

held in common stocks. I have before me some of the investments of the company earning dividends against these policies: government, municipal, rural, gas, electric and other bonds, \$119,233,348.11; stocks, preferred and guaranteed, \$32,374,985.04; loans and real estate, first mortgage, \$30,836,684.80. It is true that during this trying period these loans and mortgages may not be liquid, but that applies all over Canada. I happen to be a policyholders' director of an insurance company in Canada, and I know what are the investments of that company. They have very substantial investments in mortgages; that particular company invests practically all its funds in mortgages or in bonds, federal, provincial or municipal.

Mr. GARDINER: What is the amount of loans on collateral?

Mr. NICHOLSON: The amount of loans on collateral securities is \$7,011.82. Loan on company's policies, that is, loans against their own policies, amounts to \$87,174,773.14, and those are the policies which are protected by the cash reserve of about \$512,000,000, so there is not much danger of loss on those loans. Follow it down through the list, and you will find that the Sun Life Assurance Company has some \$200,000,000 in stocks, but like the hon. member who spoke a few moments ago, I was one of those who were very proud of the dividends they received during 1923, 1924, 1925, 1926 and succeeding years, either by way of cash dividends or by way of reduction of premium.

Mr. MITCHELL: But you would not call that sound insurance practice, would you?

Mr. NICHOLSON: Well, all I have to say is that the parliament of Canada has set it down as sound insurance practice.

Mr. MITCHELL: That does not make a bit of difference; it is not sound.

Mr. NICHOLSON: The law provides, as has been clearly stated, that the stocks purchased by an insurance company must have a continuous dividend record of seven years before the company may buy them, and then they can buy only a fixed percentage of such stocks. However, that is not the point; the company has been acting strictly within the letter of the law. The judgment of the management may have been at fault; it may not have been infallible with regard to the stocks, but I repeat what has been said many times: A man who could determine to what extent any stock or any investment of any kind, mortgage, bond or anything else, was going to appreciate or depreciate the period through which we have passed since 1929, cer-

tainly would be infallible. Ten years ago, eight years ago, five years ago or even four years ago, it was thought that no better investment could be found anywhere for an insurance company, a mortgage company or any company whose funds were trust funds, as insurance funds are, than mortgages in Alberta, Saskatchewan and Manitoba, but if any individual or company was called upon to liquidate to-day and realize on mortgages held on western lands, what would be the result? They would be insolvent overnight, certainly, because they could not secure the return from these mortgages, but that does not mean that western Canada is insolvent. When conditions right themselves, as we hope they will within a short time, these mortgages again will become good investments.

With what the Prime Minister said as to the desirability of parliament considering the whole question of life insurance, if parliament had the authority to consider it, I quite agree. I for one am sorry that we have not that power, because I think if there is one subject in this country that should be brought under the aegis of the parliament of Canada in the interests of all the people, in exactly the same degree as banking is under our control, it is life insurance.

Mr. SPENCER: You do not hold with the decision of the privy council, then?

Mr. NICHOLSON: I understand the privy council has ruled that insurance comes under the jurisdiction of the provinces, but let us hope that in time we may get away from such decisions of the privy council in relation to matters of this kind. If we have an organization such as the Sun Life Assurance Company, or any other large insurance company, doing business all over the world, surely it is essential that there should be some one body in Canada having control and direction of the law under which these companies operate. That seems to me reasonable common sense from a business standpoint, and I repeat that I am looking forward to the time when the provinces will get together with the dominion and work out a reasonable plan by which this may be done.

Let me say just once more, Mr. Speaker, that as one of those who found it absolutely necessary not only personally to investigate these things but to have the bank controlling his business also investigate them, I am perfectly satisfied to have the policy I hold remain with the Sun Life Assurance Company.

At eleven o'clock the house adjourned without question put, pursuant to standing order.