

Let me go a step farther. I say to hon. members, sir, that I am not in accordance with the investment policy as defined by the statute at the moment. I have long held, as those who were in the house when I stated my views will recall, that a more stringent restriction of investments by life insurance companies is desirable. That is my view, and I assured hon. members I would endeavour, within the scope of our power—and I put in that qualification, particularly after the judgment of October last—to place those restrictions upon the statute books. Remember this, though, sir. In England they have no statutes with respect to investments, none whatever. They rely upon the wisdom, the discretion and the vision of those who control the enterprises to see that the investments are sound, as it is seldom that life insurance companies meet disaster in Great Britain, or for that matter in any country, for the reasons I have indicated in the earlier part of my observations.

I think I will leave the Sun Life there except to make this further observation. As to the wisdom of some of the investments to which reference has been made I entertain no doubt; they are not investments that I would make. But they were investments which the law permitted to be made, and being legal—not illegal as has been suggested, and being within the law—not without the law as has been suggested, the making of those investments can at best be said to be an error of judgment. Well, Mr. Speaker, I wonder how many members in this house have made slight errors of judgment in their investments? Ah! I wonder if you have allowed for the human equation in dealing with this problem; if you have allowed for the fact that the best judgments in the world have made investment mistakes in the past five years? Would you have thought it possible that securities of the United States of America would depreciate as they have? Would you have thought the securities of our own country would have fluctuated as they have? Would you have thought that the securities of Great Britain would have fluctuated as they have? Would you have thought that one security I happened to hear of to-day in consequence of an event that occurred yesterday could have fallen to less than \$2? These are events which I ask this house to bear in mind. They happen under the very best circumstances and to the wisest investors in the world. As I have said, there are some of these investments that I would prefer to see not made; but the law says they were legally made; and after making the valuations on the basis I have mentioned this company shows a very substantial surplus.

[Mr. Bennett.]

Now, I think this house will agree with me that the banking and commerce committee is not the committee at the moment to deal with a matter of that kind. It may well be that it is desirable that in the future, when conditions have steadied and the fluctuations are less marked, when the curve is not so well-defined, a calm, dispassionate investigation of the whole business of insurance in Canada should be held. I am hopeful that some of our provinces, uniting with the dominion, will agree that it is to the public interest that there should be a central control of insurance rather than control by every province in this confederation. In the United States the forty-eight supervisions of insurance have not always been found to work satisfactorily, for their laws are not uniform, and while the state of New York, in which is domiciled the greatest aggregation of insurance companies in the world, has laws that are admirable and do not permit many of the investments that we permit to be made by insurance companies, yet there are other states in which the laws are entirely different and the difficulties to which I allude have not been overcome.

I leave the Sun Life for the moment and I turn to the North American Life. With respect to that company, I have a very accurate and complete knowledge. It was brought to my attention last year that the company was about to be mutualized. The history of the North American Life I am aware is known at least to my old friend from South Huron (Mr. McMillan) because the great Blake family had much to do with its establishment. It provided in its articles of incorporation that it might be mutualized. Funds were set up for the purpose, with limitations upon dividends and matters of that kind. It is true that the control of the company passed out of the hands of the former shareholders to Mr. Gundy and, I think, to Mr. Bradshaw and to one or two others. The capital stock was increased by calling up the uncalled capital. Then Mr. Bradshaw—who many of you know was treasurer of the city of Toronto for several years, and who, I believe, enjoys a reputation for probity, for honour and for integrity second to that of no man in this country—conceived the idea that it was desirable to mutualize the North American Life. Out of the funds which had been collected for that purpose Mr. Bradshaw proposed to pay to the owners of the shares the price which they had fixed as the value of their holdings, and thereby to mutualize the company. He sent out the notice to which the hon. member who has just taken his seat. (Mr.