

Mr. POWER: I do not think there is any indication of wrong doing on the part of the government, or any attempt to get around a decision of the privy council. I should like the minister to remember, however, that the decision of the privy council, as I understand it, was to the effect that the legislation as drafted was *ultra vires*.

Mr. RHODES: That is the old legislation.

Mr. POWER: I think perhaps the last one, too. The last decision was more or less to the effect that it was conceivable that the federal government could draft such legislation as would be *intra vires*. I may be wrong in that, but that was my conception.

Mr. RHODES: That is right, I think.

Mr. POWER: I think the question of my hon. friend from Hants-Kings (Mr. Ilesley) is directed to the manner in which the government and its legal advisers have endeavoured to meet the decision of the privy council by drafting legislation somewhat different from that which has already been discarded as a result of that decision; that is, as to how they went about it, what particular phraseology was used in order to try to meet the decision. I think such information would be interesting.

Mr. RHODES: We have in these bills eliminated a number of sections which appeared in the old act.

Mr. POWER: The phraseology has been changed, I understand.

Mr. RHODES: And we have eliminated section after section. I shall be very happy to point these out as we proceed.

Mr. EULER: And you have inserted new sections. Those are the ones we should like to know about.

Mr. RHODES: Very few.

Mr. CAYLEY: While I think this matter has been thoroughly dealt with by the committee of the Senate, I regret the records of that committee are not available. If the federal authorities have jurisdiction over alien companies, how is it that alien companies have operated in this country heretofore without registering with the federal insurance department?

Mr. RHODES: The dominion has taken the position that they were operating illegally.

Mr. ILSLEY: The privy council said not.

Mr. RHODES: The provinces said so.

Mr. EULER: If in future an alien company proceeds to do business in Canada without getting status from the insurance department, would that department enforce its regulations?

Mr. RHODES: We contend such a company would be doing business illegally and we could preclude them from continuing.

Mr. POWER: But I doubt very much if once they are in this country you can keep them from carrying on ordinary business. It is just as if you tried to prevent an immigrant coming into the port of Halifax or the port of Quebec; if he passes all the tests and is properly in Canada, there is nothing to prevent him buying a piece of bread or a cup of coffee—of carrying on the ordinary business which an ordinary civilian can carry on. Insurance is a business that comes under the civil laws of the provinces. Once you have allowed a man in he is to all intents and purposes on exactly the same footing as a citizen of this country so far as carrying on the ordinary details of business is concerned.

Mr. RHODES: Not entirely. I think there is not any question that we can stop an alien from coming in. We agree up to that point.

Mr. POWER: Yes.

Mr. RHODES: My friend says that an alien company having come in it can do just what it likes. That is not in conformity with the decision of the privy council by any means. I think I cited this decision once before:

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.

After the alien company is in here we would have absolute jurisdiction to deal with the question whether it was solvent or insolvent.

Mr. POWER: I am not prepared to go that far.

Mr. RHODES: That is the opinion of the law officers of the crown and of eminent counsel. I do not think exception has been taken to our contention that we have a very large measure of control over alien companies.

Mr. POWER: I am under the impression that the provinces did take exception. Mr. Tilley, represented Ontario and Mr. Geoffrion, represented Quebec; they are both eminent counsel.