Mr. CRAIG.—The clause referred to covers the entire expenses.

Mr. PERLEY.—Yes, I understand that but we might keep the investment part of it separate from the other, they are two different ideas altogether.

Mr. CRAIG.—Well, it is very difficult for me to separate the Head Office expenses from the other expenses, because I am simply discussing the entire expenses of that company for that year including the Head Office, as the provision in the Bill does not necessitate a division, therefore I have taken the total expense of that company as the basis for my remarks. That division could be made, but at this moment I would not separate them for the reason that I do not know exactly what advantage can be gained as I simply referred to it for the purpose of pointing out to the gentlemen here that that company on the basis of the 1908 business would under those two sections be out of business, and there are nine or ten other companies that would be in just as bad a position if they were confined to the limitations named. I know this, gentlemen, that there has been the greatest interest on the part of the men managing the affairs of that company to keep expenses down. There have been sleepless nights spent in order to conceive of some method that would reduce the cost of the business, and I tell you today that under the conditions that we have passed through it seems to have been absolutely impossible—a few thousand dollars may be lopped off if the clause regarding advances becomes law, but we with the best judgment at our disposal say 'We think that a man has a fighting chance to succeed and we will try him for a month and give him a guaranteed advance.' We take him out of some business where he has been a success and we give him a chance, we watch him as carefully as we can, because we know that it is the trust funds of the people that we are guarding. That man, it may be, falls down at the end of two months, and that money is temporarily lost, notwithstanding the fact, in some cases we nurse the man and in five or six months he has made good and eventually we turn him out a good producer. That is what is done by every company, and if we have to stop doing that it will take off some of the expense but it will reduce the volume of business we write, and if this is done it will place limitations on all companies. I have been with this company for 18 years and know something of what all companies have to pass through. We have been spending money to get new business and we cannot have the old business from which we get our profit unless we get the new businesss first.

Mr. OWEN.—What company is that?

Mr. CRAIG.—The Excelsior Life of Toronto, a company which is 19 years old, and a company that is just at the point where probably this limitation hits hardest because we are past the 15 year limit, yet we have not the business that a company of 50 or 60 years would have. I want to say it is the hardest thing in the world to make a law that will apply equally and fairly to old and new companies. We stand today, and I ask you to allow me to refer to ourselves, we stand in that position where we are not as favourably suited as some of the older companies for the reason that we have not as much old business and if we use the provision named in clause 42, it leaves us subject to the criticism of older companies, as there is also the corresponding provision that publicity must follow any particular amount that has been appropriated for that purpose. That means that companies not forced to use the provision to the same extent would use the greatest weapon in order to place themselves in a better position than the younger company. They could take advantage of clause 42 and at the same time the young company may have more money for every dollar of liability than the old company, but the difficulty is that the old company has paid for its business in the past while the new company has a less number of years of old business to offset the cost on the new business. That difficulty constantly appears when you are taking new companies into consideration. I think myself that this is probably the most important phase of the Bill in so far as the future of life insurance in this country is concerned.

Mr. PERLEY.—Were those figures you gave us the figures of your own company?

Mr. CRAIG.—Yes. There is another clause here I will refer to; I was going to refer to a clause respecting advances on account of renewals. Now we happen to be in