

APPENDIX No. 1

*By the Hon. Mr. Lougheed :*

Q. On the charges against that, of the proportion which Canada should bear of the management of the head office?—A. There are charges in addition, but I will make that clear in another column. This second sheet, Exhibit 53b, relates to the gross expenses charged to Canadian business. The basis of comparison is expenses for \$1,000 of insurance carried one year, and the comparison is made with Canadian companies on their entire business. First, taking from the same sources, I give a column 'a' showing the expenses per thousand dollars of insurance carried of all Canadian companies engaged in business each year as shown by the blue-book, but as that includes local and new business, &c., in order to get what seems a fairer basis of comparison, I take all companies that were in existence prior to 1885, and that are doing business outside of Canada, so as to get a general business, and give the same in column 'b,' the expenses per thousand dollars of insurance carried one year, and of course that gives a lower rate, they being older companies and doing a more extended business. This is for every year from 1895 to 1903 inclusive. Then, in the third column, I give the expenses per thousand borne by the Canadian members of the Mutual Reserve, including their share of all their expenses for maintenance in the general office.

EXHIBIT No. 53a.

AS TO GROSS EXPENSES CHARGED CANADIAN BUSINESS, 1895 TO 1903.

Basis of comparison:—Expenses per \$1,000 of insurance carried one year by (a) all Canadian companies engaged in business each one year as shown by the blue-book ; (b) those Canadian companies in existence prior to 1885 which do business outside of Canada as shown by the blue book.

Dividends on capital are not counted in expenses.

Expenses of the assessment business of the Mutual Reserve in Canada are \$1,094,-339; based on total receipts, less payments to policy-holders and sums invested for deposit. This is made up of membership and medical fees \$196,894, and other expenses proportioned to business carried \$897,445.

Year.	(a)	(b)	Mutual Reserve.
1895.. . . . .	\$8 76	8 57	5 93
1896.. . . . .	8 54	8 06	4 61
1897.. . . . .	9 51	8 70	4 52
1898.. . . . .	9 82	8 80	5 29
1899.. . . . .	9 91	8 53	5 49
1900.. . . . .	10 64	9 66	5 92
1901.. . . . .	10 34	9 33	8 31
1902.. . . . .	10 93	9 61	8 27
1903.. . . . .	11 70	10 39	7 99
Totals.. . . . .	\$10 20	\$9 06	\$5 66

*By Mr. Geoffrion, Counsel for the Company :*

Q. Column 'a' which gives the ratio of expense to each thousand dollars of insurance for all Canadian companies, as shown by the blue-book, gives for the years 1895 to 1903, both inclusive, a percentage of \$10.20.—A. These are the gross expenses of the company. As far as the Mutual Reserve is concerned, it is the gross expenditure charged to Canadian business every year, and I compare it with the rate of expense to each thousand dollars in those other companies.

*By the Hon. Mr. McMullen :*

Q. You keep the Canadian account separate by itself?—A. We do not keep the Canadian account separate by itself, but I have, at the request of Mr. Béique, made  
ELDRIDGE