hanan* (*Invercargill*).] The Invercargill Borough Council asked me to give evidence before the Committee, but as their objections to the Bill have been voiced by the gentlemen forming the deputation, it is not necessary for me to do so.

THURSDAY, 28TH JULY, 1904.

Superintendent HUGO, Wellington, examined. (No. 1.)

*The Chairman.* Mr. Superintendent Hugo and myself have prepared a number of suggestions which we have to submit to the Committee for consideration, and I will call upon Mr. Hugo to read and explain them.

*Mr. Hugo.* In lieu of the provision in clause 2 it is proposed to substitute the following: “There shall be nine fire districts—namely, Auckland, Hawke’s Bay, Taranaki, Wellington, Nelson, Marlborough, Canterbury, Westland, and Otago.” My reason for making this suggestion is that the number of Boards proposed is altogether too many. It would bring into existence at least eighty Boards, and as under this Bill each Board has power to remunerate itself, it means that a very large expense would be incurred in New Zealand for administration. The areas under the control of Fire Brigade Boards elsewhere are very much larger, and have been working very satisfactorily for many years—as, for instance, the six States comprising the Commonwealth of Australia. With regard to clause 10, I would propose that provision be made for the payment of expenses during the interval between the 31st March and the 30th June, as at present there are no means of carrying on the brigades during that interval. Clause 18: The repealing of portions of

the Municipal Act has taken away the authority from local bodies to establish salvage or fire-police corps, therefore it is necessary that power should be given to the proposed Boards to establish salvage and fire-police corps. I would also suggest that power be given to the Boards to cause to be held inquiries into the origin of suspicious fires, and also that they should be represented at inquests on fires. At present there are no professional firemen represented at these inquiries, and very valuable information which might be elicited is thus lost. A further power which the Board should have is that of erecting fire-alarm circuits for public use. In subsection (3) of clause 22, the Superintendent has power to inspect theatres and other public buildings within his district, and report to the Board whether proper precautions for the prevention of or escape from fire are being observed; but there is no power given to the Boards to control those buildings. Therefore, I would propose that such power be given to them. The present Municipal Corporations Act gives the officers of the brigade power to use water from the water-mains, but there is no power given either to the Board or its officers to use water that may be required from wells or tanks, and, in my opinion, such power should be given. There is no power at present which will admit of any brigade recovering their expenses or receiving remuneration should they be called upon to extinguish a fire on board any ship in harbour, and such an omission, in my opinion, should be provided for. I would suggest a new clause to follow clause 21 of the Bill, to provide that "An officer shall be appointed and paid by the Government, who shall be an experienced fireman, and he shall act as advisory officer to the various Boards in the matter of establishing brigades, providing plant and appliances. He shall inspect all brigades annually and report to their Boards, and with such assistance as he requires shall act as valuator for all buildings, plant, and appliances taken over, be empowered to adduce evidence, examine witnesses, and address the Court at inquests on fires. His authority shall be recognised by all officers and constables of the Police Department, and they shall render him any assistance he may require. If found necessary, a deputy or deputies may be appointed to assist the principal officer." I can see a most urgent necessity for the appointment of this officer. It really means that the whole fire service throughout New Zealand would be put on an efficient footing. Were there no such general control as this every brigade would be an authority unto itself, the Boards would have to be guided by such authority, each brigade would follow its own fads, and there could be no possible uniformity. Further, the officer suggested should be appointed by the Government, so that he might be a man entirely free from any local prejudices and independent of any one Board. This is all the more necessary, because it is proposed—and it is essential—that he should act as a valuator for the purpose of taking over plants and appliances on behalf of various Boards. I would propose that under clause 22—"Powers and duties of the Superintendent"—the following subsection be added: "Any turncock shall, upon any fire occurring in his district, proceed with all possible speed to the fire and, when directed so to do by the Superintendent, shall assist by all means in his power the insuring of a plentiful supply of water." This is necessary, as the turncock, being the servant of the local authority, might object to the authority of the Superintendent of the Board. Moreover, it is the ordinary clause used in every Fire Brigade Act. I would also propose the following additions under this clause (a): "Every local authority, company, or person supplying artificial light to any premises on fire shall forthwith send some competent person to shut off or disconnect the supply of artificial light to such premises, or to any building, land, or street adjoining such premises or adjacent thereto, as and if directed so to do by the Superintendent." "Any local authority, company, or person owning any electric tramway shall, if required so to do by the Superintendent, forthwith send some competent person to cut off the supply of electricity from any section required." In connection with these proposed amendments, it must be apparent that electricity is coming into very common use, and at certain times, such as at fires, a considerable amount of danger may be present. Therefore it is necessary to give the Superintendent power to cut the light off if necessary. I would propose that the following clause be substituted in lieu of clause 28: "Upon the coming into force of this Act every brigade existing in any fire district shall be subject to the control of the Board, and all land and buildings occupied by any brigade shall be vested in the Board, in trust, provided that the Board shall pay to any local body, company, or person, owners of such land or building, a rental of 4 per cent. on the capital value; provided further that should there be any loan outstanding on any such land or building, the amount of the loan shall be deducted when computing the capital value and the interest at the rate of percentage at which the money was borrowed added to the annual rental. The Board shall take over all plant and appliances in possession of any brigade at a valuation. The payment for such plant and appliances to be extended over a term of ten years or determined earlier should any Board decide so to do." Another new clause I would propose is the following: "Any person who tampers with any fire alarm or fire-signalling apparatus, or gives a false alarm of fire, shall be liable for the first offence to a penalty not exceeding £10 or one month's imprisonment, and for any subsequent offence shall be liable to imprisonment for a period not exceeding two years, with or without hard labour, and without the option of a fine." This offence is much more serious than appears on the face of it. It is not the mere inconvenience caused by the brigade turning out, and in some cases the expense that is attached to it, but every time a modern brigade turns out in answer to a call of fire there is always an element of danger either to themselves or to the people in the street. So far as danger to themselves is concerned, firemen are only too ready to risk that when there is a fire at the place to which they are called, but it is not right that they should be asked to incur such danger for the mischievous pleasure of evil-disposed people. This offence is looked upon as a very serious one in many parts of the world. In New York, anybody giving a false alarm is liable for the first offence to a fine of £100 or six months' imprisonment, and even in conservative London fines of £25 have been inflicted for a first offence. The suggestions I make are embodied in a list which I now put in.

