

19. Do you think it would have been a bad thing if at that time there had been power for the State to say, "We cannot allow this proposal to be laid before the public, and people induced to go into the scheme"?—I think the results have proved that if any action of the Government could have prevented the issue of those estimates, it would have been a good thing for all concerned. I see the good point in the suggestion, but at the same time I myself disbelieve very much in these matters being subject to Government control. I think that on the whole they are better left to the good sense of the offices themselves.

20 *Mr Hogan* ] If such legislation had been in existence, would not a lot of this trouble and disappointment have been prevented?—That question requires consideration. If I said "Yes" it would be too comprehensive. It would depend on what legislation you had.

21 If you were acting for the Auditor-General's office, and had the right by Act of Parliament to criticize proposals put forward by any company, and you were prepared to recommend to your office that certain proposals would not work out and give to the policyholders the benefits set out, and you suggested to your office that these proposals should not be allowed to be put before the public, and legislation was in operation to stop those proposals being put forward, would not such legislation have prevented a lot of trouble and disappointment?—It would.

22 If such legislation were now passed, would not the people be protected in future from such operations?—They would.

23 You said that the companies operating in New Zealand at the present time would draw attention to any improper proposals being put before the public, and consequently these proposals would not be taken up by the people. Do not your statements to-day prove that the criticism by your office of the proposals put forward by the Colonial Mutual Society at the time did not stop those proposals being taken up by the people?—Because we were doing the same business ourselves, only in another sort of way.

24. But your criticism did not prevent people from insuring under these particular forms of policy with the Colonial Mutual Society?—No, and, of course, that is a fact—that if a proposal is put forward that is wrong, it is very difficult for other offices to stop it altogether.

25. You are confident that if the rate of interest had kept up, and the Colonial Mutual Society had not suffered the losses that have been mentioned, the estimates that they put forward so many years ago could not have been realized?—I am tolerably clear about that. They would not have been fully realized even if those losses had not been incurred. I am saying that without having investigated the matter for the purpose, but that is my impression—my strong impression.

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