

throughout Canada will agree—I am satisfied to have this parliament keep its hands off the matter referred to in the resolution and leave it to the proper authorities to be dealt with should any necessity for action exist. I think the right hon. the Prime Minister (Mr. Bennett) has made a clear, concise, mature, considered and reassuring statement. While I do not agree with him in many things, I do agree with the point of view which he has expressed, and I think that point of view meets with the approval not only of this house but of the people of Canada generally.

Mr. J. EARL LAWSON (West York): Mr. Speaker, the fear that some of the extravagant statements made by the hon. member for Vegreville (Mr. Luchkovich) and the hon. member for West Elgin (Mr. Hepburn) may be given too much credence by policyholders in the Sun Life Assurance Company or by potential risks among the public, compels me to take up a few minutes of the time of the house in a brief discussion of this subject.

Like the hon. member who has just preceded me (Mr. Ralston), I am a participating policyholder in this company, but I think I have at stake a proportionately larger risk than he has, because two-thirds of my total insurance is in the hands of the Sun Life. I am one of those who have not been lobbied or approached in connection with this matter. In fact, being a policyholder and having an interest in the matter, on behalf of myself and some of my friends I made a personal investigation into the situation some time ago. When I saw the resolution of the hon. member for Vegreville on the order paper I wrote voluntarily to the company, advising them that I was much concerned and stating that from my previous personal inquiries I did not believe an investigation by a committee of this house would be beneficial either to the policyholders or to the public. Other than a formal acknowledgment of my letter and the assurance that the officials of the company would be glad to give me any information desired, they did not even take the trouble to lobby one whom they must have known was pre-disposed or favourably inclined to their cause.

Extravagant statements which are not backed up by evidence sometimes cause serious damage. I will give one or two illustrations. The hon. member for West Elgin (Mr. Hepburn) stated that half the company's assets were tied up in highly speculative stocks, thereby leading the policyholders and the public to believe that their security was being jeopardized. The hon. member neglected to state that the stocks which have

been invested in by this company are specified by the provisions of the Insurance Act to be common stocks which have had a record of seven continuous years of dividends or preferred stocks which have had a record of five consecutive years of dividends. Surely such stocks cannot be considered as highly speculative, promotion stocks. When I recall the speeches which have been delivered from the far corner of the house condemning any government for driving capital out of industry into bonds and so forth, I am amused to find some of these hon. gentlemen now condemning the Sun Life company because in its judgment it invested in dividend-paying securities and common stocks of industrial and railway corporations at a time when those stocks were paying good dividends and had had a continuously favourable record.

The allegation was made that funds had been transferred wrongfully from policyholders' account to shareholders' account. Suppose they have, why bring that matter to this chamber? It would seem obvious that the course any policyholder should follow who held that view would be to bring action in the courts and have the question determined. If there is any truth in the statements made, then I ask: Why has not this supposed Policyholders' Association, which has such a vital interest in the policyholders of the company, taken such action? I regret I have not before me the circular which I received from this organization. My hon. friend has handed me a copy. It will be noticed that the president of the association is Mr. J. J. Harpell, the same gentleman who apparently edits and publishes this Journal of Commerce which has been making the allegations and charges read to the house this afternoon by the hon. member for Vegreville. If this association was formed for the protection of policyholders, I am surprised that the hon. member for Shelburne-Yarmouth (Mr. Ralston), who is a policyholder, and I have not received a request that we join the association or even a notice that such an association was being formed for our protection.

Much has been said about the increasing of the capital stock of this company. I ask hon. gentlemen whether the policyholders would have suffered from that increase in capital stock, even if the stock had been issued to the then shareholders at the par value instead of at the higher market value? The only result of such an issue would be to put more cash assets into the treasury of the company. The policyholders would of necessity have priority over the shareholders in respect to any additional cash assets should the company