

clusion which one draws from it, according to the Journal, is that without the payment of a single cent the man to whom the aforementioned letter was addressed received \$127.50 plus \$215 plus 35 cents plus \$10, in all \$352.85 for his one original share for which he had paid the sum of \$20. His net profit on this share amounted to \$332.85.

The charter of this life assurance company, as amended in 1897 by 60-61 Victoria, chapter 79, distinctly specifies the class of securities in which the funds of the company may be invested. During the time the company was under the control of Messrs. Gundy, Bradshaw and others, many investments were made in unauthorized securities. The company still has \$9,810,667.94 invested in these unauthorized securities, which show a loss of over \$2,000,000. As the charter of the company distinctly states that the holders of the guarantee fund are responsible for losses, the Journal claims that both the directors and holders of the guarantee fund—including J. H. Gundy, who sold most of these securities to the company—are responsible for these losses and that no time should be lost in determining the amount of these losses and in making an attempt to recover them for the policyholders.

Briefly put, this is the sum and substance of the allegations against the Sun Life and the North American companies.

As I have said already, my reason for placing this resolution on the order paper was to ascertain the truth or falsity of the charges made by the Journal of Commerce. In the attainment of this objective I thought that nothing less would suffice than a strict investigation into the business transactions of these two companies. The great alarm created by the allegations made by the journal, the intense worry of many people over the insecurity of their holdings and the general state of uncertainty and lack of confidence in the stability of our insurance institutions, are, in my opinion, valid reasons for bringing this matter up for the serious consideration of hon. members and the urgent attention of the government. There are individuals who will disclaim any justifiable grounds for alarm, but if the allegations alluded to are true, then in all seriousness I ask hon. members:

First, is there not good ground for alarm in regard to the investment of policyholders' funds in highly speculative and worthless propositions?

Second, is there not good ground for alarm when hundreds of millions of dollars belonging to hundreds of thousands of policyholders are misused to benefit a few individuals?

Third, is there not good ground for alarm when profits are appropriated in an arbitrary manner without regard to equity or to the rights of the policyholders?

Fourth, is there not good ground for alarm when princely dividends are paid to shareholders which are not justified by the income of the companies?

If the allegations are true, there is something radically wrong in the way the funds of these companies are being administered and in the manner in which their affairs are being managed. The business of life insurance needs investigating, and the most expeditious method of doing this is by means of a committee of the house. The parliament of Canada is the protector and custodian of the rights of the people, and these rights should not be jeopardized by a few greedy individuals.

Mr. SPEAKER: The hon. member has spoken for forty minutes.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, the business of life insurance is one of the largest in Canada. It affects not only our own country but other countries where Canadian enterprises are carrying on their operations. The privy council has held that the business of insurance belongs solely to the provinces. There are limitations upon that statement which are questioned, but in the broad and general sense the business of life insurance has been declared to be under the control of the provincial legislatures. The dominion parliament has placed upon the statute book an act dealing with insurance—life, fire, accident, and other forms—and one of the provisions of that act is that an annual statement shall be made by the companies licensed to transact life or other forms of insurance in this dominion. The validity of those enactments has been questioned. It is contended by the proprietors of the Journal of Commerce, from which the hon. gentleman who has just taken his seat (Mr. Luchkovich) has read, that parliament has no jurisdiction and that these matters are solely to be determined and dealt with by the provinces through their legislatures and various departments set up by statutory enactment.

It is not my purpose to traverse that ground this evening, but to point out that the life companies of the country have for many years been making these returns to our superintendent of insurance, and these returns are from time to time published and the reports are laid upon the table of this house. Particularly it may be said that the Canadian life insurance companies have undergone the