

paying one-fifth more of their entire premiums in order to share in the profits, they have not shared in them, and to that extent enormous sums of money have been used, have gone into the reserves, have not been divided among the policy-holders who paid that money and who were entitled to them.

Another thing that was proved by the Armstrong investigation, and which is also true in Canada is this, that nepotism had crept into the administration of insurance companies in the United States, that the general managers appointed their friends and relatives to immense salaries, and put them in the enjoyment of immense commissions in connection with the insurance companies. The same thing has happened in Canada. There is one insurance company in Toronto, the president of which announced the other day that he had an immense salary out of it; that one of his sons had \$20,000; that another drew a commission the net amount of which, he said, was less than \$20,000; but it is supposed by some people to be \$60,000 or \$70,000; and that the \$80,000 paid a year out of the policy-holders' money in dividends went largely to that one family because they controlled the stock. It has always been admitted here in Canada that an unnecessary increase of capital stock in one great insurance company, in several insurance companies, has taken place. And while gentlemen say here in the House that they do not know that anything wrong has taken place in Canada, sufficient has come out within the last three or four weeks to justify me in saying that there is not a grievance which has been exposed in the United States in connection with insurance companies which does not exist in this country, outside of the charge of contributions to political party funds. So that while statements are made that Canadian companies are probably free, these statements are not borne out by the facts; on the contrary I believe and I am sorry to have to say it, that an investigation will prove, and Sir Louis Davies' statement made the other day also bears it out, that it is high time that the insurance companies of this country were investigated. I think they ought to be investigated here on the floor of this House. A parliamentary committee could sit even if the House was not in session, and a parliamentary committee could bring out all the facts here better than they can be brought out by a royal commission. The Canadian companies were summoned to go to New York, and they had all their papers prepared and were ready to go to New York. In the same way they could come here, and we could get out the real facts much better by a parliamentary committee and in a businesslike way, than can be done by a royal commission adopting the rules of procedure of the courts.

Now, another thing that has come out in connection with the Canadian companies is

that, as was stated by Sir Louis Davies in his letter, a complete change has taken place in the character of the investments made by insurance companies. They were limited some years ago to municipal and government bonds and investments of that kind. All that has been changed, and the insurance companies are to-day using the trust funds that the company have control of, using them for investment in companies the securities of which are of such a questionable character that a new term has been coined to express them, namely, that silent assets have to be given with the bonds in order to get trust companies to buy them. Now, I say it requires the immediate attention of parliament when we find these insurance companies having the savings of the people to the extent of a hundred million of dollars, placing a large portion of that money in investments which carry what they call silent assets. In order to sell the bonds they must give a big block of paid-up stock. I make another statement in connection with the administration of Canadian insurance companies. It will be found, if the examination is thorough, that in some way large blocks of this paid-up stock that went with the sale of the bonds, went into the pockets and into the hands of those who are connected with the directors, and that subsidiary companies are controlled by the directors of some of the insurance companies in this country. So there is not a thing that was exposed in connection with insurance in New York that has not been already found to exist in this country, and if it has been found to exist in this country this parliament, instead of hurrying up and getting through, should remain here if it remained until next Christmas in order to correct these grievances in connection with insurance and the way to correct them and the quick way to get out the facts is by a parliamentary committee and not by a royal commission as has been proposed by the government.

Now just let me give two or three facts that bear out in a very pronounced way what I have been saying.

The bulk of the money in the insurance companies belongs to the policy-holders but you would think from the way the shareholders were discussing this thing the other day at their meetings that they owned this money. Now all this money in insurance belongs to the policy-holders, a very trivial amount belongs to the shareholders and yet the shareholders have assumed to themselves the absolute control of this money paid in by the policy-holders. There is \$100,000,000 of it in Canada to-day, there is not \$2,000,000 paid in by the shareholders, and the great movement in the United States and the finding of the Armstrong Commission is in some way to get back control of that insurance money into the hands of the policy-holders instead of leaving it in the hands