

APPENDIX No. 1

By the Hon. Mr. Béique:

Q. Is this taken from the books?—A. It is taken from the books.

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

Q. And they all can be taken by anybody from the reports?—A. Except the corrected item of the membership fees which were not returned. You will find in the early years of the company, that with some \$30,000,000 business done, it returned only \$417 membership fees. To make a just comparison you have to introduce the correct return.

Q. And you get that from the books of the company, do you?—A. I get that by the scale adopted by the Canadian department in dealing with the same question of \$5 per thousand membership fees.

By Mr. Geoffrion, Counsel for the Company:

Q. Can you say for what years?—A. The sworn reports will show it.

Q. Are those figures correct?—A. They are.

Q. What do they give?—A. They give in column 'a' the amount of expense to each thousand dollars of insurance carried, taking into account the total business of the company. From this total business each year I deduct the insurance carried in Canada, and the expenses charged to the Canadian business, and determine in column 'b' the dollars of expense charged to each thousand dollars of insurance outside of Canada. Column 3 reproduces the Exhibit 53c, showing the expenses per thousand dollars charged to Canadian business, and given here for the purposes of comparison.

Q. This statement, Exhibit 53b, deals only with the Mutual Reserve?—A. Only with the Mutual Reserve.

Q. The first column gives the general expenses of the company for all its business in and out of Canada?—A. Yes.

Q. Column 'b' gives the expenses on the business of the company throughout the world, exclusive of Canada?—A. Yes.

Q. And 'c' the expenses on Canadian business?—A. Yes.

Q. But 'c' includes all that is charged to Canadian business, whether expenditure inside of Canada or outside of Canada?—A. Yes.

Q. The general expenses throughout the world are equivalent to \$5.96 per thousand?—A. Yes.

Q. Throughout the world, outside of Canada, the general expenses paid by policy-holders amount to \$5.99 per thousand?—A. Yes.

Q. And all expenses charged to Canadian policy-holders amount to \$5.58 per thousand?—A. Yes.

By the Hon. Mr. McMullen:

Q. You directed the Committee's attention a short time ago to a comparison between a certain number of Canadian companies that had been in existence prior to 1885, and you compared their cost per thousand with the cost per thousand of the Mutual Reserve Life. You show that in one case it is from \$9 odd for expenses, and the other \$10, while there was only some \$5.66 per thousand expenses in connection with the Mutual Reserve. Do not the old line companies, the joint stock companies, do a business different altogether from your line of business, and a more expensive business? For instance, they issue limited life policies and endowment policies?—A. Yes.

Q. Do you do anything of that kind?—A. Yes.

Q. Only since 1899?—A. I think it was 1897 we began to issue limited payment policies. I think we issued the first limited payment policies in 1898.

Q. This goes back to 1885. A very large amount of the joint stock companies business is in limited life and endowment policies, and you, as an insurance man,

ELDRIDGE