## CHARLES HAYWARD IZARD examined. (No. 2.)

1. *The Chairman.*] What is your name?—Charles Hayward Izard.
2. And you are a Councillor of the Wellington City Council?—I am one of the Councillors for the City of Wellington, and also Chairman of the Fire Brigades Committee.
3. I take it that in giving your evidence in the form of an examination you will give the Committee an outline of what you intend to say?—Yes. I would like to go through the Bill, as I have it before me, from beginning to end, making such comments as have occurred to me after careful perusal. The first difficulty that presents itself to me arises under the definition of “fire district,” in clause 2. The apparent object there is to create a fire district in each borough in New Zealand. Now, I believe there are some eighty boroughs at least in New Zealand, and that is without taking into consideration those parts of New Zealand outside of boroughs, which the Governor may from time to time declare to be fire districts. Now, if in reference to that one considers that these Boards are to be paid, and one puts down for each Board the sum, say, of £20—which is almost ridiculously small—that will make an increased cost of £1,600; but it is almost impossible to say what the cost of these Boards would be. One would like to see, if possible, the four cities constituted Boards of their own, and some other scheme adopted by which the fire districts could be made into large areas. That is, of course, a matter of policy, but it occurred to me after a conference I had with the Superintendent of our brigade. Coming to clause 3, with regard to representation, I notice that three members are to be elected by the insurance companies, three by the local authority, and the seventh to be appointed by the Governor. One would have no objection, and could not urge any objection, to the appointment of one member by the Governor, were it not for the fact that the Government will be acting as an insurance company; and whilst the object of appointing the seventh member was to see that there was never a deadlock in the proceedings of the Board, it might be a little unfair to the municipality to find when they came to vote that the appointee of the Government might be influenced indirectly as a representative of an insurance company. How that difficulty is to be got over I do not know, and I have no suggestion to make. If we turn to clause 4, subsection (b), I think that after the word “each” in the twenty-sixth line the word “insurance” should go in. The words in the clause at present are “each representative having one vote only, whether he represents one or more than one company.” I suggest that it should read “each insurance representative.”
4. It does not follow that if these districts are altered to take in a larger area, such as a provincial district, they will send representatives to elect three of their number. They will be representatives of the people, while the other three will be representatives of the insurance companies?—Are you not, by section 3, providing for the manner in which the representatives shall vote? What about the representatives of local bodies?
5. The representative will not represent two or three boroughs, although he comes from them?—I think the word “insurance” ought to be added after the word “each.” The next point I come to is clause 10. There seems there to be a difficulty, if you look back for one moment at clause 5, referring to the date of the appointment and election of members, and clause 10, seeing that the estimate has to be put in before the 30th June. There seems to be a hiatus.
6. We propose to strike out the word “March” in clause 5, and substitute the word “June.” That will alter what you are now going to suggest?—That will alter one point. With regard to the finance, it is always very difficult for a body to estimate what is likely to be sufficient annually. I think there should be power given to these Boards to borrow by way of overdraft. As showing the difficulty of estimating ahead, I might mention the Charitable Aid Boards as an illustration. In such a case the Board prepares an estimate, and afterwards finds that the expenditure exceeds the amount of the estimate, and has to go to the bank and borrow sufficient money to carry on with on the security of members of the Board. I do not know whether the Committee can see its way to give to the Boards some power of raising money to meet this difficulty. Now we come to clause 11. I do not quite see how it is proposed that these contributions shall be levied from the municipalities. I quite understand this: that if the suggestion is that the four large cities should themselves be Boards, there would be no difficulty in ascertaining and levying the amount required under sections 11 and 14. I am referring to section 14, because it says: “The amount of the contribution payable by each insurance company and by the local authority shall be determined by the Board, but so that the aggregate amount of such contributions shall not exceed the amount payable as appearing in the estimate hereinbefore mentioned.” There may be difficulties where you get two or three bodies, as is apparently intended in the Bill, which are not municipalities but country districts, as to what rate and upon what system those bodies are to be levied upon. So far as Wellington is concerned, if we had such a fire district there would be no difficulty. Passing on to section 15, subsection (2), it says: “If any local authority liable to contribute under this Act fails to pay any such quarterly payment within thirty days as aforesaid, the amount of such payment, together with interest thereon at the rate and computed in manner aforesaid, may be paid to the Board by the Colonial Treasurer, and deducted by him from any moneys payable to such local authority by way of subsidy under any Act.” Well, Sir, I do not know what amount some local authorities receive by way of local subsidy.
7. *Mr. EU.*] Four hundred and fifty pounds is the limit?—I submit that is not sufficient. If it be necessary to have some clause compelling payment, it is no use having a clause unless the amount is sufficient, and I would suggest that, if they do not pay their contribution, the Board should have the right to put in a Receiver. The next clause I desire to refer to is clause 17, in which I think you will find there is missed out the word “buildings.” I have considered this Bill, and cannot at the present time find that the Board has any power to construct buildings. It is intended, no doubt, that the Board should, and I think the word “buildings” should be added in the thirty-ninth line, after the word “such,” otherwise the Board has no power to erect buildings.

