preventing lapses?—We have no special schedule of that kind, except what the annual and periodical reports of the business show. It is difficult to assign the actual causes.

708. Have the lapses increased out of ordinary proportion to the new business, in consequence of more active canvassing?—I do not think so. In various cases it helps to prevent lapses.

709. You are not speaking from any information gathered from statistics on the point?—No.

710. *Mr. Levestam.*] You do not think the lapses have increased in consequence of that?—No.

711. Have the lapses increased from any cause out of proportion to the new business?—For a time the lapses exceeded the average.

712. Well, can you give any reason why they have increased?—To a large extent I attribute this to attacks made by agents of rival offices on the association.

713. If it is in consequence of those attacks, are we to draw the conclusion that other insurance agents are smarter than those employed by the association?—I cannot say what conclusion you may draw. I do not think they are.

714. Then, is it not the duty of canvassers to repel the attacks that are made against the association?—Yes.

715. Then, if the attacks made by canvassers from other companies are not repelled, either they must have truth on their side, or they must have better canvassers?—I do not know. That is a matter of opinion.

716. What is your opinion?—My opinion is that when systematic attacks are made upon a department that may be supposed to be public and governmental, some of the mud will occasionally stick until time clears it away; and that is what has happened.

717. Did not Government canvassers at one time very largely make attacks upon other rival associations?—Yes, some of them did.

718. Are the canvassers of other associations more unscrupulous than those of the Government?—I should say that we do not keep unscrupulous men; and, if any impropriety of the kind is discovered on the part of any persons employed, we dispense with their services. That has been done several times with good effect.

719. *Mr. Macandrew.*] May you not attribute the increase of lapses to the fact that the policy-holders are unable to pay through being much poorer, in consequence of the bad times?—There is no doubt about that. I receive letters daily from policy-holders saying, "We cannot pay now, but will in a month or so."

720. Do you not think that the lapses may be attributed much more to that cause than to the other cause you have just been indicating?—It certainly is a contributing cause.

721. *Mr. Mackenzie.*] Do you not think that cause for the lapses is quite as potent as the attacks made?—It may be. No doubt it has considerable effect.

722. Do you not think it is more potent?—I could not say that.

723. What induced you to believe that a considerable cause of lapses was the attacks made by rival associations?—I get frequent letters from various people on the subject, and our agents complain to the Inspector very frequently in the same direction.

724. I presume that other associations are liable to retaliation in this way from the Government canvassers in the exercise of their duty?—No; not from us. We do not attack in that fashion, at any rate.

725. Do you not think that when a Government canvasser, in the legitimate exercise of his duty, points out the advantages which the Government association properly has over other companies, it is not in the nature of an attack upon the others?—Not in the direction of the attacks to which I have referred of rival offices, because that would simply be stating the truth; and my instructions are to stick to that: but it is the gross and persistent misrepresentations to which we have had reason to object.

726. Then, you term an attack upon the institution the circulation of a false statement about it?—I do.

727. And you think that those false statements have had a bad effect upon the business of the association?—Yes.

728. *Mr. G. F. Richardson.*] Do you think that any considerable proportion of the lapses have been caused by the want of confidence engendered in the policy-holders by what they consider to be extravagant purchases of city property and unnecessary appointments?—I have had reason to know that several complaints have sprung from these alleged causes.

729. Do you think it has caused lapses?—I believe it has, in some instances.

730. *Mr. Levestam.*] Do you think any other companies suffered lapses owing to depressed times?—I do not know; but I have no doubt they did.

731. Do not all the companies periodically publish statements as to the amount of lapses?—Yes.

732. And from these it would be easily ascertained whether they had a corresponding amount of lapses?—No; because we are confined to New Zealand, and the operations of the other companies extend over Australasia.

733. *Mr. Mackenzie.*] Are not separate returns made for New Zealand by the other companies?—There have never yet been separate returns published with respect to lapses.