

the hon. member who introduced the resolution that I am not going to take up further time of the house. I repeat, however, that if, as we have been told from the other side of the house, these companies have nothing to fear, they should welcome investigation, and the very fact that they do not want an investigation makes one suspicious. I understand there have been gentlemen around this House of Commons doing their level best to oppose the motion now before us. If they do not want it to go to a committee of investigation it would seem that they have something to hide.

Hon. J. L. RALSTON (Shelburne-Yarmouth): Mr. Speaker, I agree fully with the remarks of the mover of the resolution (Mr. Luchkovich) with regard to the importance of a subject which affects hundreds of thousands, perhaps millions, of beneficiaries under insurance policies. I happen to be a policyholder in the Sun Life Assurance Company; about one-third of all the insurance I hold for the benefit of my family happens to be in that company. Due to the circumstances to which the Prime Minister (Mr. Bennett) has delicately referred, namely the events of the last two or three years when everybody has come to realize that investments can go down, my investment in those policies is rather important, from a personal point of view.

I rise to express the conviction that having examined this matter with care I do not feel either myself or my family have anything to fear with regard to the policies I hold in that company. I make that statement after a good deal of deliberation and thought. What has been said to-night was reminiscent of what we heard two or three years ago in this house. There was a good deal of old straw threshed. The royal commission of 1910 is a long time ago.

Mr. BENNETT: Hear, hear.

Mr. RALSTON: And the legislative fight which took place in this house three or four years ago with regard to the capitalization of the Sun Life Assurance Company is past history. I should be the first to want to examine with the greatest care the standing of any company holding, as it does, the happiness and the future of many citizens not only in this country but, as the Prime Minister has said, in other countries, in the hollow of its hand. My reasons for coming to the conclusion I have reached will be manifest when I refer to a few matters some of which have already been touched by the Prime Minister.

In the first place, with regard to what has been said about the diversion of the policyholders' money, I went down to my constituency in January, and at that time the statement which has been referred to by my hon. friend who moved the resolution had been circulated there. A number of my constituents came to see me about it, and on my return here I made it my business without loss of time to go to the company to find out just what their story was with regard to it. I need not assure the house that I have no professional interest in the matter whatsoever, but in view of my position as a policyholder and in the interests of my constituents I did feel it was worth while to look into the matter. As I understand it—and hon. gentlemen will correct me if I am wrong—of the profits made by insurance companies in connection with their investments, to which the right hon. Prime Minister has referred, and which are not needed for the purposes of administration or paying claims or setting up reserves, ninety-five per cent is put into an account to be applied in reduction of premiums on policies for the benefit of the policyholders, and the remaining five per cent is set aside for payment to the shareholders. Now, as I understand it, that is all that has been done by the Sun Life. Out of the five per cent which has accumulated I am advised that dividends have been paid to the shareholders. I am not very much concerned with regard to those dividends so long as my policy participates in the profits and my premiums are being reduced. Only a day or two ago I had the opportunity to devote my parliamentary cheque to paying the premium on one of my Sun Life policies, and I found that although the dividend to the policyholders is somewhat less, the dividend to the shareholders is less as well. That, is the situation so far as I can find with regard to the alleged diversion of policyholders' money for the purpose of paying the shareholders. Apparently there has been no such diversion and any money paid to the shareholders has been paid out of the five per cent set aside for the purpose.

That brings me to what has been mentioned to-night, that two or three sums had been transferred to the shareholders' account. Those, as I understand it, are sums which properly go to the shareholders' account, and, as the Prime Minister has said, represent the profits on non-participating policies and the five per cent profits on participating policies—

Mr. BENNETT: And the interest on the capital.