You take power to do certain things—"to establish and maintain an efficient brigade for the suppression and extinction of fires, and for protecting life and property from loss or damage thereby, and to furnish such brigade with such equipment as it deems necessary." Will it not require buildings? You have power to acquire land and no power to build upon it, and the question might crop up when you came to borrow money. With regard to clause 18, that is all right if the Bill refers to the rating districts I refer to, but there must be power to appoint superintendents and deputy-superintendents. There must be a superintendent to each brigade. With regard to regulations the Boards have power to make, I submit that the regulations should be a great deal broader than they are at the present moment. It has been suggested that there should be a salvage corps. I know that the question of salvage corps is a matter of debate between the municipalities and the insurance companies; but there is absolutely no debate on what we call fire police, and we have them in Wellington. It seems to me that there should be power given to the Board to provide fire police, and what is to be paid them is a matter to be considered. In addition, the Board should have power to order inquests on fires of a suspicious nature, and have direct representation at inquests or inquiries.

8. *Hon. Mr. Carroll.*] In what way?—To appear and lead evidence. At present it is done by the police; it is not done by the firemen—men with special training fitting them to look into these questions. The Board should have power to install fire-alarm circuits and make by-laws relating to public buildings. At the present moment you will probably know from your own knowledge that the municipalities deal with public buildings—they have them inspected from time to time. I am referring to theatres and places of public concourse mentioned in section 22, subsection (3).

9. *The Chairman.*] That is as to precautions in regard to fire, &c.?—Yes. At the present time the municipalities receive a licensing fee for certain buildings, and for other buildings they do not receive license fees, but the whole of these buildings have to be inspected, and by section 23 of the Municipalities Act certain regulations have to be properly complied with. It seems to me that that is a duty which ought to be delegated to the Board. There is no real objection to it: take the case of the Licensing Act, where the licensing fees are received by the municipalities, while the question of whether or not there shall be licenses is left to the Licensing Committee. So that it is not unusual that one body has the right to say what is a proper building, while another body has the right to collect the revenue from it. It will then be necessary to adopt into the Act schedule 13 of the Municipal Corporations Act, and such other machinery as is deemed to be necessary.

10. *Mr. Ell.*] But there is not the competent authority?—I know your authority for that. At the present moment we have in Wellington a Superintendent of the Fire Brigade who is an officer appointed under the Act, and we are absolutely guided by him.

11. *The Chairman.*] Why not give that matter entirely to the control of this Board? The officer appointed by the Board would be absolutely free?—That is what I am suggesting. There is another point: I have every faith in this Bill being made to work excellently, but I think the question of the construction of large buildings ought to be in some way under the control of the proposed Boards. Take, for instance, the case of Messrs. Kempthorne, Prosser, and Co.'s building here in Wellington, which was only four brick walls extending from street to street, and with no brick partitions in the building at all. Under such circumstances there is no hope of checking the fire by partitions and fireproof doors; it is not only dangerous to people generally, but owing to the enormous heat it is especially dangerous to the fire brigade. Subsection (e) of clause 18: I should like to see this clause made clear. It is one that relates to the storage of kerosene and dangerous explosives. I know that there is a good deal of difficulty in the construction of our Dangerous Goods and Explosives Acts, and such a section needs to be very carefully considered by the law draftsman in order to see that it is going to provide for goods not only under the Explosives Act, but under the Dangerous Goods Act: it seems to me that it is not a very well-drawn clause at the present time. Clause (e) runs: "Regulating the storage of kerosene and of any dangerous explosive, and of empty crates, cases, and other packages, sawdust, shavings, hay, straw, and other inflammable substances." But I take it that there are lines of goods equally dangerous with kerosene. With regard to subsection (g), "Imposing fines not exceeding £5 for any breach of any such by-laws," I consider that £5 is not sufficient. I would submit with regard to fines to be imposed for the storage of dangerous goods and explosives that they should be very heavy indeed. A paltry fine of £5 for such a dangerous practice is nothing. Take an illustration: A man receives a shipment of explosives that he expects to send away any day; it may be cheaper for him to take the risk and be fined £5 than to go to the expense of sending the explosives away to the proper station. When a building containing explosives catches fire, one almost feels inclined to call the brigade away; but we cannot do that. We have to take the risk, and it is so dangerous to human life that I submit there should be a heavy penalty for the storage of goods of an explosive nature in such buildings. The next clause I desire to say a few words upon is clause 19. It is a clause giving power to borrow money, but I see that the Board may not borrow at any time more than £4,000. When I first read that section I thought that £4,000 might be a very small amount considering the value of a large fire plant, but I see that it is "not exceeding at any time £4,000." Does this mean that the Board can keep on borrowing sums of £4,000? I am not saying what the interpretation of that clause is, but I think it is limiting the borrowing in some way. If it is only one borrowing, then the £4,000 requires to be increased. With regard to clause 22, subsection (3), that, Sir, fits in with my remarks made a little while ago in connection with public buildings. Subsection (3) gives the Superintendent power to do certain things. "He shall at all times have free access to all theatres and other buildings within his district used for public entertainment or public concourse, in order to report to the Board whether proper precautions for the prevention of or escape from fire are being observed." What is the good of the Superintendent having that power if the Board has no control over the

