

ance in Canada, I am satisfied that the apprehension which is abroad to-day will to a very large extent cease.

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): I wish to congratulate the right hon. Prime Minister (Mr. Bennett) on his very able and comprehensive speech. I do not know how far the sponsor of this resolution would like to go, but from what we have heard it is evident that a gentleman with whom this house is very familiar, Sir Herbert Holt, is rather a reckless driver, and because he was one of the three gentlemen in charge of the investments of the Sun Life Assurance Company I think it is a good thing that this house should give warning to him and to others of his kind that in future it will be well for them to apply the brakes when they are in charge of such investments. I desire to assure the government that any step they may take in that direction will have my full support. I do not attack any man because he is rich and is interested in many companies, but in my opinion Sir Herbert Holt has been largely responsible for the unfortunate investments which have been made by the Sun Life. It was refreshing to me to hear the words of the Prime Minister and of my hon. friend from West Elgin (Mr. Hepburn), the leader of the Liberal party in Ontario.

An hon. MEMBER: Has he inside information?

Mr. POULIOT: He has some inside information which would be good for my friend across the way. As a policyholder of the North American Life I feel reassured after listening to what has been said. Nevertheless people throughout the country are very anxious to hear something definite about the real business which has been done by these two companies. The fact that the president of the Sun Life has transferred a very large part of his interest in the company is pretty hard to explain. All I ask the government to do is to keep a very careful watch over the manner in which the directors of these insurance companies discharge their trust to the policyholders, for by so doing the government will render a real service to the country.

Mr. G. B. NICHOLSON (East Algoma): Mr. Speaker, I happen to be a policyholder in the Sun Life Assurance Company. Many of my constituents have appealed to me during the last six or seven months to obtain for them some assurance as to the actual position of the company. I have exercised such ability as I possess in analyzing its balance sheet and have satisfied myself completely that my

[Mr. McIntosh.]

policy is perfectly safe, as it has ample assets behind it, particularly in the way of cash reserves.

The hon. member for Southeast Grey (Miss Macphail) raised the question as to the possibility of policyholders being represented at the annual meetings. Subsection 3 of section 93 of the insurance act provides that not less than one third of the directors of an insurance company shall be elected by the policyholders and represent the policyholders at the annual meeting.

It has been freely stated that the Sun Life is insolvent. The hon. member for Shelburne-Yarmouth (Mr. Ralston) dealt with that statement, supplementing very fully what the Prime Minister had said with regard to it.

Statements have been made, particularly by the hon. member for West Elgin (Mr. Hepburn), with regard to amounts improperly withdrawn from the earnings of the company during the past year. I am not going into the balance sheet in detail, because it is a rather involved document setting forth all of the assets, securities and liabilities of the company, but I would point out that of the total liabilities of \$624,000,000 no less than \$512,000,000 is represented by cash reserves held against the policies of the company itself. In other words, the policyholders are guaranteed to this extent.

Perhaps 1931 was one of the most difficult years that business has ever passed through in this country. We find that the total income of the Sun Life last year was \$197,000,000. Out of that sum was paid to policyholders direct on their policies at maturity, or to their beneficiaries in case of death, a total of \$93,235,849.08, and \$27,000,000 odd of that was paid directly in the form of dividends to the policyholders—not the stockholders—or credited to them on their policy premiums. Going through the schedule I find that reductions on premiums from the application of dividends amounted to \$3,798,000; dividends and other accounts and deposits withdrawn \$4,000,000 odd; interest on the capital of the company credited to policies \$1,128,625. The total sum either credited to or paid to the stockholders of the company out of that total income of \$197,000,000 was \$1,000,000. In other words, all the sums that were alleged to have been improperly withdrawn from the earnings or reserves or assets of the company during 1931 boiled down to \$1,000,000 while the policyholders received all told \$99,000,000 odd by way of matured policies, dividends, annuities or sums paid direct to the beneficiaries.

It has been stated also that more than one half of the total assets of the Sun Life were