

I appear in the interests of the Life Underwriters' Association of Toronto. I have been connected with life insurance myself for over twenty years, and have had some experience during that time. I want to say at the outset that there is one essential that must be recognized in connection with a discussion of this kind, and that is that life insurance is not now, nor never has been, in the history of this country, purchased as other commodities. It has been sold to the public by that class of men called life insurance agents by an indomitable perseverance that some of you know something about. In the face of that fact, it is quite natural to suppose that in some cases great pressure would be put upon the representations or efforts that were made by life underwriters in order to procure business, and I think that is one of the reasons why in so many cases there has been unfavourable criticism passed upon men who are engaged in the business. Probably if some of the gentlemen constituting this committee would just step into the position of a man who has charge of the agency staff of some of the companies in Canada he would be able to fully appreciate the difficulties that we have to contend with. It is one thing to talk about a matter from a theoretical knowledge of the facts; it is another thing to talk about it from a practical standpoint and I do not question in my mind today but that the gentlemen who have been responsible for the measures before us are just as anxious to conserve the best interests of the public of this country as are the men who are engaged in life insurance business. But the difficulty and the reason why we cannot see eye to eye is because of the fact that we cannot see it from the same standpoint; we have not passed through the same experience. I will appeal to any business man sitting on this committee as to whether that is reasonable or not. Would I presume to talk to a man running a large industry where I have never had an opportunity of getting a knowledge and understanding of the details of that business? Not on any account, I would not dare criticise the minute details of that man's business and of the profit question which enters into the operation of that business. I particularly want to call attention to the fact that we are in touch with the practical side of our business. I do not think there is any department of the life insurance business that I am not familiar with, from the head office down to the local agent, and I know what I am saying, and I say this, gentlemen, that if some of the sections that come before you for consideration today become law, it will necessarily put one-third of the companies in Canada out of business, and as an evidence of what I say I have taken a company for illustration and will refer you to clauses 42 and 53, both of which I have grouped because they refer to the entire loading that is provided for in the Bill for all companies doing business in Canada. My figures are only approximate as unless we have all the policies before us we could not speak in positive terms, but our comparison is for the purpose of seeing how the limitations for expenses will work out. The company I have selected have received from renewals in 1908, \$281,000. The approximate allowance for loading on that amount would be \$56,283. The premiums on new business during the same year were \$85,000 and the allowance we set aside as an approximate figure to cover the expenses on this item at say 25 per cent would be \$21,324. There is a provision under clause 42 which is an allowance, you will understand, provided for by proposed legislation and we accept 30 per cent as the basis under this appropriation which for the purpose of our illustration will amount to \$25,500 in this particular case, and the one quarter of one per cent. for investments provided for amounts to \$3,125 making in all \$106,532 in round figures providing for the volume of business on the basis of that written in 1908. This is the full provision named in the clauses provided for under the Bill now before the House. The company above referred to paid out in expenses in 1908 \$154,000 which would mean if they had been under the limitations named a shortage of \$48,000.

Mr. PERLEY.—I think, Mr. Craig, you ought to keep the questions of agents' expenses and of investment expenses separate, they are two different questions and it is very hard to understand them when mixed in that way.