

779. But do you base this recommendation really upon your own judgment of their capacity—their general conduct in other respects—their sobriety and so forth?—Their medical reports come before the chief medical officer in Wellington, and he can test their capacity from seeing the reports. As Inspector, I ascertain as far as possible the opinion held of the referees in local places, and very often supply information regarding them that may be of use to the office. Of course I am not a medical man, but I can report upon the medical referees so far as our office is concerned, and my duty as Inspector.

780. *Mr. Gore.*] Does the fact that the Government guarantee the payment of policies increase the business?—If we had the Government guarantee alone, without agents, I think we should do no business at all, or very little business. It assists the agents in canvassing.

781. Does it increase, or has it any effect on the business?—Yes.

782. Can you supply the Committee with a copy of the instructions given to the agents?—Yes.

783. Do the agents unduly press their business by decrying other insurance companies, or is it simply by drawing a fair comparison?—They only draw a fair comparison. In some cases it is not necessary to do that. When an agent calls upon a person for the purpose of insuring his life the rate of insurance is quoted to him, and he may be satisfied and take a policy upon his life. It is not necessary then to go into the figures of other offices. But, in cases where other offices are spoken of as holding out better inducements than the Government office, the agent endeavours to show that the latter is the cheapest and best to insure in, and merely gives a comparison of the figures of the other offices and those of the Government office.

784. You say the purchases of properties and Mr. Driver's appointment have injured the business?—Well, from reports that have reached me I am bound to say, as Inspector, that they have injured the business. Although I know the reports concerning the purchases and the appointment have been exaggerated by private offices, the fact remains that they have injured the business.

785. Can you say the proportion of premiums taken in Otago last year as compared with the rest of the colony?—I think I am right in saying that Otago is the largest district agency in the colony. I could not say accurately from memory as to the exact figures without taking them out; but I know that in Dunedin the renewal-schedules are heavier than in any other agency in the colony.

786. Do you think that, considering the depressed times, Otago has done as much business last year in proportion to previous years?—The business has not been so large in 1885 as it might have been, but I cannot, without reference to the statement, correctly state the figures, as I have only been Inspector for two years.

787. Do you not think that the depression and the competition of other offices had more to do with the falling-off in business than the purchases of properties, or the appointments?—I stated that as one of the reasons.

788. Had it not more to do with the decrease in business?—I do not think it had.

789. *Mr. Mackenzie.*] You mention several causes which are operating against the association in this order: General depression, competition, recent purchases, and Mr. Driver's appointment. I presume you intend to convey that the general depression has been the first and potent cause?—I would put it this way: Having travelled over the colony frequently during the last twelve months, I have become aware that a large amount of depression has existed in the colony, and that it has caused a great many lapses in the association.

790. Is it your opinion that the depression has operated against the association to a greater extent than Mr. Driver's appointment in causing lapses?—I can only say that in the reports I have received from the various agents throughout the colony they attribute the falling-off in business more to the purchases and Mr. Driver's appointment than to the depression.

791. Have you formed some judgment of your own?—Yes.

792. Then, do you not think that the general depression existing, we will say, in Otago, at any rate, is not a greater cause of lapses in the association than any one of the other causes mentioned?—I cannot say whether it has operated more injuriously than the other causes, but it is a cause.

793. Were the lapses, in your opinion, caused by the appointment of Mr. Driver as agent, or by the discussion and comments made upon the appointment by the general public?—There was great agitation everywhere about both.

794. Do you think the lapses due to the appointment of Mr. Driver *per se* or to the comments of the public generally upon it?—The falling-off of business was due both to the appointment and the agitation. His appointment was considered to be a political appointment.

795. Have you any control of Mr. Driver?—I inspect his office the same as I do any other, and I am his superior officer.

796. Did you gather that the policy-holders were under the impression that, apart from the political nature of the appointment, Mr. Driver would not be a good man for the office?—I have heard some people speak very favourably of him, and I have heard others speak unfavourably.

797. Apart, then, from Mr. Driver, the separation of the lecturing from the business agency in Otago was in accordance with your own report?—Yes; I was in favour of making the two offices of lecturer and district agent distinct.

798. The position as it now stands meets with your approval, apart from the particular individual appointment?—Yes; but I think the person occupying the position should be an insurance expert. I think the district agent should give his whole and undivided attention to our insurance work in Dunedin.

799. In addition to the Government guarantee as a protection to the public, are your premiums low as compared with other associations?—Yes.

800. Do you think the attraction of the Government guarantee to the public, together with low premiums, would be more than a set-off to large and attractive buildings?—Yes; I do think it would be a greater attraction than the large buildings occupied by other associations.