

8. In that case it would be optional for the consignees to take out new policies if they thought proper.—That is so.

9. You think that would be a very good remedy?—I think it would assist greatly.

10. *Mr. Buchanan.*] How would you satisfy yourself, supposing you were the consignee of a parcel of frozen meat, whether it was in good condition upon being discharged out of the ship?—By inspection at the time of discharge.

11. Would you explain the method of inspection, or the extent of inspection, that you would think it necessary to make in order that you might have a claim against the insurance companies if there was any damage?—By general inspection of the meat as it was being delivered from the holds of the vessel.

12. Inspecting every carcase?—So-many, taking a sample here and there as they came up. They do not now inspect all the carcasses, when a claim is made, in the stores or elsewhere. They simply take a percentage of the number, and assess on that percentage.

13. I had a parcel of lambs, for instance, sold not long ago in London, and out of 600 twenty were reported as damaged. Do you mean to say that would be arrived at by this percentage method you speak of, and not by actual inspection, which would show that twenty—no more and no less—out of the whole 600 were damaged?—The same proportion could be examined as is now examined when an assessment is made: under special conditions, probably a larger percentage.

14. My account sales show the damage to these twenty lambs, and the prices at which they had been sold, shows a corresponding reduction. Do you mean that these identical twenty lambs were merely damaged, or that a percentage was taken and the reduction made upon that basis, or how do you explain it?—Where was the examination made for the damage in your case?

15. The survey account has not reached me yet, and I cannot therefore give any further information than what I have stated?—Of course, not having the circumstances before me, I could not say.

16. You think it quite practicable to inspect the meat sufficiently in process of landing to satisfy the consignee whether there is or is not any damage on which insurance can be claimed?—Yes, so far as insurance is claimed for damage on the voyage.

17. What is the all-risk rate at present?—The rate for all risks, and for thirty days after the arrival of the vessel, is £3 10s. per cent. less 1 per cent., for twin screws less 15 per cent.

18. Where did you get that information?—I had it confirmed locally the other day.

19. You are not yourself aware of the all-risk rate of insurance, although it is such an important matter in connection with this question?—I was not directly aware of it, and I wanted to satisfy myself and got it from an insurance company in New Zealand. I did not know whether there might not have been a reduction made.

20. Would you be surprised to learn that an all-risk insurance is available for £2 7s. per cent.?—That might be a special quotation to your company.

21. Would you be surprised to find that that rate has been obtainable, not only by the companies, but by private individuals also?—I would not be surprised—certainly not—because I do not know what private arrangements may be come to.

22. The difference between £2 7s. and £3 10s. is a difference of 50 per cent. You say the insurance companies “evidently prefer to pay claims rather than organize a thorough system of supervision.” Can you give the Committee any reason why they should prefer to pay the claims?—They have informed me that they are not prepared to incur the expense of supervision.

23. Does it not suggest itself to you that the insurance companies follow this system on the principle that a good rousing fire now and again does a lot of good to the insurance business?—It is quite likely.

24. Would you not say at once that that was the reason?—It may be—it is a feasible suggestion.

25. Do you know whether there is any combination amongst the insurance companies to secure a uniform rate, whether it be £3 10s. per cent. or any other rate?—You are asking me a question as to what is the fact, whereas I have no intimate acquaintance with their working. Generally speaking, I understand there is such an agreement.

26. How would you bring influence to bear on an insurance company to resist the bogus claims that you suppose are now made?—In the first place, by instituting a closer inspection when handling the meat; and, secondly, by insuring that their representatives are not too lenient in granting concessions for damage.

27. *Mr. Duthie.*] The examination for damage in the hurried discharge of a ship would be a very difficult matter, would it not?—Not if you assess the damage as is now done, on a percentage.

28. *Mr. Buchanan.*] Your proposal, which I understand you ask us to approve, is that there should be simply an insurance cover to the London Docks?—Yes.

29. *Mr. Duthie.*] And you throw the responsibility on the insurance company until delivery is given, even if some of the sheep get softened a little on the voyage through defects in the machinery?—Individual carcasses are occasionally somewhat “off.” Now, to examine for those individual carcasses at the dock would be a very tedious process, and if you did not examine the sheep carefully the seller would then have to bear the loss which the insurance company has undertaken to bear. To examine individual carcasses in the necessarily hurried way at the ship’s side would surely be very ineffective, would it not?—I do not think it would. I am often at the docks, and I think the representatives of the agents there could readily see whether there was any damage occurring to the meat through its manner of discharge or otherwise.

30. I do not think so, because they would have to take the covers off, and it is only by smell—?—Oh, there is no smell.