

3. "Lloyd's pay no taxes in Canada."

Lloyd's Underwriters will necessarily pay all taxes applicable to them in Canada, and will otherwise comply with the laws applicable to them. It is perfectly clear, for instance, that a Lloyd's Underwriter, registered under the Act, would be liable to pay the one per cent tax, imposed by s. 14 (Part III) of the Special War Revenue Act, upon net premiums received by him in respect of his Canadian business. It is probably no less true that a Lloyd's Underwriter, transacting business in Canada, would be liable, under the provisions of the Income War Tax Act, to pay income tax in respect of the annual net profit or gain derived from his Canadian business. It may be stated generally that a Lloyd's Underwriter would be liable to pay any taxes, Dominion, provincial or municipal, to which a non-resident carrying on business in Canada may be made subject. Furthermore, the Bill specifically requires a Lloyd's Underwriter to submit to and be bound by the jurisdiction of Canadian Courts in respect of all matters arising out of his Canadian business, and these matters would necessarily include liability to taxation. An effective method of enforcing the collection of taxes lawfully imposed is thus afforded.

4. "Lloyd's maintain no offices, disburse no monies by way of salary, office, travelling and general maintenance expense. Lloyd's do not support an Agency plant. To allow them entry into Canada without a deposit is a gross injustice to thousands of Canadians who benefit directly or indirectly as agents, employees and recipients of monies spent by the Licensed Companies in Canada."

Lloyd's Underwriters will necessarily maintain Chief Agencies in Canada, and they can only obtain Canadian business and adjust claims through Canadians; but in any event the maintenance of deposits in Canada could not possibly result in the employment of any additional Canadians.