

New York department, it included in the income expenditures and assets these liens as assets, and charged the company in the liabilities with the reserve as a liability ; but to every such report I appended a note calling the superintendent's attention to the fact that the New York department, having no authority to charge the assessment company with the reserve each year, ruled that that item could not appear in the liabilities, and, consequently, that the liens could not appear in the assets expenditure or income, and I submitted this report to the superintendent with this note appended, so that if, in his opinion, a different report was required under a law of Canada, he would notify me and I would submit such amended report as was required, and I might say here that this matter explains the discrepancies that appeared between the published report of the company as regards its general business in Canada, and the published report in the New York Insurance Department.

Q. This note is the one which was read to Mr. Paterson by the Hon. Senator Béique?—A. It is.

Q. The original of that notice was here the other day, and it is here yet?—A. I presume it is, and it was appended to all the reports that contained that difference. Moreover, I may say that, in submitting this amended report, which excluded these items, to New York, from the report, I accompanied every report by a statement that the report was made under the ruling of the department, stating what items were excluded from the different schedules, and asking that such statement be received as a part of the report, so that, if in future years there should come up a question, when the circumstances were forgotten, the document would be on file to explain just why the discrepancies occurred.

*By the Hon. Mr. Lougheed:*

Q. Was that by a separate document, or upon the face of the report?—A. It was a typewritten document appended to the report.

Q. And that explains the discrepancy?—A. That explains every item that was excluded under the ruling of the department in New York. Those are the three reports on which the differences occur. I have my letters to the department here.

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

Q. It is not attached to the certificate in this report we have here?—A. I do not know how it is. I know it accompanied the report to the New York department, and I know the letters were sent to the department in New York.

Q. Are these certified copies?—A. Yes. There are two certified copies. I think there is one not certified; but I know as a fact that those letters accompanied several reports.

Q. Was that fastened on it, when you got it from the department?—A. Yes. Independent of the question whether they were attached to the copies, I testify that those were copies of letters that accompanied the several reports to the New York Insurance Department.

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

Q. You sent the letter as you say?—A. Yes. I saw that they were sent to the department in each instance.

*By the Chairman :*

Q. Were they sent after the report, or how?—A. They were sent with the report.

Q. Pasted on, as it appears here?—A. Yes.

Q. It is very strange, the New York department would not give us a certified copy?—A. That, I do not know about.

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

Q. This copy of the letter is certified also?—A. It could easily be pasted on