

The point made here is that taking the whole of these three Bills or Acts and their provisions there is very little difference from the legislation contained in the 1928 Act, which was previously in force and which was declared to be ultra vires by the Privy Council, and that the Companies are as much under the control of the Federal Department of Insurance today as they were.

It might be asked how this could be done in the face of the dictum that "a Dominion license is an idle piece of paper"? Frankly, we do not know, possibly it was because the Provinces, who had been very righteous in their search of the true extent of their powers in insurance matters, and very assiduous in their righteousness, got "Cold feet" when they found they had bought an elephant and could not feed it. Possibly it was because the Company Executives in Canada were unable to see that a golden chance of rectifying many of the ills to which the business has become heir was presenting itself if they could only rise to it. But it is more probable that they thought their interests would be better served by backing the Federal horse, than by trusting to the several Provincial Governments. Whatever was the reason, the legislation came into being, and remained. What has been the result? The uneasiness which the Companies evinced toward control by the Provinces was justified when the Province of Quebec licensed Lloyds on a flagrantly discriminative basis to transact non-marine business in that province. While the Companies are forced to pay a large deposit and maintain heavy reserves for the security of policyholders, Lloyds were fully licensed by the Province without either the obligation to put up a deposit or to maintain a nickel of reserve for the security of the Quebec policyholder. They are not even required to maintain a single dollar interest within the province. Naturally such an obviously unfair and discriminative procedure brought a storm of protest, but in the province of Quebec, the ruling House is not bothered about protests, unless they will cost votes, and as there was no solidity of voting strength, and no impending action other than a barrage of words, the protests were ignored, Lloyds came, were admitted and now operate within the province without let or hindrance, or for that matter supervision. There is not a single sou deposited with the Quebec Government for the security of the policyholders nor are there any signs that regulations will or may be introduced to compel them to deposit any security, rather the reverse. It is claimed that Lloyds have a trust fund in England to protect their policyholders--but that is in England--their policyholders are in Quebec. Following the same argument it might be pointed out that the British Stock Companies also have funds in England--more than adequate for their entire purposes--but to Quebec that is not enough; BRITISH Stock Companies must deposit securities with Quebec or where Quebec can get its hands on them within Canada. Lloyds, as Premier Taschereau has said, are "an aggregation of individuals that can neither be taxed or sued," and to him, that is enough security for his constituents and fellow Quebecers. British Companies can be taxed and sued, therefore, they must have funds available and pile up reserves against the contingency that they MAY be taxed or sued. It is logic entirely in keeping with the and worthy of the Government of Quebec!

But that is not all. If whispers we hear have any foundation in fact Ontario is thinking of following, if it has not already followed, in the lead of Quebec. The Dominion Parliament still seeking to find a way in which to maintain control of insurance, is amending the legislation, again under the guidance of Mr. Meighen, to permit Lloyds to operate under a Federal License without being required to put up any deposit or to provide any assets or reserves for the protection of its policy holders. It is true that the amendment calls for the maintenance of a trust fund: for a certificate of solvency signed by the Chairman of Lloyds and the Chairman of the British Board of Trade, but the fact remains that neither this trust fund nor any portion of it is or will be located in Canada, nor is it incumbent upon Lloyds or any Member of Lloyds to invest or retain a single dollar or that trust fund in Canada for the protection of the Canadian policy holder. Mr. Meighen however, does not ask the Federal Department to amend their (ultra vires) legislation to provide the same treatment for the Insurance Companies, nor does he offer or attempt to in any way make the restrictions imposed upon them by this legislation any less onerous. Rather does he seek to provide a touch of humour in its stead. In discussing the Bill's provisions in the House, Mr. Meighen is reported as saying on the 23rd instant, that "the rigorous provisions of the Imperial Statute imposed on insurance companies were adequate protection for Canadian policyholders, one reason being that British law required a Deposit". Mr. Meighen advances this as a reason why Lloyds should be granted a Federal license without posting a deposit in Canada.

PARLIAM. PAPERS, 1931-32, (S. 26, 1, Vol. 14)