building? My Superintendent reports to me that a great many churches are very dangerous so far as egress in case of panic is concerned, and it is a doubtful point whether we have any control over churches. We are having a test case in order to see; but I should like to have churches included, because you would have just as serious a loss from panic in a church as in any theatre—probably more, because you would have so many women and children. The next clause I have had some debate and controversy upon with Superintendent Hugo—that is clause 22, subsection (4), (b), as to the power of the Superintendent; and I would like you to read clause (e) as well. This is what happened some time ago when the fire at Messrs. Kempthorne, Prosser, and Co.'s building occurred: Superintendent Hugo was away at the moment, but his deputy was at the fire. We had our steamer at work from the sea when a train came along. It was requested to stop, but the driver refused, and threatened to run over our hose. Nothing could be done, so we had to call off our men to uncouple the hose and to couple it up again after the train had passed. In less than a quarter of an hour it came back again, and we had to go through the performance once more. I do not know whether we have any power to stop His Majesty's mails, but think the Board should have control. We have municipal trams now, and they might be carrying letter-boxes bringing them under the definition of "His Majesty's mails," and I should like the Bill to give sufficient power to enable the Superintendent—because he is a gentleman who is going to have large power under this Bill—to control all the traffic. With regard to clause 28, I understand that that clause is to be amended. If it is not amended, the position, so far as Wellington is concerned at the present moment, is that we should hand over to the Board property of the value of £33,834. The land alone on which our central station stands is valued at £19,350, and the Newtown station land is valued at £1,200. I have a list here which I ask to be allowed to put in, as it was handed to me by the Town Clerk. The amendment I heard read as I came into the room this morning, if adopted, I think, will meet our difficulty.

12. *The Chairman.*] The clause you heard read was the clause which the Committee has to consider as to the mode of taking over the property. I think it will meet all that you demand. I believe our brigade in Auckland would be in exactly the same position as your brigade?—I do hope that the Bill will be amended so that it will effect all that is required, and that this Committee will be able to see its way to prevent all these little bodies having different control. If it could be done it would be well that there should be one, two, or three, or only very few large Fire Boards in New Zealand. You have to pay the members, and if you got good men you would find the whole of the fire brigade brought up to a state of excellence which is impossible with a number of small brigades. So far as the cities are concerned, you may find that you will have to leave them out, because if you put them into a large area they will have to pay very much in excess of what they would be called upon to pay for a body of their own. The cities would be controlled by outside bodies. The country, with all small boroughs, would be far more numerous, and would outvote the town; and, again, there is no doubt that the fire risk in a town is very much larger than in a small country district. The question you last referred to seems to me, after giving some consideration to the Bill and with a knowledge of its surroundings, to be the difficult point.

SIR,—

Town Clerk's Office, Wellington, 27th July, 1904.

I have to forward herewith for your information the cost of land, buildings, and plant in connection with the fire stations.

Land—						£	s.	d.
Central	..	..	..	..	..	19,350	0	0
Newtown	..	..	..	..	..	1,200	0	0
Buildings—								
Central	..	..	..	..	..	8,084	0	0
Newtown	..	..	..	..	..	1,895	0	0
Plant—								
Fire-engine	..	..	..	..	..	1,047	0	0
Fire-alarms	..	..	..	..	..	800	0	0
Fire-escape	..	..	..	..	..	236	0	0
Hose-reel	..	..	..	..	..	120	0	0
Horses	..	..	..	..	..	170	0	0
Hose and fittings	..	..	..	..	..	459	0	0
Hose-reel	..	..	..	..	..	73	0	0
Cart	..	..	..	..	..	74	0	0
Plant from Shand, Mason, and Co.	..	..	..	..	..	275	0	0
Fire-escape fittings	..	..	..	..	..	23	0	0
Water-heaters..	..	..	..	..	..	28	0	0
						£33,834	0	0

I have, &c.,  
JOHN R. PALMER,  
Town Clerk.

Councillor C. H. Izard, Chairman, Fire Brigade Committee.

FRIDAY, 12TH AUGUST, 1904.

JAMES GILBERD examined. (No. 3.)

1. *The Chairman.*] I believe you wish to give evidence before the Committee on this Bill?—Yes, sir.

2. Your name is?—James Gilberd.

3. And you live at?—Napier.

4. And you are?—Secretary of the United Fire Brigades Association, and Superintendent of the Napier Fire Brigade.

5. You have had a copy of this Bill?—Yes, sir.

6. And you have gone through it?—Yes, sir.

7. Well, will you give the Committee the benefit of your views and experience?—First, I would like to explain that I am here representing the United Fire Brigades Association. I do not know whether you have had any evidence from others. Mr. Robbins, I believe—

8. I believe the evidence of Mr. Robbins was given as a member of the Municipal Corporation's Conference. You, I understand, represent the United Fire Brigades Association?—Yes, sir. I think it would be as well for me to go through the resolutions that were passed at the Conference at Te Aroha. With the general provisions of the Bill the association agrees, but in reference to the districts the association would prefer those districts to be the old provincial districts. Clause 2 of the Bill says, " 'Fire district' means every borough having a population of one thousand or upwards." The association would prefer these districts to be the old provincial districts.

9. You say the association thinks that these Boards should be constituted over districts of the old provincial area?—Yes, sir.

10. And next?—With reference to the taking of the property of the different fire brigades and boroughs, the association considers that this property should be taken over at a valuation.

11. What clause is that?—Clause 28. There is one other alteration the association suggests. They suggest that the Government should pay a proportion of the contribution; that the Government should pay one-third, the local body one-third, and the insurance companies the other third. I do not think there are any other alterations that the association wishes for. They approve of the Bill generally. I think that is all as far as the association is concerned. These are the recommendations that they made at their annual meeting at Te Aroha.

