

Q. Why were they placed in that favoured position?—A. They are not placed in any favoured position. They are members of the entire company, and the death losses of the entire company must be based upon the mortality among the entire company; but at this time the death losses occurring amongst that class is in excess of the assessments levied on that class, and all members must join in the—

Q. That class was not favoured more than any other class. I thought you said it was. I thought you said they received benefits more than they paid in to assessments?—A. Yes.

Q. You said that that was not shared in by all the classes, as I understand it?—A. What I say is that the cost of carrying insurance is assessed the same against one who is a member of one class as against a member of the other class who is of the same age and carrying the same amount of insurance at the time.

*By Mr. Geoffrion, Counsel for the Mutual Reserve:*

Q. I understand the fifteen-year class, speaking generally, is composed of the older members of the association?—A. There has ceased to be any business written upon the plan known as the fifteen-year plan since about 1892 or 1893, and, naturally, if you isolate that membership by itself, in the remnant of it the death rate is greater than it is in the general membership of the company, but it is a part of the company and the cost of the insurance is gauged by the entire membership of the company and not by that in any one class, and if at the present time that class is getting the benefit—

*By the Hon. Mr. Sullivan:*

Q. When did you make those classes?—A. The distinction in classes is simply in effect the distinction of forms of policies and just for the convenience of enumerating the different forms of policies. All policies issued up to 1890, about July, 1890, were on what is known as the fifteen-year class. Then in 1890 there was introduced the ten-year form of policy, and that was issued conjointly with the fifteen-year form for two or three years until gradually the fifteen-year form dropped out of use.

*By the Hon. Mr. Wilson:*

Q. There was a question asked by Mr. Geoffrion, were the fifteen-year class among the older members?—A. They were among the oldest members of the company.

Q. You mean to say the longest in the society or the oldest in age?—A. Well, they are the youngest in the society and probably their age averages the highest on any of the classes.

Q. But you are not sure?—A. I have not examined it recently to the exact determination, but I have no question that their ages average greater.

*By Mr. Geoffrion, Counsel for the Mutual Reserve:*

Q. What I wanted was something with reference to the statement that Mr. Paterson made, which was the impression that he gathered from circulars of the association, that statement to the effect that the fifteen-year class in which you did not admit any more members had to support its own death losses is not correct?—A. The impression is incorrect.

Q. And that can be verified by the books of the association?—A. Yes.

Q. You have been previously examined, I understand, on the liens of the association, but Mr. Paterson again referred to those liens and objected to the fact of the liens being put as assets of the association or of the company. Will you please give a short and concise explanation of that point?—A. The only liens that are treated as assets are regular notes or certificates of liens signed by the individual member who has surrendered his assessment policy and taken a policy with a fixed and level premium.

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