

APPENDIX No. 1

Credit.

By amounts advanced by him to agents and accounted for by vouchers of such agents.	247,695 45
Excess advances.	\$ 528 75

O.K., J. A. HYLAND,
Chief bookkeeper.

Could you explain exhibit 50a?—A. It is a statement that shows all advances made by Moton D. Moss to his agents under the contract of 1897, all cash retained by agents during 1897 on 1897 business, cash retained by agents during 1898 on 1897 business, cash paid Moss 1897 on account of commissions, and subsequent payment on January 15, on account of commissions; also certain cash that was paid him in 1898, which we claim was paid under the terms of 1898 contract, but for completeness we included here as one of the 1897 items, and then the various sub-items small items of payments and detentions, &c., charged to him of the salaries paid to him in excess of \$200 per week; also excess of over \$20,000, thereby giving the total expenditures per contra, giving the gross business received on that business during 1897, gross premiums received in the same business during 1898, and then the renewal commissions on the payments actually made to the company since then down to the end of five years. That deducted from the expenditure leaves the balance of expenditures of the first year and as against the premiums and the calculation of percentage thereof. This is the statement that was under discussion.

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

Q. These have all to be verified by the book-keeper?—A. Yes. Aside from the renewals of business actually continuing, there was a balance of expenditure the first year of \$561,998.76, a total of the first year's premiums of \$678,311.02, the percentage of cost the first year being 82 and 85-100 per cent.

By Mr. Geoffrion, K.C., Counsel for the Mutual Reserve:

Q. How did the association make that profit?—A. After we had paid the renewals out actually there would have been more than that. That is, we would not have had the same credit on account, and by the commutation of the account a slight margin, and probably in part it arises from the fact that of the ten-year business there was only 50 per cent commission paid. While the business was very small indeed compared with the others, it would make a slight difference in that regard.

Q. You say there was a commutation? This contract was therefore

PART 7.

changed, I understand, 1st January, 1898, I am not speaking of the change to which Mr. Wells testified, but in the contract of 1898 was there not a change?—A. It was already in evidence that in 1897 we assumed the obligations for liability under this contract for consideration of release of commissions and released Mr. Moss.

Q. You released Mr. Moss of his liability, and in exchange he transferred to you his renewal commissions?—A. Yes.

Q. But in this statement of 1898 you assumed the contract was carried on?—A. Yes.