12. Is there anything further that you could give us?—I think, myself, that the support of fire brigades should be borne by those who actually receive the benefit from them. The basis under which this support now is proposed by the Bill is that half shall be paid by the local authority—that is, practically from the rates. It is hardly fair, because it does not reach those who have the greatest property at risk. Some property may have a low rental value, while at the same time it may be very heavily stocked, while other property may have a high rental value with a small stock, and my opinion—and it is the opinion of a good many of our association—is that the amounts necessary for the support of the fire brigades should be raised by a tax on the insurance value of the property at risk. I do not think it would be a very difficult subject to work out. The borough valuations could be taken for the values of the properties, or a special valuation might be made of the buildings, and the balance of the amount required, I think, should be raised by a tax on all insurance premiums. By this means all property benefiting by fire protection would pay in proportion. All owners would pay in proportion according to the property and value of stock they possessed and the risk they ran against losses by fire. Also, in connection with the Bill, I think some provision ought to be made for compulsory building regulations by the State. Another question that has been raised is the appointment of an inspecting officer for the whole of the colony, to advise and report to the different Boards.

13. You think that such an officer should be appointed?—Yes. He should be an independent officer outside of the Boards. He should be appointed by the Government to be advisory officer to the different Boards.

14. This is a general outline of your ideas?—Yes, sir.

15. *Mr. E. G. Allen.*] I would like to know if you can tell us what is the present cost of supporting all the fire brigades in the colony?—Well, we cannot get at it very exactly, because the brigades in making their annual returns just put down the amount for the current year, and in a good many cases that is the amount that is paid to them—but I should say it is about £15,000. I should say the total cost of fire-prevention for the whole of the colony would be about £20,000, because, taking the Napier Brigade for instance, we get £230 a year given to us, but the borough pays any extraordinary expenditure, say, for hose or appliances, so that at the least it must cost well on to £350 a year.

16. That would be exclusive of any funds raised by the brigades themselves, say, in the way of concerts or otherwise?—No, that would be included. In a good many brigades members themselves collect money to keep the fire brigade going.

17. *Mr. Herries.*] With regard to these districts, the association recommends the provincial districts; do you personally agree with that?—Yes, I think it would be an advantage. The cost and trouble to small boroughs of carrying on the election of members and getting all the information required would be considerable, and it might just as easily be done for the whole district at considerably less trouble and expense. Take Hawke's Bay for instance, the insurance companies would have to make out only one return instead of five or six. It would be much simpler to include the whole district than to have a separate Board at Napier, Hastings, and so on.

18. You do not think that would be objected to by the country districts?—Personally I would object to anybody outside of those receiving a benefit from the brigade being taxed—that is why I object to the Government providing funds for brigades.

19. But would not all the local bodies in that district have to subscribe?—No; only the local bodies who had the services of the fire brigade.

20. Then, you mean a still further alteration of this Act?—Well, I take it that that would have to be arranged for, because if the district contains five or six boroughs each one would have to provide the amount necessary for their own fire protection. Fire protection in different towns varies. In Napier, for instance, with the high-pressure water-supply, it would be possible to work more economically than in towns without a high-pressure water-supply. But, personally, as I say, I believe in the principle that I have suggested, that the amount required for fire protection should be raised by a tax on buildings—on the insurable value of the buildings and their contents. A valuation of the buildings might be made by the borough Valuer when he is making the ordinary valuations, and the payment in proportion to the value on the contents could be secured through a



