

age represented a loss to the company, because the company has outstanding thousands of policyholders in Great Britain to whom its liabilities are paid, not in the Canadian dollar, but in sterling currency, so that the ultimate liability of the company in Great Britain, due to the depreciation of the value of the pound sterling, was reduced in proportion as the assets of the company were reduced from the same cause, if the liabilities and the assets are to be determined on any particular date in 1931. But the liabilities of that company were not payable in 1931. The liabilities of that company are payable in five, ten, twenty, thirty and forty years, and the solvency of the company must be determined, not by a sudden reduction in its stock or bond values by reason of a depreciation in currency in Great Britain or Australia or any of the other dominions or colonies of the empire, but by the prospective condition of the company in the years to come when those liabilities will accrue and become payable. My firm opinion is that that company is as solvent as any other insurance company that is doing business on the American continent. Of that I am confident. I believe that that company is as solvent as any of the great American companies, and any person who attempts without a thorough knowledge and personal investigation of the facts to paint any other picture than that, a picture of disaster, a picture of insolvency, a picture of bankruptcy before the whole world, is doing the greatest possible injury to Canadian credit and to the credit of Canadian financial institutions.

Mr. HEPBURN: May I ask the hon. gentleman this question? He states that the financial standing of the company is not impaired. May I ask what would have been the effect had the government of Canada not passed an order in council allowing the company to value their stocks as of date June 1, 1931?

Mr. CAHAN: All I can say is that the company would have shown a surplus, and when the Canadian government took that attitude it made the same regulation as was made by the American government and the state of New York in regard to its own companies.

Mr. HEPBURN: That does not answer the question.

Mr. CAHAN: The regulation was applicable to all companies, and when the Canadian government took that position it adopted exactly the standard of measurement by which the American companies are measured as to their

solvency at the present time. My hon. friend from Quebec South (Mr. Power) shakes his head. I am stating what I know to be a fact, and the shaking of his head does not impair my confidence in the fact.

Mr. POWER: I am shaking my head in sorrow that that argument should come from hon. gentlemen opposite, that they should seek inspiration for their legislation in the United States of America.

Mr. CAHAN: I think the reply to that is that one does not seek inspiration, but at least one may judge of insolvency or bankruptcy or stability by the same standards as are in vogue in the United States and in Great Britain itself for establishing the solvency of great financial institutions in those countries.

Mr. H. E. SPENCER (Battle River): I rise to say a few words in support of the resolution placed before this house by the hon. member for Vegreville (Mr. Luchkovich). I was not at all surprised to hear the hon. Secretary of State (Mr. Cahan) taking the opposite side to the hon. member for West Elgin (Mr. Hepburn). The hon. Secretary of State referred to what took place when the Sun Life bill was before this house some years ago, I think in the years 1927, 1928 and 1929. I well remember what took place at that time, and in support of the hon. member for West Elgin I would refer the hon. Secretary of State to those discussions. I am not at all surprised that the hon. Secretary of State opposes this resolution; for I well remember that he had the honour, if honour it was, of introducing the Sun Life bill in this house in one of those years. What interested me at that time was that each year the Sun Life would have a different sponsor for their bill, and they tried both sides of the house in introducing it. The hon. Secretary of State was rather pleased to say that eventually, by a decision of the privy council, the Sun Life was given power to increase its capital by two million dollars and, from that he argued that those who opposed the bill at that time were wrong. If we were wrong, we were supported for three years by the House of Commons of Canada, supported also by the exchequer court and the highest court of Canada, and supported also, I am very glad to say, by the superintendent of insurance, Mr. Finlayson, who was praised to the skies to-night by the Prime Minister (Mr. Bennett) and also by the finance minister of that day.

I was much interested in the excellent discourse of the Prime Minister. I made a few notes while he was speaking, to which I should