

APPENDIX No. 1

By the Hon. Mr. McMullen.

Q. On this exhibit that is marked 53 b, you give us a statement of companies doing business in Canada as compared with the Mutual Reserve. Are those joint stock companies?—A. I understand that all of your companies are. They are legal reserve companies. There is one mutual company, I understand, the Mutual of Canada.

Q. You understand that this abstract you have taken refers almost entirely to joint stock companies. Now, if you wanted to make a fair comparison, why did you not give us a comparison with mutual companies, that is, companies conducted on a cheap plan, such as you claim to conduct yours. You take stock companies and put them in comparison with the Mutual Reserve; now, stock companies have expenses that mutual companies do not have at all, expenses in connection with the investment of their money, which costs a great deal both in paying agents and in making investments, in paying lawyers' fees, and so on—you have no expenses of that kind, because you have no money to invest?—A. Is that so.

Q. The policies have no surrender value?—A. That is so, but we have money to invest.

Q. When you said the policy had no surrender value, it means they have no money behind them?—A. The assessment policies have no guaranteed or stated surrender value. Our legal reserve policies all have a surrender value.

Q. What about the stock companies? Are not all these stock companies?—A. All, with the exception of the Mutual of Canada.

Q. The Ontario Mutual?—A. Yes.

Q. They are all stock companies, and you make a comparison between stock companies that have expenses of a kind that you do not have at all, in place of making a comparison with assessment companies. There are assessment companies in Canada; why not give a comparison with them?—A. I am told ours is the only assessment company.

Q. Oh, no, there is the Ancient Order of United Workmen?—A. That is a fraternal organization; it is not an assessment company.

Q. It is in a sense?—A. It is not the same as ours, because we have expenses that they have not.

By the Hon. Mr. Béique:

Q. The objection raised by the Hon. Mr. McMullen is that it is not a fair comparison to compare your company, which is an assessment company, with these Canadian joint stock companies. What have you to say to that?—A. In the first place, we have done a general business, competing with these companies, involved in the same expenses for getting business, excepting so far as I explained yesterday, those expenses were modified during the time when the claim would be made that it was exceedingly cheap and the advantage got of that.

Q. That was before 1895?—A. Before 1895. More than that, from the time the present management went in in 1895, the company has shaped its course to the establishing of itself upon a legal reserve basis, and in point of fact it has done business in Canada since 1899 as a legal reserve company, and in Massachusetts since 1900, and all of its rates since 1898—the latter part of 1898 and early part of 1899—have been legal reserve rates, and it has done a legal reserve business the same as the others.

Q. As far as you are concerned, do I understand that you consider the comparison fair?—A. I consider it is the fairest comparison that could be made. I do not claim that it is an absolute comparison by any manner of means. I simply present it as the fairest comparison that could be presented.

Hon. Mr. McMULLEN.—There is the Independent Order of Foresters; you could have given that along with the others?

Hon. Mr. BÉIQUE.—I would invite the witness to make a comparison with the Independent Order of Foresters.