

in a preferential position, in that they can do business without a Canadian licence, while other insurance companies can not. That the amendment has such an effect there is no question. It is argued that the members of the Commons did not understand this. I make no statement as to what they understood, but I think this House has to assume that they understand the effect of their own acts, and we have to base our conduct upon that assumption.

Let us analyse the effect of the amendment. It means that Lloyd's, but not the London & Lancashire or some other company in England, can do business in Canada under a provincial licence in so far as that licence will operate. In Quebec they operate within the terms of a Quebec licence, in Ontario under an Ontario licence. They cannot operate anywhere in Canada except under a provincial licence. It is true that others are denied the right to operate in this way, but again I press the distinction that Lloyd's cannot be put through the same mould as others, for the reason that Lloyd's policies have behind them a security which redounds to the advantage and stands for the protection of policyholders in Canada and all over the world. This is a security such as the other companies cannot claim. Consequently it is not at all indefensible to make a distinction in regard to a group of insurers who already provide the very safeguards which, so far as Canadian policyholders are concerned, are the main purpose of the Bill.

The House will recall that our main reason for desiring to make the distinction was that in endeavouring to found the constitutionality of the measure upon our jurisdiction in bankruptcy and insolvency we did not wish to be in the position of having to argue the necessity of these extra safeguards from the standpoint of bankruptcy and insolvency in respect to Lloyd's. We thought that would be a pretty heavy handicap to impose on counsel for this country if we should again come into conflict with the provinces before the Privy Council.

The effect of the Commons amendment is therefore, as stated by my honourable friend, discriminatory, and the discrimination rests upon precisely the same basis as did the discrimination in the Bill we sent over to the other House.

At this point I want to make it very plain that in my judgment, and I think I may say in the judgment of the committee, the Bill we sent over is superior to the Bill as amended.

Some Hon. SENATORS: Hear, hear.

Right Hon. Mr. MEIGHEN: It provided facilities for business which were more acceptable to the policyholder in Canada than can exist under this Bill. The restrictions and safeguards we imposed with a view to easy and quick recovery, rather than from the standpoint of solvency, are now absent from the measure. Also, as was stressed by the right honourable senator from Eganville (Right Hon. Mr. Graham), under our Bill Lloyd's could come in and enjoy the ægis of a Dominion licence, whereas under this Bill they must be satisfied to do business under provincial licence.

The amendment of the Commons is virtually a notice that in so far as those whom we regard as providing sufficient protection are concerned we are not going to enter into a legal war with the provinces and thereby imperil, possibly, the status of our own Act. We want to be particularly careful. It is not too much to say that if we fail again, as we already have done in three cases, our insurance law, and therefore our Insurance Department, will find themselves in sinking sand and will likely pass out of sight.

The right honourable senator from Eganville says, "Very well, but I should like some provision in this Bill that if Lloyd's want to come in and put up a deposit they may secure a Dominion licence." My first postulate is this. That would not go half an inch towards meeting the objection of the honourable senator opposite (Hon. Mr. Dandurand). Instead of removing the discrimination as described by him it would go a step farther in extending privileges to Lloyd's.

This step certainly would be defensible, and ordinarily I should support it, but I shall give two reasons why I do not think we should support it at the present stage of the Bill. Lloyd's take the position officially and in the most solemn way, and their representation in this regard has never varied by a hairbreadth, that under the law of Britain they cannot appropriate funds for deposit in other countries, and that even if such a provision as is mentioned were inserted they could not avail themselves of it. I think it was the right honourable senator from Eganville who did not accept my statement with regard to Lloyd's position, because, he said—

Hon. Mr. DANDURAND: Covering the groups of Lloyd's.

Right Hon. Mr. MEIGHEN: —because, he said, they do provide funds to reinforce their insurance treaties with companies with whom they are reinsuring. I do not doubt that they do, not only here but in England and other lands. That is the usual practice of the