

regular Act, even if they could arrange a deposit? As my honourable friend (Hon. Mr. Dandurand) says, it is not worth while dividing the House on it. We know the difficulties, but it strikes me we should consider next session—it is too late to do so now—whether some arrangement cannot be made under which Lloyd's, if they wished, could take out a Dominion licence. Under this amendment they cannot.

Hon. E. S. LITTLE: Honourable members, I supported this Bill in committee and in the House on the strength of the argument that the Department of Insurance would be in a much stronger position constitutionally if Lloyd's were allowed to come in on the basis then proposed. I supported the Bill in the face of a storm of telegrams and letters from insurance agents all over Western Ontario. Their object was to get Lloyd's registered. By the Commons amendments Lloyd's are refused registration, not only under the conditions imposed by the Bill, but absolutely. As a result they will do business under licences from the provinces. Then what will be our position? Are we not in danger of having some group or all of the 237 odd registered incorporated insurance companies refusing to make a deposit with the Superintendent of Insurance, and registering with the provinces, thus entirely dismembering our Insurance Department?

Hon. Mr. CASGRAIN: The Privy Council has ruled that the provinces have jurisdiction in regard to insurance. If what my honourable friend from London (Hon. Mr. Little) fears does happen, the business will only go where it belongs.

At one o'clock the Senate took recess.

The Senate resumed at 3 o'clock.

Right Hon. Mr. MEIGHEN: Honourable members, I do not know that any subject has received more elaborate consideration and discussion, both in committee and in the House itself, than has this insurance legislation. It is not too much to assume that decisions definitely arrived at after such discussion, and certainly without the omission of any information or facts bearing on the case, will be maintained by the House, and therefore that it will not be necessary to retrace our steps and occupy the time of honourable members with discussions which have already been completed.

The main feature I have in mind is that dealing with Lloyd's. The problem we found indeed complicated, and impossible to solve along lines of clear and unvarying consist-

Right Hon. Mr. GRAHAM.

ency, but it demanded the most practicable solution, especially a solution that would keep us in a good position from the standpoint of our constitutional powers. The Standing Committee on Banking and Commerce, having heard all sides and discussed and rediscussed every phase, recommended that we make provision for the licensing of Lloyd's in Canada without the deposit which is by the Bill, and has always been, required of other companies. The reasons for that recommendation I sought to give very fully, not only when the Bill was up for second reading, but also after its emergence from the committee. They revolve around the security which Lloyd's underwriters are now compelled to put up in England, under the supervision of the Board of Trade, for the benefit not alone of English policyholders, but of policyholders all over the world.

In recommending that provision be made for the granting of a federal licence to Lloyd's, who had been operating here for many years anyway, the committee chose, and the House approved of, certain safeguards. Lloyd's had to enter into an undertaking that any final judgment in Canada in respect of any policy was equivalent to a final judgment in England and therefore ranked against the securities which lie there. Lloyd's also submitted to the supervision of the Insurance Department in every detail, and all Lloyd's underwriters' operations in this country were subject to inspection and review by the department. These, with other conditions quite elaborate and quite lengthy, were the terms under which alone such a licence could be obtained. They did not include a deposit.

As honourable members know, very considerable opposition arose from the insurance companies operating here against the admission of Lloyd's to Dominion licence. This opposition extended to the other House, and as a consequence of it the Government saw fit to alter its position. As a matter of fact, as explained when the Bill was up, it is a departmental position, not one involving policy in any Dominion sense. The alteration took this form, that the provisions we made for the admission of Lloyd's to Dominion licence were struck out and a series of amendments adopted with one objective only, namely, to leave any underwriter of Lloyd's entirely out of the purview of the Bill. In a word, the Bill as amended by the House of Commons has no application to Lloyd's at all.

The honourable senator opposite (Hon. Mr. Dandurand) has taken exception to the Commons amendment, on the ground, as I appreciate his argument, that it leaves Lloyd's