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.