

the federal authorities to maintain their jurisdiction in respect of insurance. The situation is one of those brought upon us by the terms, at the time perhaps wisely conceived—at all events we will not challenge their wisdom—of the British North America Act of 1867. Business in the Dominion in those days was very substantially different from what it is to-day. That period might be described as the horse-and-buggy period in relation to trade, as in relation to transportation. The Fathers of Confederation in their effort to draw the dividing line between federal and provincial jurisdictions had regard to the nature of the businesses and the scope of their operations, allocating them either to the federal side of the line or to the provincial. If the decisions of the Privy Council are sound—and we must so accept them—the conduct of the business of insurance was placed among provincial responsibilities. As to foreign insurance companies, it was without doubt stringently and finally held that this Parliament could not tread within provincial boundaries and seek, under whatever guise, to supervise the conduct of the business of such companies. Whether or not, were the British North America Act the creation of this time instead of three generations ago, the line of demarcation would appear where it does now, cannot concern us; but it is not an irrelevant observation to suggest that if the insurance business of that day were of the dimensions of the insurance business of to-day, did it have at that time the interprovincial sweep which it has now, it would have been placed alongside of banking as a federal responsibility. But while the Constitution remains as it is, we must abide by the decisions thereunder and refrain from overstepping the mark and seeking in any form to control or supervise the business of insurance.

Such was the purpose of the amendments to the three Bills which were brought before this House and very thoroughly reviewed by the Senate Committee on Banking and Commerce two years ago. The various interests were heard at very great length and with the utmost patience. The committee sought, under the best advice it could get, to give to the Department of Insurance such powers as would enable it to be useful, and at the same time to withhold from it powers which it had been held by the Privy Council did not belong to the federal authority. The truth is that, though we will all agree, after the three adverse decisions to which I have alluded, that supervision of insurance is provincial, it is deemed by what one might call the insurance fraternity generally, and especially by the larger units

of that fraternity which operate outside the Dominion, to be of vital importance to them to have federal supervision and the imprimatur of the federal authority upon their business, their status and their financial responsibility. It is deemed vital to them that this should be their privilege for the purposes chiefly of their status beyond Canada, but also for the purposes of their prestige within Canada itself. And as well it is the desire certainly of the majority of the provinces, as expressed in provincial conferences held more than once, that the federal functionary in this department shall not cease to operate. They feel that they cannot afford the character of service that is essential for effective supervision of insurance. Such, I say, is the desire of not less than five, and, I hope, at this time, six of the provinces. For these reasons solely—not because the Federal Government or Parliament has any desire to add to the sweep of its own importance, but merely because it feels it cannot justify retreating from a function which is deemed essential by very important interests and by large numbers of people in this country—it seeks, and seeks earnestly, such an Act as will reserve to the federal authorities at least sufficient powers to enable them to fulfil that function, and at the same time will not try to attribute to those authorities powers which the Privy Council has decided are not federal at all.

In the work we did in 1932 we have no reason to feel that we have failed. A tremendous advance was made in bringing the Act into a position which the legal advisers of Parliament feel to be impregnable. At the same time the Government is most anxious that we do not even appear to overstep our bounds, and it is with a view to making still more impregnable the constitutionality of these Acts that amendments are being introduced this session. Honourable members will recall that in the Bills of two years ago there were provisions which looked to the co-operation of the provinces at a later date in the establishment of a right line of demarcation. That co-operation which we looked forward to has not yet been in evidence, and consequently this House is asked, in the first instance, by reviewing two of the Acts, the Foreign Insurance Companies Act and the British and Canadian Insurance Companies Act, to seek to make even more appeal-proof, if that be possible, the statutes then passed.

Now, I do not know that I should go into detail as to the carrying out of this object by the various clauses of the Bill which I now introduce, but I leave in the minds of honourable members this thought—that we shall have to listen over again to much of the debate