

In the first place Mr. McCabe knows well that there could be no such examination because the Government has no authority to cause such an examination to be made. In the second place if there could be such an examination it would have to be made by the Superintendent of Insurance, who, Mr. McCabe alleges has already "conclusively proved" the unsoundness of the I.O.F. plan. Need I say any more as to the character of such a challenge.

But notwithstanding its character, it might well be claimed that the challenge has already been accepted. For in the Bill to be submitted to Parliament at its present session by the I.O.F., it is there provided that the I.O.F. shall make annual returns the same as the Old Line Companies, and that it shall also be subject to government inspection. If Mr. McCabe is sincere in his challenge he will help us to get that part of our Bill through Parliament. We shall see what we shall see.

A BASE INSINUATION.

7. Mr. McCabe's next specification is an insinuation that I had perjured myself when I verified by my oath the returns of the I.O.F. made to the Insurance Department of Ontario, in which it was represented as follows:

"(1). Amount covered by Endowment Contracts in force Dec. 31, 1894, was \$1,204,500."

"(2). Amount covered by contracts other than Endowments, or for Sick or Funeral benefits, in force Dec. 31, 1894, was \$86,302,000."

After quoting the above items in our Ontario returns Mr. McCabe makes the following observation:

"The fact is, notwithstanding the oath of the Supreme Chief to the above items (1) and (2), that all of the insurance contracts issued by the I.O.F. are Endowments."

The I.O.F. has two kinds of policies. The one provides that the whole of the insurance should be paid to the member himself on his reaching his expectation of life. This kind of policy, in our returns to Insurance Departments, we place under "Endowment Contracts."

The other kind of policy does not provide for the payment of the whole sum assured on reaching the Expectation of Life period, but it provides for the payment of the sum assured in ten equal annual instalments, as an old age disability benefit, beginning with the 70th birthday, or the whole amount at prior death. This latter kind of policy, whenever a distinction is made by the questions in the Government Forms sent to us to fill, we always return as "other than Endowment Contracts," for the purpose of calling special attention to the fact that we had two kinds of policies. No Commissioner or Superintendent of Insurance has ever found any fault with such classification, on the contrary, the distinguished Superintendent of Insurance of New York, when admitting us, ruled that the benefits given by us on such policies were not "endowment benefits," but "old age disability benefits." Then, too, we always file copies of our Constitutions and Laws, Policies and other Forms, thus disclosing the exact nature and kind of benefits given by us.

The perjury charge, therefore, which Mr. McCabe insinuates against myself is wholly baseless, as also are his statements that

"The Chief has apparently succeeded in misleading the State and Government Insurance authorities on this point, thus escaping making provisions to meet such contracts."

LYING UNDER A MISTAKE.

In a word, when Mr. McCabe made the above statement he was simply *lying*, as he very frequently does, *under a grave mistake* and he wantonly insulted the intelligence of the Commissioners and Superintendents of Insurance concerned.

I know that the able head of our Insurance Department in Ontario understands exactly what we meant in our returns when we said we had in force in 1894, \$1,204,500 in "Endowment contracts," and we had \$86,302,000 in force other than the "endowment contracts" above referred to, and as the I.O.F. has always found Dr. Hunter to be perfectly fair and just in his dealings with us, I have no doubt if asked, he would without hesitation say that he has always found the officers of the I.O.F. to be frank, open and straightforward in their dealings with his department, and always willing to give any information he desired, and that they have in no way attempted, nor as a matter of fact have they misled him in any particular.

With regard to the differences in the figures of the New York returns and those of Ontario, the explanation is a simple one. The New York returns were intrusted to a clerk who made them out from the Treasurer's books, as those books stood on the 31st day of Dec., 1894. The returns for Ontario were made out by the bookkeeper who has usually made them out from the books of the Supreme Secretary as they stood on the same date. In the past, while the books of the Supreme Treasurer were kept in London, there were always more or less differences in the two sets of books at the close of each year, dependent on the amount of the receipts and disbursements which were entered in the Secretary's books and then sent to the Treasurer on the last day of the year, and which would not get into the Treasurer's books till the 1st or 2nd of January following. The differences in the two reports were due to the foregoing facts. I am free to confess if my attention had been called to the matter at the time, I certainly would have had all the returns made from the Secretary's books. It is noteworthy that Mr. McCabe refers only to the difference in the "total expenses of management" and does not point out the fact that the "total receipts" in the New York report were also different from that in the Ontario report by nearly the same sum as in the item of "management expenses." and that as a matter of fact the liabilities in the two reports are the same and the reported assets differ by only \$1,500.

MCCABE'S CHARGE OF FALSEHOOD.

8. Mr. McCabe next charges me with falsehood in that I stated under oath in the last report made to the Ontario Insurance Department that the total manage-