

## APPENDIX No. 1

Q. And that was taking into consideration these amounts that had been written off?—A. This includes the 1897 contract entirely.

Q. It is the entire result of the contract of 1897?—A. Yes.

*By the Chairman:*

Q. Did you not render Moss monthly accounts?—A. That was the custom, to render monthly accounts.

Q. Did you not credit him in this account with 85 per cent?—A. I did not.

On this 22nd day of July, A.D., 1904, personally came and appeared JAMES DALTON, of the city of Ottawa, who, being duly sworn and examined, deposed as follows:—

*By the Hon. Mr. McSweeney :*

Q. You were a policy-holder in this Mutual Reserve Fund Life?—A. Yes.

Q. What was the amount of your policy?—A. Six thousand dollars.

Q. What time did you go in?—A. 1895.

Q. At what rate per thousand?—A. Upon my word, I am not very clear; I think it was six dollars per thousand.

Q. It cost you about \$234 a year?—A. No, it cost me that the last year I paid.

Q. The first year?—A. The first year, deducting the entrance fees and the expense dues, I think it would be just about half that. That is my recollection.

Q. How long did you continue paying that?—A. Not very long. The rates began to increase somewhat, very shortly after. I think the calls were then about \$6 per year in bi-monthly calls.

Q. When you took your policy, you took it at a fixed rate?—A. Yes.

Q. You thought it would continue until death?—A. That was the assurance given by the agent.

Q. And you think, at the end of four years they commenced to increase the assessment?—A. Yes. Oh, I don't know but what they did the following year.

Q. They increased until 1898?—A. In 1898 it amounted to \$10. The rate per thousand had not increased, but the number of assessments increased from about six to ten assessments up to that time.

Q. And you carried it, I think you said, for about eight years?—A. From that time until about a year ago it contained a uniform number of calls and the rate, too.

Q. And the last year, too?—A. In 1899 or 1898, I am not sure, the calls were increased to, I suppose, the full number that could be collected. There were twelve calls. Not what you call single calls; they were double calls. They were bi-monthly calls.

Q. And they would amount to how much a year?—A. \$23 exactly.

Q. When did you cease paying them?—A. I cannot say the exact date; just about a year.

Q. Why did you cease paying the calls?—A. Well, there was a slight increase then, and it had remained, I thought, among others similarly situated, that we had touched bottom with regard to high rates, as it was generally understood, and I think there was something circulated to that effect, that there would be no more than ten single calls unless the reserve, consisting of \$100,000 or upwards, became exhausted. Then they had power to increase it to \$12, so that in 1898 or 1899 they increased it to twelve. There was no intimation the reserve had been exhausted or reduced in any way, but still we thought surely it would stop there. Well, the number of calls stopped, but the rate began to increase last year, and I remonstrated, and still, not wishing to imperil my policy, I paid that first increase, which was a small one, insignificant in itself, but fearing that it might be the entering wedge for a larger call, I protested, and paid under protest, and the next call that was issued about a month after was considerably larger. I omitted to state that in the communication I had with the agent at the time, he stated that after each birthday henceforward there would be a slight increase, and I supposed then that that slight increase that had been made—for it was