

Mr. POWER: As I understand it, the legal advisers of certain of the provinces, Ontario and Quebec particularly, and the minister says British Columbia as well, have taken the position that the federal government has no jurisdiction whatsoever in matters of insurance. Am I stating it too broadly?

Mr. RHODES: I think that is putting it a little too broadly. They want to reserve to themselves such rights as accrued to them in virtue of the privy council decision. I think it is fair to say that they do not take exception, certainly not to the extent of pressing it, to the jurisdiction which we are now asserting in virtue of these bills.

Mr. POWER: The federal government takes the position that in virtue of the British North America Act it has jurisdiction to deal with bankruptcy and insolvency?

Mr. RHODES: Yes, and also with the question of aliens, and to a lesser degree with the question of trade and commerce. There is no question whatsoever—the provinces have never raised it—that our jurisdiction is ample with respect to bankruptcy and insolvency and dealing with alien companies.

Mr. POWER: The question of alien commerce was settled by one decision of the privy council some time ago, was it not? I do not recollect just what the decision was at the moment, but it was to the effect that insurance was a business that was peculiarly a civil contract and that therefore it came under the jurisdiction of the province. Am I not right?

Mr. RHODES: So far as the question of insurance business is concerned, I think the provinces have always been upheld by the privy council.

Mr. POWER: Did not the same thing apply with respect to aliens?

Mr. RHODES: No, just the reverse. I do not think our jurisdiction both with respect to aliens and in respect to bankruptcy and insolvency has ever been called into question.

Mr. POWER: As I understand it, there is no question as to the jurisdiction of the federal government with respect to aliens, but when the federal government asserted its right to control foreign insurance companies because it had jurisdiction over aliens, I was under the impression that the privy council had decided that that would be extending the right of the federal government too far, that once these aliens were in this country, whether they were foreign insurance companies or not,

unquestionably they fell within the jurisdiction of the laws of the province in which they were. I think I am right in that.

Mr. RHODES: I think the real effect of the decision was this: While it is admitted that bankruptcy and insolvency are questions with respect to which we have full jurisdiction, nevertheless we could not, simply because we have jurisdiction over bankruptcy and insolvency, carry it to the point of trying to control the business of insurance as a business, that the latter was within the jurisdiction of the provinces.

Mr. POWER: To go one step farther: I do not wish to reopen any controversy concerning insurance companies, but I should like to know if there is anything in these bills authorizing the government to pass such orders in council as were passed on December 31 last, permitting insurance companies to value their securities at other than the values provided by the former Insurance Act. I must admit I have not read the bills now before us.

Mr. RHODES: Mr. Chairman, respecting the matter of our jurisdiction as it concerns the question of aliens I have before me the last decision of the privy council. On the point in question Lord Dunedin has said the following:

Their Lordships have no doubt that the Dominion parliament might pass an act forbidding aliens to enter Canada, or forbidding them so to enter to engage in any business without a licence and further they might furnish rules for their conduct while in Canada requiring them, e.g. to report at stated intervals.

And so on.

Mr. POWER: The minister has not answered the question with respect to bankruptcy and the order in council passed last December.

Mr. RHODES: May I suggest—and I think my hon. friend will agree with my suggestion—that we would be well advised to consider this bill paragraph by paragraph.

Mr. POWER: In which bill is that to be found? I understood the suggestion of the minister to be that all three bills should be placed before the committee.

Mr. RHODES: The bills are in committee, so we will take them up clause by clause, and seriatim.

Mr. POWER: I was under the impression the suggestion was that we would discuss the whole question.