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



the candle at both ends. Fire-insurance companies already contribute towards the maintenance—and I would ask you to bear this fact in mind—of fire brigades, &c., in New Zealand by way of reduced rates to an extent of something like £25,000 to £30,000 a year. Take Wellington, for instance, and supposing there were no fire brigades, premium rates would be from 50 to 70 per cent. higher than they are now. If we have to make a contribution of one-third it would mean 5 per cent. of the companies net premium income. The rates of fire-insurance companies are based on the efficiency or otherwise of fire brigades, &c.; therefore it goes without saying that should companies be compelled to contribute they would have to resort to their only remedy—raising the rates, for the reason that they could not afford to contribute towards the cost of establishing and maintaining fire brigades, &c., and allow the rates to remain as low as they are now. The public would consequently have to bear the tax in the shape of increased rates. I cannot discover a single reliable insurance journal published out of New Zealand which is in favour of this contribution by fire-insurance companies towards the cost of the establishment and maintenance of fire brigades, &c. Fire-insurance companies do not ask for, nor do they require, the use of fire brigades. Their business is to construct their tariff of rates according to the existing state of things in a city or in the country, and to pay losses. Were there not any, or were there but few fires, there would soon be very few fire-insurance companies. It is the duty of municipal Corporations or local authorities to protect the citizens from the danger of fire, as well as against the danger arising from want of sanitary arrangements, and from other dangers, and this duty should not be removed from their shoulders and placed on those of fire-insurance companies. Fire insurance is a “personal contract of indemnity only.” A fire-insurance company undertakes to indemnify a property-owner, &c., for any sum, say, for example, £1,500 from the loss that he may sustain through damage or total destruction by fire of the property insured. The property is destroyed by fire, and the company pays the £1,500. What more can be asked? Why compel the company to pay more in the shape of a special tax towards the maintenance of fire brigades—an institution which it does not require. The principle sought to be established by the Bill is unjust and illogical. I would like, with your permission, Mr. Chairman, to now read an article which lately appeared in the *Otago Daily Times*. It is as follows: “It is perhaps only natural that the fire-insurance corporations doing business in New Zealand should be taking a very lively interest in the progress of the Fire Brigades Bill now before Parliament, which aims at saddling insurance companies with half the cost of maintaining fire brigades. It is surprising how widespread the belief is that insurance companies, who have most to lose by the burning of insured property, should be called upon to take steps to prevent fires occurring. The error arises through the inability on the part of the people to discern the difference between protection from fire and indemnity from loss by fire. The former is a function which must be undertaken by the local authority, while the latter is one performed for a consideration by a private company, which is exposed to very considerable risks. The owners of uninsured property are interested to a far greater extent in the prevention of fire than the prudent-minded individual who cannot afford to take the same risks. But all have to pay their share of rates out of which the fire service is maintained. It would be just as reasonable to thrust half the cost of a Health Department on the life-insurance companies on the ground that they are interested in sanitation and anything that will tend to increase the general longevity of the persons who have taken the precaution to insure their lives. But here, again, the life-insurance company does not undertake to insure a person against an early demise, but what it really does is to indemnify to some extent those dependent upon the policyholder from the sudden withdrawal of his earning-power. To thrust upon a particular section of the business community the onus of providing, in whole or in part, a public service is simply placing a premium on improvidence. For, in the present case, if the substantial contribution to be made by insurance companies to the upkeep of fire brigades results in a diminution of the number of fires, it lessens the incentive to insure, and more persons will be prepared to take the risk of allowing their properties to remain uninsured. Thus it is proposed to tax the insurance companies whose premises already pay their share of the rates, to reduce the volume of their business. Unquestionably, conflagrations are the life of fire insurance; and, while the loss of valuable property by fire can never be anything but a dead loss to the aggregate wealth of the community, it is a powerful incentive to owners of insurable property to adhere to the sound principle of covering themselves against loss. It has often happened that an insurance company has been placed under an obligation to an efficient fire brigade, and it might be argued that one instance of zeal and discretion on the part of a superintendent of a fire brigade might save a company a sum equal to many years’ contributions to the maintenance of the brigade. But that is scarcely the point, and the distinction will be seen by applying the argument to the destruction by fire of a property which is uninsured. Clearly a fire service must exist in every large community for the public safety and the benefit of the insured and the uninsured alike. Being a public service, it is manifestly unjust to call upon private corporations for a special contribution towards its maintenance. It is possible that municipal bodies, seeing an opportunity to relieve themselves very materially of the cost and maintenance of fire brigades, will embrace it with some eagerness, and give a whole-souled support to the Bill. A thorough appreciation of their duties and responsibilities, however, is not always a characteristic of local bodies, and while they may be quite ready to avail themselves of the chance of profit at the expense of the insurance corporations, it is exceedingly doubtful whether Parliament will lend its assistance to their accomplishing anything of the kind.” I would now like to say a few words about the Bill itself. As I have said, we object most strongly to the principle involved, but if the Bill is passed we should like it to be as workable a measure as possible. First, with respect to clause 3, I think that four Boards should be sufficient—one in Auckland, one in Wellington, one in Christchurch, and one in Dunedin. I understand it has been suggested that there should be nine Boards—one for each of the old provincial districts—but I am of opinion, and I think most of the insurance companies are, that four would be quite sufficient.

33. You would divide them into Wellington, Christchurch, Dunedin, and Auckland—the four large centres?—Yes. Next with respect to clause 5, which stipulates the date of election and the duration of the term of office of the Fire Boards, I think that only a certain number of members should retire each year, and that they should retire by rotation. At present they are all to retire at the end of every alternate year. If, say, three members only were to retire yearly, and in rotation, I think it would mean a more efficient working of these Fire Boards. Otherwise you would be constantly having new men, who may know next to nothing of the business, and as a consequence matters would always be in a state of chaos.

34. You would like members of these Fire Boards to retire by rotation, say, three each year?—Yes.

35. And next?—The contribution clause—clause 11: Companies should not be called upon to contribute more than one-third of the cost. The local authority should contribute one-third, and the General Government one-third. In any case, whether the contribution of companies be one-third or more, it is quite certain that the insuring public will have to bear the burden. The companies cannot contribute towards the cost of maintaining fire brigades and allow rates to remain as they are. I also wish to point out that companies not established in New Zealand which insure property in the colony should contribute. There are many companies in England and on the Continent that thus insure. Firms or persons doing business in the colony may not be able to obtain sufficient cover in New Zealand, and they are obliged to go to those English and foreign companies. Why should those companies not contribute towards the support of fire brigades? We have a rule in our association under which fire-insurance companies not established in the colony, but transacting business therein, are compelled to make a deposit on the amount of premium received by them on their colonial business, so that in the event of fire they contribute towards the cost of adjusting the loss.

36. Outside companies to pay their proportion according to the amount of business they do in the colony?—Yes. Firms or persons in the colony thus obtaining cover could be constituted by the Act agents for their insurance companies in London or elsewhere, and be compelled to render to the Board returns of premiums received by their companies, and pay their contributions the same as companies established in the colony, and they should have authority by the Act to recoup themselves out of premiums payable to those companies. Then there is uninsured property, of which there is a large amount in the colony. The owners of such property should contribute also. Their proportion could be ascertained by a statutory declaration to be made by them each year, giving the value of their property—buildings and contents—and they should be compelled to contribute on the insurable value, at the rate obtaining in their locality, on property of a similar kind which is insured.

