I am talking about annuities, Mr. Anderson, and you made reference to the fact that they were assignable and had cash surrender values. I am thinking here in terms of the loss to the man who bought the contract?—A. In the case of our deferred annuity contracts, as we now sell them, it would be about ten or eleven years before the cash surrender value would equal the payments that had been made. In other words, the interest we have earned on the money up to that point is equal to the expense which we incurred up to that point.

Q. I am thinking in terms of savings of the individual who purchased the contract and the amount that he loses in that transaction?—A. At the end of ten years he would have lost the interest on his money.

Q. Obviously your annuity is providing a means of saving for the individual—A. Long term saving.

Q. But in the process he loses a certain amount of money. In relation to the principle of saving money he has lost that money—and as far as the government annuity is concerned there is no cash surrender value. That principle, in terms of saving, has to be taken into consideration.

Now, secondly, can you give us any idea of the percentage of people in Canada on average incomes, and I think the average income of Canadians is around $2,000, what percentage of the people in this country on that income are able to take advantage of the annuity contract you sell—or a government annuity contract as far as that is concerned? I think for either the government annuity or your annuity there is only a very small percentage of people in this country able to use that medium of saving for the future —A. As I pointed out, a great many people do not use that medium; they use insurance policies which involve savings. As you well know life insurance companies have one or more insurance policies in at least four out of every five Canadian homes.

Q. Well,—they are people who buy a little protection, something to bury them after they are dead. That insurance is all right, but I am thinking in terms of the large majority of the people in Canada.

Another thing I have in mind is that the methods in this whole annuity question, in terms of the advances we are making in social security, are becoming outdated and will require a lot of revision.

Mr. POULIOT: Are you through, Mr. Gillis?

Mr. GILLIS: For the time being.

By Mr. Pouliot:

Q. Mr. Anderson will you please tell us if the commission rates to the agents of the various companies are uniform?—A. By no means.

Q. By no means?—A. There is a difference between the commission rates as between companies, differences in the premium rates, differences in the cash surrender values. Each life insurance company endeavours to conduct its business in the way which seems most suitable according to its own circumstances. We are in competition with one another and it is only natural that that should be the case. Of course, what every other company does has an effect upon what we can do.

Q. Can you give us an idea of the average rate for, let us say, $1,000?—A. Are you speaking about an insurance policy or a deferred annuity policy, Mr. Pouliot?

Q. I am speaking of an annuity policy, let us say, 10 years, or 20 years.—A. Can I give you an example?

Q. Yes, any company, anyone?—A. An annuity policy under which an individual is going to pay in $100 a year in premium; would that be a good example?