

## MANUFACTURERS DISCUSS FIRE INSURANCE

**Tax—They Want Unlicensed Companies—Meeting in Winnipeg Aims Other Views.**

The Canadian Manufacturers Association had a long discussion on Wednesday at their annual convention at Hamilton on insurance questions. Mr. R. D. Fairbairn submitted the report of the Association's insurance department, which showed that during the year the department had examined 106 policies carrying \$10,711,164 insurance, and 115 risks, valued at \$6,048,900. A large increase of work had resulted from the reorganization, which had brought mutual fire insurance companies organized under the auspices of the Association into closer working force with the department.

Regarding the Manitoba Act, the report stated:—"The obvious inference to be drawn from this amendment is that a provincial insurance act can only apply to contracts made within the province, and that citizens possess the right to make insurance contracts without the province and free from any liability, penalty or restriction imposed by provincial legislation. The plain admission of this right in the amendment passed by the Manitoba Legislature is of more than passing interest in view of the status of the whole subject of insurance legislation."

### They Want Unlicensed Companies.

The Dominion Insurance Act of 1908, the report stated, did not appear to contain any condition inimical to the interests of members of the Association, but it was pointed out that a section in the bill of last session would appear to prohibit unlicensed companies doing business in Canada; members carrying insurance in the New England mutuals were principally affected, and steps had been taken to lay the matter before the Government and the concessions allowed, on conditions that returns were supplied the Government, together with the payment of a tax of 15 per cent. upon net premiums paid to outside committees. Some criticism had arisen, and the committee pointed out that owing to the present state of jurisprudence they found current legislation by both provincial and federal authorities, and if the Dominion bill imposing a tax on unregistered insurance were passed complications from duplicate taxation would arise.

### Opposes Prohibition of Unregistered Companies.

Mr. P. W. Ellis moved the following resolution:—"Whereas the Dominion insurance act, as passed by the Canadian House of Commons at the last session of Parliament, contained a clause providing for the furnishing of a return and the payment of a tax on all insurance placed with companies not registered in Canada; and whereas this is being followed by a movement on the part of the insurance companies forming the Canadian Fire Underwriters' Association to have legislation enacted, which will make it impossible for the insured in Canada to place insurance in unregistered companies; and whereas such legislation would prohibit the use by Canadian insurers of insurance by mutual and reciprocal underwriters, a class of insurance which for nearly half a century has rendered a unique service to the insured and to the country, both by thorough inspection and consequent low cost, and, moreover, such mutual and reciprocal insurance cannot be obtained in Canada, nor is it practicable under the present Dominion insurance act to organize offices which might supply it; and whereas such legislation would also prohibit the right of contract with other insurance companies and associations outside of Canada which accept insurance under conditions and advantages that cannot be obtained from companies registered in Canada—a class of insurance also largely used in Canada, and which, moreover, offers the only safeguard against exorbitant rates;

"Therefore, be it resolved that the Canadian Manufacturers' Association, while recognizing always the principle of protection for Canadian industries, places itself on record as strongly opposed, under present circumstances and conditions, to any legislation which would impair or prohibit the continued use by companies of the valued service rendered by such unregistered companies."

### With the Old English Companies.

Mr. Ellis regarded the Government's proposal to tax insurance with unregistered companies as a direct discrimination against Great Britain, and as a blow that would hit hard many Canadian manufacturers who insured with old English companies. It was not fair that they should be taxed for insuring with old English companies on terms that could not be obtained in Canada. The Government might as well tax loans obtained in other countries.

Mr. W. H. Rowley, Hull, seconded the resolution, and urged that every effort should be made to prevent the legislation. He described it as prohibitive, useless and dangerous.

Mr. R. D. Fairbairn, Toronto, thought that as manufacturers they could not fairly ask the Government to protect their own industries, and at the same time object to Canadian insurance companies being protected to some extent against outside companies.

Mr. A. E. Kemp explained that the representative of the Canadian Underwriters' Association before the Banking and Commerce Commission proposed an amendment to the insurance bill as originally drafted, which was accepted by the Government, prohibiting everyone from doing business with any insurance company outside of Canada, and it was as an alternative to that drastic amendment that the suggestion of a tax was made.

### Thought the Tax Too High.

Personally, he regarded the tax proposed as too high, but, taking all the conditions into consideration, and in view of the fact that influential interests outside of the manufacturers were going to oppose the tax, he questioned whether it would be advisable for the Association to pass such a resolution as that moved. Besides, that resolution overlooked clause 139 in the bill, which he thought qualified the conditions to a considerable extent.

An important meeting of fire insurance underwriters from various parts of the Dominion has been held in Winnipeg to consider and make formal protest against legislation which is proposed to be enacted by the Dominion Parliament.

### Objections from Winnipeg.

The bills, before the House last session were held to be in the interest of some companies unlicensed to do business; and it was decided to draw attention to the fact that the laws which the complainants are respecting are in danger of being changed to favor companies which make no deposits, pay no taxes and in no way comply with the laws of the Dominion. A resolution was passed opposing the proposed legislation.

The agents voted to approve and endorse all efforts to have the objectionable clauses in the insurance bill eliminated. They claimed that the licensed companies only ask for fair play and asked that the unlicensed companies should not be given an advantage.

## CASUALTY AND GUARANTEE NOTES.

Two men were burned at Sydney, Victoria Mines last week. The water jacket surrounding the settler, which was in a white heat, broke.

Mr. George Beach, C.P.R. ticket agent at Fredericton, N.B., is charged with the theft of \$835 of the company's money. His books are said to show a shortage.

As a result of a boiler explosion on board Alderman J. C. Larder's yacht, at Sydney, N.B., the owner and the engineer were badly scalded. A new boiler will be installed.

A Lindsay, Ont., youth forged a cheque for \$10.50 using the name of Mr. McCrohan, hotel proprietor. Mr. McGill, manager of the Farmer's Bank, made the discovery and notified the police.

The branch of the Provincial Bank of Canada at Yamachiche, Que., near Three Rivers, under the management of Mr. Belmare, notary, was broken into and the safe robbed of \$4,600. The manager fired once at the robbers. Insurance is carried in Lloyds.

Mr. Sydney Keech, former express agent and telegraph operator at Hungerford, Ont., was sentenced to two years in the penitentiary for the theft of a sum of money from an express company. The prisoner claimed that he placed the money in a basket and his wife thoughtlessly emptied the contents into the stove.

After obtaining about \$1,000 in cash from prominent citizens of St. John, N.B., under false pretences, Mr. Stanley D. Carr, formerly a grocer in the city, left for Boston, Mass. Information was laid against the young man by Mr. A. H. Chapman, manager of the Equitable Life Insurance Company, who lent \$900.00. Mr. Carr was arrested.

On a charge of embezzlement of \$16,000, J. G. Waters of Sioux Falls, S.D., was arrested in Saskatoon recently. He distributed neat pamphlets throughout the northern states among financial men, dealing with a company supposed to have been in existence, known as the Plymouth Elevator Company. The supposed company established a line of credit with Minneapolis financial houses and the embezzling is alleged to have commenced in earnest. Later Waters came to Canada.