37. You think that those owning uninsured property should be compelled to pay?—Yes, I think so. Why should fire-insurance companies and others have to protect those properties which are uninsured. Then with regard to underinsured properties, a great many people do not generally insure their property to its full insurable value, therefore why should the insurance companies and others be compelled to protect that portion which they do not insure? It would be easy to find out what the property is valued at. The owners have always to give a valuation when they insure, and this could be produced in order to show what is not insured. Uninsured and underinsured property in New Zealand amounts to from 20 to 25 per cent. of the insurable value. All property should contribute towards the establishment and maintenance of fire brigades. To cover the cost of establishing and maintaining fire brigades, &c., a fire rate of sufficient amount should be struck. Insurance companies would be compelled to pay on their properties. Many companies doing business in New Zealand own or lease property to a very considerable amount. Clause 16 provides for a rate, if necessary, of  $\frac{1}{4}$ d. in the pound. Why not strike a sufficient rate at once for the establishment and maintenance of the fire brigades? Next with respect to clause 18, subclause (f), I believe that members of Fire Boards should not be paid. Otherwise the Board would not be independent. There would always be a rush to get on the Board if they were paid, and I am quite sure that men could be found who would be glad to perform the duties without being paid. Clause 19 gives Boards power to borrow money. I think Boards should not have the power to borrow money. They may immediately want to have at great expense, no doubt, what they would call proper appliances, and would thus run the Board very heavily into debt. Then with respect to property being acquired by the Boards. All property acquired should be held in trust, so that should any fire district desire to suspend operations the property would then revert to the persons who had contributed towards its purchase. There is another matter I would like to bring under the attention of the Committee. I think superintendents of fire brigades should be cautioned not to throw more water on the contents of burning buildings than is necessary. Sometimes immense damage is done in this way when there is not the slightest necessity.

38. You think the superintendents of fire brigades should not be allowed to put more water on the contents of burning buildings than is necessary?—Yes.

39. You know that would be a very difficult matter?—Yes, I know it would be a very difficult matter. I know you could not put it in the Bill, but I thought it as well to bring it under the notice of the Committee.

40. *Mr. E. G. Allen.*] You state that the insurance companies would have to increase their rates in the event of their having to contribute to the fire brigades?—Yes. They could not afford to keep the rates as they are at present and pay a further sum.

41. Well, would that not do away with your objections to the Bill if you increased your rates?—No, we do not wish to have to support fire brigades. It is possible that a majority of companies may not agree to raise their rates.

42. But the companies are doing well I suppose?—Very badly indeed this year. From the

beginning of the year to the present time more than £350,000 has been paid by companies in losses in New Zealand.

43. Yes; but take the average percentage of profits, do you remember what your company has made, say, during the last ten years?—Yes; my company has made about 8 per cent. But other companies may have made less, because I have done very well. Some of them perhaps could not go on paying a dividend if it were not for the interest on their invested funds.

44. You make more out of your investments than out of underwriting?—That, of course, is a question for the head office. I cannot speak specifically, but I should say so certainly.

45. Could you give the Committee your opinion as to whether our system—the present system—of working fire brigades or the proposed system would be the more economical?—No. I have not gone into the matter. That is a subject I have no taste for at all—fire brigades.

46. You may perhaps have considered what the cost would be to the insurance companies if this Bill was passed?—If we have to pay a third it would mean at least 5 per cent. on our premium income—an enormous sum.

47. And if you have to pay a half?—It would mean a great deal more, say, 7½ per cent. or more.

48. You consider the Government should pay one-third?—Yes.

49. Do you not think it would be unfair for those outside of the reach of fire brigades to have to contribute to their upkeep?—Oh, yes, if it is quite certain that they are outside. Those within reach should pay.

50. How could it be arranged for the Government to pay a third and only charge those who would benefit by the efforts of the brigade?—That may be so, but companies have to pay to protect property not insured and property underinsured. I think that meets the case of the Government. We have to contribute towards the protection of this property, and surely the Government should contribute also.

51. You consider that members of fire brigades should not be paid. I suppose you would not object to travelling-expenses of members attending meetings?—No, certainly not, if they had to go a distance.

52. *The Hon. Mr. Carroll.*] You say your losses have been very great during this present year?—Yes.

53. Through fires?—Yes, through fires.

54. Even the greatest security against fire, you say, again robs you of premiums?—It does. We are not supposed to put out fires. Our business consists in indemnifying owners of property against losses occasioned by fire, and paying losses.

55. Well, your losses have been through fires?—Yes, I am speaking of fire-insurance companies.

56. *The Chairman.*] Your only hope of gaining is to strike a point in between the two extremes?—Yes.

*The Chairman:* Well, Mr. Allen, it is very evident from your evidence that your primary reason for coming here is to object to the Bill altogether, I would like, however, you to consider this fact, that in all probability the Bill will pass through the House, and I should like you to recognise that we would like the Bill to be made as good as we can make it. The suggestions you have given us in proposing alterations to the Bill will be of great assistance to us.

*Mr. Allen:* I would like to repeat, Mr. Chairman, that all uninsured and underinsured property should be made to pay. I think that should form part of the Bill.

A. E. KERNOT examined. (No. 5.)

57. *The Chairman.*] Your name is?—Alfred Ernest Kernot. I am general manager of the Australian Alliance Assurance Company, and am Chairman of the Underwriters' Association.

58. The Committee will be pleased to hear, Mr. Kernot, what you have to say on the Bill?—After what Mr. Allen has said it is hardly necessary for me to go very much into this matter. I can only say in regard to clause 2, that there are about eighty or ninety boroughs in the colony, and it would mean this number of separate Boards. However, I understand that clause is likely to be altered. If the companies have to have the Bill—they oppose it—but if they have to have the Bill, they want it to be as perfect as possible. I agree with Mr. Allen that a maximum of four Boards would be quite sufficient.

