Mr. PERLEY.—You said that last year your expenses were a million dollars over the loadings, I would like to ask where that million dollars came from?

Mr. TORY.—From our other sources of revenue.

Mr. PERLEY.—What are they?

Mr. TORY.—The other sources of revenue are savings from mortality, excess of interest earned above the rate calculated, which is a very important item, as an excess of interest of one or two per cent on a large amount of assets produces a very large profit. Then there are some gains occasionally from surrender values, these are the various sources of revenue.

Mr. PERLEY.—And capital?

Mr. TORY.—And capital, in some instances that is the source of revenue. I was going on to say that the schedules provided for the minutest details of information and I believe that you should give the Canadian companies a chance. They stand at the top now, and they are doing everything in their power to conform to the spirit of the law; do not pass drastic legislation upon them that will affect them so vitally and that will reduce to such a great extent the future operation of the companies.

In conclusion and in view of what I have said I most earnestly ask,

First, for the entire elimination of section 53, together with all subsections attached thereto.

Second, I ask for the elimination of sections 54 and 55 as they unduly interfere with the details of management and as they are an altogether unnecessary and harmful restriction.

Third, I ask for the amendment of section 58, as before intimated.

Fourth, I ask for the elimination of sections 87 and 90, relating to estimates and reserve dividend policies.

Fifth, I urge the amendment of section 94 so as to avoid the danger to our companies which it produces, and also so as to provide for proper treatment of future reserve dividend surplus.

Sixth, I urge the elimination of section 99, or that it be so amended that policyholders will not be made members of the company, as that involves another legal question which cannot be gone into here. But if policyholders be given the right to vote, their voting shall be confined to voting for directors only, and the policyholders' directors shall not be equal to those of the shareholders

If section 99 is eliminated, section 111 becomes less harmful, but it still interferes with the charter rights of the companies. With section 99 eliminated or changed in the manner mentioned, the division of profits as provided in section 111 would perhaps be satisfactory to the stockholders of the older and larger companies, although it must be admitted that it would be a great hardship to the stockholders of some of the young companies who as yet have not received any dividends. With section 99 eliminated, section 111 would be satisfactory as far as my personal investment is concerned, as 10 p. c. of the profits would likely provide a reasonable dividend. But there is no doubt that even with section 99 eliminated, 10 p.c. as provided in section 111 would not provide much dividends for years to come in the case of young companies and especially with those with impaired capital for such an investment.

I thank you very much, gentlemen, for having listened to me.

Mr. WESTON.—We have omitted to refer to Clause 57, which reads:

'57. No such life insurance company shall make any agreement with any of its officers, trustees or salaried employees to pay for any services, rendered or to be rendered, any salary, compensation or emolument extending beyond a period of five years from the date of such agreement.'

Is this meant to apply to general agents' contracts? Can it be made to apply to contracts giving part salary and part commission and commissions on renewals, and does it call for the termination of such contracts at the end of five years? If it does, then it touches upon the means by which the companies have secured the most profit-