

APPENDIX No. 1

By the Hon. Mr. Wilson :

Q. He asked the question, 'What amount did you pay?' You paid the 85 per cent plus the renewal commission?—A. The total amount of money that was debited was \$628,141.35; the total first year's premiums were \$678,311.02; so that the first year's premiums exceeded the total expenditure by \$50,169.67. Then there accrued \$66,142.59 of renewals.

By the Hon. Mr. Béique :

Q. Apart from the renewals what was paid? The \$66,000 which was paid—A. We did not pay that.

Q. The \$66,000 which are mentioned in the statement as renewal commission, what percentage did the company pay as expenses on that business done through Mr. Moss? What present rate of expense would they pay?—A. It is here.

By Mr. Geoffrion, Counsel for the Mutual Reserve :

Q. What was the percentage?—A. 82'85.

Q. In other words you debit this account with everything advanced to Mr. Moss, or to Mr. Moss's agents, or retained by them or paid by them?—A. Yes, every portion of expense in regard to an individual contract.

Q. You deduct from that amount recorded in the first place the renewal commissions to which Mr. Moss was entitled under the contract?—A. Yes.

Q. Leaving therefore a balance to his credit, \$561,998.76?—A. Yes.

Q. And the gross premiums, \$678,311, and the proportion between the \$561,000 which he owed you and \$678,000 which you received against percentage of the first year's cost of the business—is that it?—A. Yes.

By Mr. Coster, K.C., Counsel for the Committee :

Q. When you spoke of the \$66,000 renewals credited Mr. Moss, did that mean for the whole five years or only for one year?—A. It means the whole five years.

By Mr. Geoffrion, Counsel for the Mutual Reserve.

Q. I see I stated in my question that he owed you \$561,998?—A. It is not what he owed; it is the net cost of the business.

Q. It is what you spent for the business after deducting renewal commissions?—A. Yes, the net amount we spent for the business.

Q. And for which you got \$678,000 premiums?—A. Yes.

Q. Now, about that percentage, or that approximate percentage of cost, can you speak from personal knowledge?—A. I know in a general way that that was the cost of the business, and I have not verified every figure in that report. I have examined these accounts time and time again and am very familiar with them, and have no question whatever as to the correctness of this report and its completeness as to expenditures.

Q. When the \$3,500, or any other amount, was advanced to Mr. Moss for advances to agents under that contract, it was debited to him?—A. It was debited to him in the general manager's account.

Q. When he paid out advances to agents, what was done about the vouchers and the credits and so on?—A. He made a statement of the parties to whom he had made the advances from this sum, presented the vouchers showing that he had made them, and that they had received the amount, which was checked by the auditor, and a book-keeper's warrant or voucher was issued directing the general manager's account to be credited with such amount as was found to have been actually advanced, as proved by vouchers presented.

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