59. You agree with Mr. Allen in that?—Yes. If you have more—I have heard nine mentioned as being possible—I think you would sacrifice efficiency. Where you would gain perhaps in local knowledge you would sacrifice efficiency, and you would not be able to pay officials so well, and you would therefore not be able to get such good officials. In Victoria there is one Board for the city—the Metropolitan Area—and there is one for the country. In the Metropolitan Area the cost of the insurance companies is £4 11s. 6d. per cent. on their premium income. They pay a contribution of one-third. Then there is clause 19, which says, “Subject to the approval of the Minister, the Board may from time to time raise by way of special loan under ‘The Local Bodies’ Loans Act, 1901’ such moneys as it deems necessary for the efficient performance of the duties imposed on it by this Act, not exceeding at any time four thousand pounds.” Therefore, each of these Boards could raise a loan up to £4,000. I am not sure whether it cannot go on borrowing sums of £4,000. There does not seem to be any provision against extravagance.

60. Well, naturally, when it is governed by equal portions of power—by the different interests represented on the Board—it would not raise money foolishly?—Yes, but when borrowing-powers are extensive this is very apt to be the case.

61. You would limit the power of borrowing?—Yes. In clause 19, subclause (2), it says “The Colonial Treasurer may lend, under Part II. of the last-mentioned Act, to any Board, as if it were a local authority, such sum as he thinks fit, not exceeding in any one year the sum

of two thousand pounds." Well, £4,000 may not be sufficient for some of the large cities, but if any of the smaller places are given a Board I would not give them the power of borrowing too much. It would only lead to extravagance and mismanagement. Clause 4, subclause (b), says, "At such meeting the representatives present shall elect their own chairman, and all matters shall be decided by a majority of votes, each representative having one vote only, whether he represents one or more than one company." Provision there is made that if one agent represents more than one company he shall only have one vote. He should certainly have a vote for each company he represents. He might represent many different companies.

62. Yes, but the interest of one company might be enormous, while that of three or four others might be very small?—Still, if they conform to the rules and regulations and pay their contribution they ought to be entitled to this. Clause 5, "The appointment and election of members of the Board shall be made and held in the month of March, one thousand nine hundred and five, and thereafter in the same month in every alternate year": We believe it should be provided that all members of the Board should not go out of office at the same time. Members might be appointed for say two or three years, and a proportion retire each year, so that there would always be a continuing element on the Board. With regard to clause 7, if there are a large number of Boards this clause will be obviously very awkward and difficult to carry out. Clause 13 is a very important clause. Subclause (a) says, "Every such company shall annually, at such time as may be prescribed by regulations, transmit to the Board a return showing the total gross amount of the premiums received by or due to such company during the year ending the thirty-first day of December, then previous, in respect of the insurances held by such company within the fire district, after deducting the amount of premium actually paid by way of reinsurance to any other company contributing under this Act." We contend that it should be stipulated in the Act that these returns should be confidential—not published to the world.

63. I do not think it mentions throughout the various subclauses that they are to be published?—Well, they are to be given, and in Sydney they do publish them, and it might be the same here.

64. You say these returns ought to be considered private and confidential?—Yes, sir. Clause 17 is a very important clause. That clause provides for the acquisition of property when necessary. All property so acquired should be vested in the Board in trust for the parties contributing to the cost of same. We all know the position to-day, but perhaps thirty years hence there may be trouble over this property. Those who contribute should be entitled to their proportion.

65. The Board to hold the whole of the property in trust?—Yes. With regard to clause 18, subclause (f), we are against payment—the whole of the insurance world is against payment of any sort—to any members of these Boards. That is of the utmost importance. There will be never-ending trouble if payment is made to members.

66. There will not be such a rush?—No; and you will get better men. They should not be paid, except perhaps the Chairman of the main Board of all. In Victoria he gets £75 per annum at the head metropolitan station; but that is merely for the cost of entertainment—it is a show place. I would now like to bring under the attention of the Committee that at the last Municipal Conference the municipalities sought to avoid the responsibility of keeping water-mains charged with water except during times of drought. This duty should be specifically laid on the municipal authorities, because the Fire Brigade Boards cannot see that the mains are charged.

67. Well, I suppose that in all such cases—take the cities of Wellington and Auckland, for instance—they would see that the mains are charged, because the mains are always at the main buildings. They would not keep their mains empty?—Well there has been a tendency to do so, and you will see by "The Municipal Corporations Act, 1900," section 309, that this duty is specifically laid upon them, and it should be insisted on.

*Mr. F. Allen:* It did occur once, at what was called the Panama Street fire—there was no water.

*Mr. Kernot:* In clause 22 we would like the following words inserted at the end: "Except as hereinafter provided, no penalty, damages, or claim for compensation shall be recoverable by or against any person in consequence of any act done under the authority of this section." That is very important. We should like those words put in. This will not contravene clause 23, and it will supply a provision made under "The Municipal Corporations Act, 1900," section 314, which would otherwise be repealed by this Bill. We believe that the clauses of "The Municipal Corporations Act 1900," which you are proposing to repeal by the Bill, should start with clause 311, so as to retain in force clause 310. That is a most important matter, and this clause ought on no account to be repealed. If it is repealed there will be endless trouble to everybody.

*The Chairman:* I am pleased to see that Mr. Allen and yourself are in accord with regard to your suggested improvements in the Bill—for instance, as to the number of Boards—

*Mr. Kernot:* That is of vital importance.

*The Chairman:* You also agree that members should retire from these Boards by rotation. Then, there is the question of outside companies paying their contributions. We should have thought that you or any company being asked to pay a third or a half, as the case might be, would yourselves see that these people contributed their share—

*Mr. F. Allen:* How could we? We have no means.

*The Chairman:* Then, there is the question of not paying these Boards. It may have occurred to you that the whole of the members may not be elected by the towns. The country districts would also have to have some proportion of representation, and the Board would have to pay their travelling-expenses.

*Mr. Kernot:* We have no objection to travelling-expenses.