

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

Q. You were examined with reference to the allegations in the petition which was prepared by General Tracy, and upon which the \$15,000 were paid. I would ask, as I understand that some of the honourable members do not want the whole petition to go in, as to whether pages 2 and 3 are the charges which were made?—A. I do not know whether this is a copy of the charges that were made in the Tracy complaint or not. It is a long time since I have seen the Tracy complaint. In general terms, I think these were the charges that were made to the Insurance Department, and made in the petition which was actually filed with the Attorney General, and I presume the same charges were embraced in that.

Q. The following are some of the charges of General Tracy in petition to Attorney General of New York to remove Burnham and Eldridge :—

1. That under cover of a clause in the last will of President E. B. Harper releasing the association upon certain conditions of a large claim for renewals, President Burnham has illegally and improperly received from the association at least \$40,000 for his own private purposes.

2. That President Burnham has unlawfully and upon his own authority discharged one Moton D. Moss from his obligations under a certain contract made between him and the association to its great loss.

3. That President Burnham has improperly authorized the payment to Mr. Moton D. Moss of enormous sums of the funds of the association.

4. That President Burnham has permitted untrue entries to be made in the books, and untrue affidavits to be filed in the office of the various state superintendents, especially as to the insurance in force and as to new business.

5. That President Burnham has during the past year abnormally increased the legal expenses of the association, not because of an increase of its litigation, but by reason of his own apprehensions and his desire to protect himself from the consequences of his own misconduct. Among these extra 'legal expenses' will be found very large retainers paid to attorneys who have never heretofore done and are not expected to do any business for the association.

6. That President Burnham, by his mismanagement, has caused within the last year lapses exceeding \$120,000,000 ; has reduced the new business of 1898 to about one-third of that written in the last year of President Harper's presidency; has uselessly increased the cost of management and seriously demoralized the association generally.

This is in connection with the payment of \$15,000 in connection with the charges. They paid this to Hoffecker?—A. No, to Macdonald for the payment of the costs.

Q. It was only costs, was it?—A. Yes.

Q. In the Senate, certain alleged statements have been referred to as supposed to have been made by Moton D. Moss?

Mr. PRINGLE.—Objected to.

Q. I will ask you now as to whether there is any truth in this statement :

'In the early part of 1898 the Insurance Department was investigating the affairs of the association and shortly after their examination I was shown a report which was to be issued, in which the Insurance Department cautioned the directors that the continued use of mortuary funds for expenses would not be tolerated. The insurance of bond statements by the management was criticised and some very strong remarks in regards to the position of affairs'. Did you ever see such a report?—A. In 1898?

Q. In the early part of 1898?—A. I never did.

Q. Did you ever hear of it?—A. I never did.

Q. Did you ever heard of any report being made which was not issued by the department?—A. I never did.

Q. At any time?—A. Let me explain in reference to that question what I have already stated about hearings that were had before the department, and the reports  
ELDRIDGE