

countries as well. That was a provision that was agreed upon; I believe the provinces and the dominion agreed that the mutual companies should make a deposit here, but in the event of the bankruptcy of that mutual company that deposit would form part of the general assets of the company in whatever country it was doing business; it would not be exclusively for the benefit of Canadian policyholders.

Mr. RHODES: The proviso just referred to will be found in section 14, at page 7 of the bill.

Mr. SPENCER: One of the reasons given by the minister why this bill should not go to the banking and commerce committee was that the committee is very busy at the present time. I may say that the work the committee had in hand is just about finished, and I do not know that there is anything on the agenda for us to proceed with, so we would be very willing indeed to take on this new work. I am never against the government if I think they are taking a forward step, but in this case I think they are taking a backward step. The minister has informed the committee that the Senate committee went through these bills very thoroughly, and he does not think it necessary to send them to the banking and commerce committee of the House of Commons. I find that in the first four pages of this bill several amendments have been submitted by the minister; if the same ratio applies throughout we will have no less than fifty-seven amendments, so I think the minister has shown in this way that the Senate has not done its work as efficiently as he has suggested.

Mr. NICHOLSON: Is it not a fact that if this bill were sent to the banking and commerce committee, under the general terms of the hearing that was held by the Senate committee, all those representatives of insurance companies, provinces and so on, who came here and spent so much time reaching a compromise, would have to be heard all over again? Are we not morally bound to accept the compromise which has been arrived at, unless we are prepared to have a rehearing of the whole case by a committee of this house? I was very much interested in the matter and consulted with the solicitors for the companies in which I am a policyholder, and I think I am fairly stating the fact when I say that the whole measure represents a compromise between the provinces, the companies and all concerned, in order that the situation may be met as adequately as possible. I feel that we should not refer this question to the

banking and commerce committee unless we give these people an opportunity to return and state their case all over again.

Mr. CAMPBELL: To what extent, if any, is the principle of the power of the federal government to tax insurance premiums paid to outside companies involved in this bill?

Mr. RHODES: That is a matter for the budget; it is not affected by this bill in one way or the other.

Mr. CAYLEY: Reference was made to section 14 with regard to the securities guaranteeing the policyholders. I have been reading that section, and I find it very difficult to understand. Would the minister just tell me in plain language what securities these mutual or foreign companies are obliged to deposit?

The CHAIRMAN (Mr. MacDonald, Cape Breton South): We are only on section 3 as yet.

Mr. RHODES: Section 14 was mentioned in response to a question from an hon. gentleman opposite. If my hon. friend will permit me to do so I would prefer to give that explanation when we come to that section.

Mr. SPENCER: In reply to my hon. friend from East Algoma I would like to point out that the two houses of parliament act quite independently and do not lean on each other at all. Recently the Senate conducted an inquiry into the Beauharnois matter, and I noticed that wherever they saw fit they went into the matters that were under investigation by a committee of this house only a short time ago. I think it would not be in the interests of parliament if one house decided not to take any particular step because of certain investigations made by the other house. It is only right that the two chambers should be entirely independent, and I do not think we should simply pass this bill because the matter has been discussed by the Senate.

Mr. NICHOLSON: I do not want to infer that we are bound to accept what the Senate has done; I merely point out the arrangement which I believe was arrived at between the provinces, through their very eminent counsel, the insurance companies and the federal government.

Mr. COOTE: I do not want to press this point too far, but I think the fact that there are so many amendments to be proposed to this bill, as mentioned by the hon. member for Battle River, certainly indicates the wisdom of allowing it to go to the banking and commerce committee of this house. I