

an apportionment of the general expenses of the company, showing what proportion is properly chargeable on the basis of the average business carried, and the general expenses and the Canadian business, and from that I have taken that column.

Q. Can you say what proportion of rates the Canadian business should bear?—
A. I did not distribute them item by item with the legal and rent expenses to make the aggregate expenses of the company outside of membership fees and medical fees. Membership fees and medical fees depend on the fact of doing new business or not doing new business. Outside of that the expenses of the company I distributed on each thousand dollars worth of business carried everywhere so much. Then I added to that, and in Canada this gives the average amount done in Canada. Having added the expense outside of medical fees and admission fees, the rate per thousand of the general expenses, then I determined from this mean amount of insurance in force the amount apportionable to Canada each year, and add to that the membership fees and medical fees collected in Canada, giving as a result the total amount of expenses chargeable to Canada.

By the Hon. Mr. Wilson :

Q. Why did you eliminate the charges making a difference between Canada and the United States?—A. I did not treat it differently in Canada from the United States.

Q. Your statement indicates it?—A. I charged to each country the membership fees and medical fees collected in that country, because they would be there expended, and it was in favour of Canada, because I had divided the medical fees and membership fees received everywhere into the business during these years that we have been doing any business in Canada on the assessment plan, it would have made the Canadian members contribute towards the expense of membership fees, &c., taking their shares of it in other countries, which, of course, would not be proper as long as there were none collected or expended here, but outside of membership fees and medical fees, I distributed the entire expenses of the company, no matter where contracted, over the business actually in force per thousand dollars, treated Canada and the United States and other countries the same.

By the Chairman :

Q. I understand it would be easy to figure that out according to the returns of the books, but are you in a position to say actually what Canada contributed? Of course you can take the general amount of expenses and apportion them to the different countries. That is a matter of figuring, but as a matter of fact can you give a statement to the Committee of what Canada paid?—A. We keep, of course, the amount of income from and the expenditure in Canada. The actual expenses chargeable to Canada on this basis of business from 1885 to 1903 was \$1,735,668. The proportionate amount for that time was \$1,792,229, and the actual contribution was \$1,735,668.

By Mr. Geoffrion, Counsel for the Company :

Q. Can you not arrive at the actual contribution of Canada to expenses by putting on one side the amount collected in Canada, deducting from it the amount paid in death losses in Canada and the amount still remaining to the credit of the policyholders in Canada?—A. That is what determines the actual amount they have contributed either towards expenses or towards the general mortality of the company. What this exhibit is for, is for the purpose of showing that upon a proper basis of apportionment of all the expenses to all the business, Canada has not been called to contribute more than its proper share.

Q. When you say this exhibit, you mean Exhibit 54, which I now mark merely for the purpose of identification, as I will take it up later on?—A. Yes.