

APPENDIX No. 1

The net profit is 1'83 per cent on the \$528,022 invested in the building, and when the lease expires the \$528,022 will be forfeited to the Weld estate.

The Mutual Reserve building is included in the admitted assets of the Mutual Reserve Fund Life Insurance Company and valued at \$490,121.72. (New York Report, December, 1903.)

In the Massachusetts Report, 1902, last one issued at present date, the Mutual Reserve building is valued at \$483,600.50, but \$274,150.42 is classed under assets not admitted and listed 'depreciation in value of leasehold. \$274,150.42,' thus making the value of the Mutual Reserve building only \$209,510.08, as an asset.

According to this statement, the net profit on the building, as shown by the sworn report submitted to the Insurance Department, is 1'83 per cent on the \$528,022, and as you know, I suppose, when the lease expires, all the improvements fall to the owner of the building, do they not?—A. They do.

Q. Would you consider 1'83 per cent a fair interest to receive for money?—A. I should not consider it a fair interest to receive for money. I have not testified that that is correct.

Q. Can you see anything wrong with this statement, Exhibit 55. You can verify that by the reports?—A. That would involve the question of what was included in expenses, and the computation as made. This is 1'88 per cent, calculated on \$528,000. That is not the amount invested in the building.

Q. That is what you paid for it?—A. It is not. I think, Mr. Chairman, that I ought to be permitted to make one statement with reference to his document handed to me, and on which this calculation has been based. There is a typographical error on the printed statement, the annual report to the Insurance Department of New York. Opposite the Home Building is carried in what should be the footing of all the real estate, \$228,022, and that is fotted again, making \$579,290, and in evidence you will see the first item in schedule 4.

By Mr. Coster, K.C., Counsel for the Committee :

Q. Value of real estate, exclusive of encumbrance, \$528,022?—A. Which is just the amount carried opposite the building, without calculating in this. The typographical error is in these footings which have been carried up there.

By Mr. Geoffrion, Counsel for the Mutual Reserve :

Q. Is that done every year?—A. No, that is the only year in which that happened. The valuation of the building was dropped off by the printer.

By the Hon. Mr. McSweeney :

Q. What year?—A. December 31, 1896, and the footing was shoved up against the building, and then refooted and printed. We have corrected it at times, but it accidentally passes, sometimes.

Q. You reduce the value of the building every year?—A. Yes.

By Mr. Geoffrion, Counsel for the Mutual Reserve :

Q. You reduce the value of the building every year?—A. Yes.

Q. Take another year. What is the value of the building put at there?—A. \$476,653.50.

Q. What year is that?—A. December 31, 1897.

Q. What is the cost of the building?—A. \$483,660.50. That is the cost of the building. That is the end of 1893.

Q. That is what you paid on the Home Office Building in New York?—A. Yes.

By the Hon. Mr. McSweeney :

Q. That is all the real estate you have—the Home Office—A. No, we have some more.