

strictest form of examination and the most rigid inquiries have been made not only as to the character of their investments, but as to the manner in which their business has been conducted; and they have withstood the closest scrutiny of actuaries and of those charged with the duty of inspection.

For some years past the largest of Canadian life insurance companies has been the Sun Life Assurance Company of Canada. It has transacted its operations in almost every part of the world. Its policies are held by leading citizens of India and Japan, of Australia and Great Britain, and I think, in over forty states of the American union, in each of which countries it has to undergo the most careful and rigid examination. Its business—not only its business within the state or country in which its operations are carried on, but the entire financial structure of the corporation—is closely and carefully examined, and the questions that affect its solvency are of course, considered and determined. If the hon. gentleman who has just taken his seat, instead of referring to the Journal of Commerce of this year, had referred to the Journal of Commerce of July or June, 1930, he would have seen exactly the same charges being made in somewhat the same language, only in one instance it was charged that certain provisions which now find place in our statute law were introduced by the then government of the day for purposes other than the public good. Those charges have been made and remade throughout this country. We now as a parliament are called upon, on the strength of statements read by a member of this house, to decide whether an investigation shall be held by a committee of this house into the operations of the largest financial corporation we have in the dominion.

Under normal circumstances one would have said that charges such as were read this afternoon should be closely scrutinized and carefully examined. But when you realize that similar charges have been made for a long time, and that the only effect has been to dishearten to some extent the policyholders and to create suspicion in their minds as to the sufficiency of the examination carried on by the Department of Insurance, I think you will appreciate why I suggest to the house to-night that it is most undesirable that we should enter into a lengthy discussion touching matters about which we have before us no authentic information. And when it is suggested that the courts are open to the company, I need hardly remind the hon. gentleman and hon. members of this house that the same has been true for upwards of a

[Mr. Bennett.]

year or two years with respect to the same enterprises. The delicate mechanism that has to do with the business of life insurance, when mixed up with matters that involve the theory and practice of investment by these enterprises, makes it possible that mistakes which are common to humanity may have occurred in connection with the transaction of this business; and if the matter were ventilated in the courts the result would be that the mistakes would be apparent and that partly, at least, criticism might be well founded.

Now let us look at what the business of insurance really is. I think it is well, before we proceed hastily to judge or prejudge this matter, or to draw inferences or form conclusions upon ex parte statements by those who for upwards of a year, in season and out of season, have been making charges which we have heard in part this afternoon, that we should have a clear appreciation and understanding of just what the business of life insurance is. Life insurance is fairly old. It involves the payment of a premium by the insured and an undertaking on the part of the insurer that at a given time, or on the happening of a given event, a certain sum of money will be paid either to the insured himself or to the persons designated by him for that purpose. Now obviously that involves the investment of money, for it is perfectly clear that the small sum paid by way of premium cannot, if it is put away year after year without earning anything, make it possible for the insurer to honour its obligations at maturity. If an endowment policy is written, providing for the payment of \$1,000 at the age of sixty, and the premium is \$50 per annum, it is obvious that if the insurance is taken out at the age of thirty-five there will be twenty-five payments, amounting in all to \$1,250, and no question at all would arise with respect to interest earnings. But that is not how the business of insurance is transacted. First, tables of mortality, which have been arrived at after long years of patient effort and the assembling of figures indicating the numbers of people who died at given ages out of 10,000, or whatever unit may be taken, have had to be drawn up. These tables of mortality in Great Britain date back to the days of McCulloch. In modern times the great American companies have been able, from their experience on this continent and elsewhere, to prepare tables of mortality; and we in this country have prepared some tables of mortality, because our expectation of life in Canada has been somewhat greater than that of people who live in a less temperate