

801. In your opinion, would not lectures such as we are having, standing advertisements in the newspapers, and the use of the Postal Department throughout the country, do instead of Government canvassing?—No; I do not think so.

802. Can you give an idea of the average sum assured yearly?—I think it has been higher last year than for some considerable time past. I think it is between £200 and £300.

803. The higher the sum assured the more profit for the association?—Yes.

804. At what sum, in your opinion, does the operation cease to pay as you go down the scale?—I do not think hundred-pound policies pay. The reason is this: If the assured pays one quarterly payment and then lapses the policy, it is very often a loss to the office, because the association has to pay the medical referee's fee and also commission.

805. Then, according to the present system, there is some inducement for agents of the association to look out for big policies?—My instruction to the agents, when going about the country inspecting, is that they are not to take proposals from men unless they see that their positions warrant such proposals.

806. *Mr. Levestam.*] Is the commission the same on £100, no matter what the premium may be?—Yes, the commission is the same.

807. *Mr. Mackenzie.*] I presume you are aware that the original intention of the association was to encourage thrift?—Yes.

808. That the association is not to be regarded as a thing purely for the benefit of policy-holders as against the rest of the community?—Certainly the first object was that of thrift, which concerns the whole community.

809. Does the acceptance of small policies encourage thrift?—It encourages thrift in the poorer classes.

810. The lower down you go the more thrift is encouraged in the poorer classes?—Yes.

811. You are aware that the other associations do not care for small policies?—Well, they prefer large ones when they can get them.

812. Then it is quite conceivable that the interest absolutely of the policy-holders in the concern, as a trading concern, may not be to the interest of the general community as regards the encouragement of thrift?—The association has provided two kinds of insurances to meet all classes, and, being a mutual assurance association, the profits are divided amongst the policy-holders as a whole.

813. *Mr. Levestam.*] You stated that the agents were instructed not to discourage the small policies for £100?—Yes, certainly.

814. Were they not instructed to discourage all policies under the Industrial Branch?—The Board decided that it was desirable to close the Industrial Branch because it was found it did not pay.

815. Was the interest of the poorer classes set aside so as to increase the profits of the association?—No; it was found that the Industrial Branch did not pay.

816. And thrifty people who were poor were debarred from insuring because it would not pay?—The Industrial Branch was closed by the Board; but persons of thrift can insure at present in the ordinary branch for sums of £100 if they wish to do so, and pay their premiums quarterly.

817. *Mr. Macandrew.*] I understand you recommended that Mr. Clapcott, the Dunedin agent, should be replaced by an insurance expert?—Yes—by a man of experience—an expert.

818. Do you think that there may not be other qualities of greater importance in the selection of a chief agent for Otago than that of an insurance expert, the object being to popularize the institution and to bring to bear upon it the greatest personal local influence and business tact and experience available?—I think that in a large business such as that in Otago, and with the opposition we have to contend against, it is essential that the agent should possess insurance experience.

819. I understood you to say you were responsible for all new business: what was meant by that?—The new insurances effected.

820. Responsible in what way?—To the Manager, who holds me responsible, as Inspector, for the introduction of new business to the office.

821. That the business is sound?—That the business is brought in.

822. You said you were also responsible for any ephemeral business that may be brought in: what is meant by that?—Any bogus business that is likely to come in.

823. Does it mean that every application throughout the colony must come through your hands, and be recommended by you?—No: it means that the agents I select shall be men who will introduce a good business and not an ephemeral one.

824. Then you are not directly responsible?—No.

825. With regard to the proposed Christchurch office, of which a plan is now on the Table, it appears that a rival institution has a building close to the site that has been purchased by the Government Association. That building is so far imposing, being a great height from the ground. It is proposed to erect on the Government site a square tower, surmounted by domes and minarets and all sorts of things, at a cost of several thousand pounds, so as to throw the other into the shade. Will the building with the tower attract more business than the office without the tower?—No; I do not think it would.

826. *Mr. G. F. Richardson.*] With regard to the increase of business, must not the insurance business be limited by population?—The greater the population, the greater the prospects of insurance; but with the growing population in New Zealand there is always a field for insurance.

827. Is it probable, with the population of New Zealand and the competition of other offices, that the increase in business which has obtained in the Government Association can be maintained?—I think so. If things can only go on quietly, and the office is managed properly, with the staff of agents we have we should be able to keep up the same results.

828. I should like you to give the Committee your opinion as to the advisability or otherwise of the association being handed back to Government control, and the effect that would have on the business?—Do you ask my opinion as Inspector?