

Mr. BURY: An analogy has been made between the entry of an immigrant and a foreign company. How can a foreign company enter Canada except by registry? It has no existence of the same nature as a person. A person is a physical being who walks over a gangway into the country. Surely a company can only get its admission and establish itself in the country in the same way as an immigrant establishes himself—by some act which constitutes its legal entity inside the country. That seems to me to be the first object of the bill. After the foreign company has become a legal entity, which it can only do by fulfilling the requirements in the bill, it still remains for certain purposes under the jurisdiction of the Dominion parliament.

Mr. EULER: They might appoint a Canadian citizen as their agent.

Mr. BURY: But in the character of a company it would have to be registered inside the dominion.

Mr. LUCHKOVICH: If the legislation that the member for Hants-Kings spoke of had been accepted by the provinces, would it in the eyes of the privy council have been *intra vires* instead of *ultra vires*?

Mr. RHODES: That is a matter of law, but I think the answer would be the same either from the member for Hants-Kings or myself. It would not be competent on the part of the province by mere acquiescence to change the interpretation which the privy council had given the statute.

Mr. EULER: It would not bind the individual.

Mr. RHODES: That question arose with respect to the Industrial Disputes and Investigation Act. There the privy council decided the jurisdiction to be in the provinces after the act had been in operation by the federal authorities for many years. To-day that act is still functioning by virtue of the provinces having implemented it by statutes of their own.

Mr. BEAUBIEN: Suppose I have a policy in an alien company that is doing business to-day under a provincial licence, but doing it illegally by not having procured the status that the Prime Minister said it should procure from the federal government, would I be all right?

Mr. RHODES: My hon. friend in that case would be taking his chances.

[Mr. Power.]

Mr. BEAUBIEN: Then if I insure my house with an alien fire insurance company, which is not registered and has not attained the status of which the Prime Minister spoke a little while ago, have I any protection at all as a policy holder in that alien company?

Mr. GUTHRIE: You have all the protection the company affords; but if a loss occurred and you put in a claim, you might have to prosecute your claim in the country where the head office of that company was established; you might find there was no deposit in this country to secure you. But you have a perfect right to insure.

Mr. RHODES: So long as the alien company does not solicit business.

Mr. CAYLEY: Two provinces have already licensed foreign companies. Would there be any protection for policy holders in cases of that kind?

Mr. RHODES: If the province has not required a deposit the individual insured will have to take his chances.

Mr. BEAUBIEN: Suppose this legislation is passed and these alien companies come here and establish their status through the federal government and then go to the province and obtain a licence to carry on business, as they are compelled to do by provincial legislation. If I take out a policy in such a company doing business in Manitoba, what protection will I have as a policyholder? Do these companies make deposits with the federal government in order to obtain that status, or how am I protected more than I am protected to-day?

Mr. RHODES: After this legislation is passed an alien company will not be permitted to do business in this country unless and until it makes the necessary deposit with the Department of Insurance.

Mr. BEAUBIEN: Does that deposit consist of a certain percentage of the business done every year in Canada, or how is it arrived at?

Mr. GUTHRIE: The deposit is based on the business done in Canada.

Mr. BEAUBIEN: Would the deposit be sufficient to protect the policyholders?

Mr. GUTHRIE: Yes. That does not apply to the mutual companies, whose deposits—which are specially provided for in these bills—are not solely applicable to Canadian business but are part of the general business in other