upon the government the consideration of action in this matter and in regard to branch lines as well, because we have a good many settlers seventy to eighty miles away from the railway.

Mr. MANION: I have promised that consideration.

Mr. KENNEDY (Peace River): Well, in view of the discussion we have had and of the position taken by the minister, I will ask that the motion be withdrawn.

Motion withdrawn.

INSURANCE COMPANIES

INVESTIGATION OF BUSINESS TRANSACTIONS BY BANKING AND COMMERCE COMMITTEE

Mr. MICHAEL LUCHKOVICH (Vegreville) moved:

Whereas there have appeared in the 1932 January and February issues of the Journal of Commerce, published in Toronto, certain allegations of swindling and questionable dealings in respect of the North American Life Assurance Company, and the Sun Life Assurance Company, and

Whereas these charges have created a state of uncertainty in the public mind, and a lack of confidence in the stability of such institutions in this country, and

Whereas these charges can most effectively be met, and public confidence best be restored by a thorough and impartial investigation of these various allegations;

Therefore be it resolved, that in the opinion of this house, the select standing committee on Banking and Commerce be instructed to conduct a strict investigation into the business transactions of the North American and Sun Life Assurance Companies, especially in relation to their investments in common stocks, and the allegations as to the swindling of policyholders by directors of said companies.

He said: Mr. Speaker, one of the most serious dangers with which we are confronted in this country at the present time is the ever-growing distrust of the public in those financial institutions which, having regard to the nature of their business, should, like Caesar's wife, stand above suspicion. I refer to the numerous attacks which have been made upon our insurance companies and upon the very questionable manner in which their affairs are said to be administered. As these charges must be either false or true, and as the insurance companies must be either innocent or guilty, I think it is incumbent upon the parliament of Canada as the constitutional protector and custodian of the rights of the people to make some definite inquiry into the allegations made and follow them up with any necessary action and legislation, not only in order to eradicate any evils which may exist, but also adequately to safeguard the interests of the policyholders.

Life insurance funds have always been regarded as the most sacred of trust funds, and life insurance companies have always been looked upon as the most responsible of trustees. The investment of their funds therefore should be based upon considerations of safety and security. Elements of speculation should be eliminated; reasonable economy should be exercised in management, and lives should be selected with a view to the death rate and a minimum of mortality. These, sir, are the fundamentals with which the public of Canada has been wont to invest our insurance companies, but owing to numerous rumours as well as printed matter the public has been led to believe that these fundamentals have been very flagrantly ignored. There is consequently a wide prevalence of alarm on the part of the policyholders with regard to the security of their policies, and there has grown up a general feeling of suspicion that the insurance companies of Canada are rapidly becoming insolvent. If such is the case, the public of Canada should be informed accordingly; if it is not, then the authors of such publications should be asked either to prove their charges or forever hold their peace. Further, if the charges are not true the insurance companies themselves should be the first to welcome gladly an investigation; for the reticence or reluctance with which they have met the charges has left the public no alternative than to accept them at their face value.

What the people of Canada are asking themselves at the present time is, why did the insurance companies not take immediate action against the Journal of Commerce for libel? As three monthly issues of the Journal of Commerce have already appeared giving wide publicity to the business transactions of the North American Life Assurance Company and the Sun Life Assurance Company, and as no legal suit has in the meantime been instituted against this publication with a view to punishing the authors of the charges, the people of Canada are gradually evolving from a mere suspicious frame of mind in regard to Canadian insurance companies into one of firmer assurance. In other words, people are no longer suspicious; they are becoming assured. I think, therefore, Mr. Speaker, that what is needed is a very strict investigation into these allegations.

A few weeks ago the following letter was sent to the editor of the Financial Post:

A copy of the January issue of the Journal of Commerce printed in Edmonton, Alberta, has