if any attempts were made to sell, the price received would not be any more than the value of the printed stock certificates.

An examination of the financial statement for 1931 will reveal a strange method of computing the liabilities of the Sun Life. Since 1928 the total receipts of the company show substantial increases each year, but the amounts put by each year as government reserves or actuarial liabilities have been rapidly growing less, as will be seen by the following table:

Year	Total receipts	Amount put in government reserves
1928. . .	$139,442,610 32	$68,624,857 58
1929. . .	173,090,107 16	56,736,512 10
1930. . .	186,913,572 99	51,081,561 95
1931. . .	197,840,344 84	44,561,437 78

These figures would make the aforementioned deficit still larger.

The royal commission of 1907 severely condemned the methods by which the management of the Sun Life transferred in the books of the company the policyholders' funds to the credit of the shareholders, yet we find in the report which the Sun Life has filed with the government that the following sums were transferred in the same way during 1931:

Interest earned on capital..	.$ 183,191 30
Transferred from participating fund..	1,425,082 74
From surplus in non-par. fund.	1,269,164 99
Total..	.$2,877,439 03

This amount which was transferred during 1931, raised the total balance now standing to the credit of the shareholders to the sum of $17,962,989.87. As suggested by the Journal of Commerce, out of this a dividend of 50 per cent on the capital stock was declared at the annual meeting of the company held in Montreal eight weeks ago, and the Montreal Gazette of a few days ago carried an announcement that the dividend would be paid on the first of the month. On page 4 of the letter issued by the Policyholders' Association I find this statement:

According to the Sun Life's statements filed with the government, the total revenue of the company in 1931 was $56,397,374.52 greater than in 1928. But the disbursements in 1931 were $61,849,809.30 greater than in 1928. That is, the management spent all the increase and $5,452,434.78 besides. Is this the reason why the company borrowed $5,650,000 a few days before the end of December, 1931—so as to avoid having to report a heavy bank overdraft? No mention is made of this item in the statement handed out at the annual meeting; but it appears in the statement filed with the government.

As the Journal of Commerce suggests:

No wonder the amount put by in the reserves was less in 1931 than in any previous year since 1928. The expenses are increasing more rapidly than the income. Will the overdraft at the bank be increased by the 50 per cent dividend to the stockholders?

This ends my résumé of the case against the Sun Life, and I shall now discuss the North American Life Assurance Company.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. LUCHKOVICH: Mr. Speaker, I shall have to condense the remainder of my remarks because of the short time remaining at my disposal.

At six o'clock I was about to give a short résumé of the allegations made against the North American Life Assurance Company. The charge made by the Journal of Commerce against this company is that $1,275,000 belonging or waiting apportionment to the policyholders thereof has been withdrawn under the guise of making the company a mutual, and that the manner in which said withdrawal has been done has all the earmarks of a swindle. When the North American Life Assurance Company was incorporated by an act of parliament in 1879 it was to have no stock; but provision was made for a guarantee fund which could be retired upon the establishment of the company, and which was to be liable for the payment of losses. It is to the holders of this guarantee fund that the aforementioned $1,275,000 recently was paid, and it is in this connection that the Journal raises so great a commotion, even to the extent of charging Mr. Gundy and his associates with having swindled the policyholders. The Journal says that steps should be taken, first, to compel the directors of the North American Life Assurance Company to put back to the credit of that company the sum of $1,275,000, and second, to compel the holders of the guarantee fund to make good the loss which the funds of the North American Life Assurance Company have suffered since the guarantee fund passed to the control of J. H. Gundy and his associates.

The terms and conditions of this deal are set forth in a letter which D. E. Kilgour, general manager of the North American Life Assurance Company, addressed to the holders of one original share or unit of the guarantee fund. I have not the time at my disposal to read this letter, but it may be found on page 8 of the March issue of the Journal. The con-