

ment as then installed, at the rate first quoted by the Toronto underwriters, we transferred the insurance to them, and our dealings with them since that time have been highly satisfactory.

The measure under consideration would inflict great hardship upon us, as well as involve a greatly increased cost of insurance, for if the Act became law, we would be forced to transfer our insurance back to the local underwriters at the advanced rate, and be entirely at their mercy if they wished to charge even a still higher rate, which from our experience with them we feel sure they would do as soon as they find they are granted a monopoly of the business.

We therefore most earnestly request that you will consider our position, and the position of a great many other manufacturers carrying insurance outside of Canada, and that you will use your influence to prevent this injustice being done to us.

Yours very truly,

GUNNS LIMITED,
J. M. MOFFATT,
Secretary-Treasurer.

BRAESIDE, ONT., April 5, 1909.

T. A. Low, M.P.,
Renfrew, Ont.

DEAR SIR,—With regard to the Insurance Bill now before Parliament, which prohibits under penalty, the inspection of any Canadian risk or the adjustment of any loss, on behalf of any insurance company not licensed in Canada.

We have insurance in several lumber mutual companies in the United States. These companies are formed almost entirely of lumber manufacturers or dealers, and we find these companies to be of great advantage as their rates have been much lower than the stock companies, or rather they return us large dividends, from 25 per cent to 40 per cent, after charging the same premiums as stock companies.

These companies have no capital stock.

Our laws require a deposit of \$100,000 before they can do business in this country, and this will cut them off entirely.

We think these companies should be under license by the Canadian Parliament, but they should be in a group by themselves, entirely distinct from stock companies, and the requirements for their legal admission to Canada should be such as would properly conform to their circumstances. We think that the present tariff (or associated) companies in Canada are the closest combine that there is in the country, each company has its own office and its full staff of officers, yet they all use the same ratings and charge the same rates, and pay large salaries and heavy commissions, so that their expense bill is out of all proportion.

These mutual companies, and other purely lumber companies, with which we are connected in the United States are doing a similar business at a cost of, in most cases, less than one half of what these tariff companies need for their expenses.

Further, we have always felt that the lumber business was being charged more than its fair share, and being made to carry other lines in which the competition was more severe, and the rates below cost.

The lumber mutuals are strictly lumber insurance companies, insuring the lumber trade only, and the results of their work the last ten or fifteen years in the United States have been such as to show that the board or tariff companies have been charging the lumber companies more than they should.

As these mutual companies have been returning in dividends from 20 per cent to 40 per cent in each year, and have met all their losses in as good shape as the stock companies, we trust that these mutual companies will be placed in a separate group as, if they and the stock companies are all placed in the same class, and a \$100,000 deposit demanded, it will debar these mutual companies altogether, and we see no