

## APPENDIX No. 3

prompted me to come before the Committee is because I have been reading in Hansard the blue ruin speeches made by some of the western members here, and which I think are entirely contrary to the facts, and the viewpoint which we hold regarding the west. The blue ruin pictures drawn by these gentlemen were absolutely at variance with that hopeful optimism which we possess, and it was with that endeavour, to come down and give you the effect of an Ontario viewpoint, and to give these gentlemen the understanding that there are still people left in Canada who have not the blue ruin ideas regarding the west, that I came down here.

*By Mr. Gardiner:*

Q. Does that mean that you still hope to ride on the back of the western provinces?—A. I will answer that. I just want to say in that connection, regarding riding on the farmers' back, and I say this in all kindness, we are not riding on the back of the western farmer. I represent the Mutual Life Insurance Company of Canada. The loaning of money is simply incidental to our business, which is the selling of life insurance, and the investing of the funds which our policy holders place in our hands is simply incidental to the protection we give. We must, in carrying out our business, invest these funds to the best possible advantage, and I want to say to you that the Mutual Life Insurance Company of Canada does not make the western rates, and I am looking forward to the day—and I hope it may come soon—when the mortgage rates in this country will be on a proper basis. To-day, they are abnormally high.

*By Mr. Sales:*

Q. Do you invest in school debentures?—A. Yes.

Q. At what rate?—A. At the present time the rate is somewhere around 6 per cent or  $6\frac{1}{4}$  per cent.

Q. I remember an insurance company buying our school debentures at  $5\frac{1}{4}$  per cent.—A. We have bought them for less than that.

Q. And at the same time, I had a mortgage with the same company of \$1,000, and I had to pay 8 per cent. Can you explain the difference?—A. The difference was simply this, the one was a security, a bond of the community, and the other was an individual security, and from the standpoint of the Mutual Life, our rate to-day is 8 per cent. We are charging that because that is the standard rate, and as trustees of the funds of the policy holders, even though personally I have the view that these mortgage rates are high at the present time, we would not be justified in investing the money of our policy holders at lower than current rates.

*By Mr. Gardiner:*

Q. You mean, you would not be justified in lending at a lower rate than all the traffic will bear?—A. No, it is not a case of what the traffic will bear. For the last two years, if we had undertaken to charge the western people all the traffic would bear, and had charged the rates some other companies charged, our rate would have been higher than 8 per cent.

Q. Have you never charged a higher rate than 8 per cent?—A. Our official rate has never been higher. Two years ago our Alberta loan manager, of his own accord, put through some loans at  $8\frac{1}{2}$  per cent. Before the war, our rate in Manitoba was 7 per cent, and I am looking forward to the time when that rate will return.

Q. Do you loan any money in Ontario?—A. We do.

[Mr. Charles M. Bowman,]