jurisdictions of the Dominion and the provinces; it merely referred, with approval, to the earlier decisions on the same subject, including the Citizens Case, the 1916 Decision, and the Reciprocal Decision. It said that the Dominion Act was improperly framed, but did not specify in what respects it was defective.

In the legislation of 1932, by which three Acts—the Department of Insurance Act (c. 45), the Canadian and British Insurance Companies Act, 1932 (c. 46), and the Foreign Insurance Companies Act, 1932 (c. 47)—were substituted for the Act theretofore in force, the Insurance Act (R.S.C. 1927, c. 101), no important change was made in the provisions designed to protect the insuring public, nor was the effect of such legislation to make any substantial change in the distribution of the business between the Dominion and the provinces for the purpose of supervision. A group of foreign mutual companies and a few reciprocal exchanges, which had some years earlier obtained licences in some provinces without having obtained Dominion licences, were, by virtue of certain provisions in c. 47, and in the amending Act of 1934 (c. 36), granted licences under the said Act in 1936 and earlier, with Canadian deposits subject to claims of policyholders everywhere, instead of Canadian policyholders exclusively, as in the case of other licensees. Those provisions were contained in the proviso to Sect. 14:—

"14. ...
Provided, however, that the assets in Canada of a purely mutual fire insurance company or of an exchange shall continue to form a part of the general assets of the company or exchange, available *pari passu* to all its policyholders or subscribers in or out of Canada in the same manner as its other funds;"

and in subsection (2) of that section:—

"(2) The proviso to subsection one of this section shall not apply to any such company or exchange which files with the Minister, in a form approved by him, a declaration that the assets in Canada of such company or exchange are held for the protection of the policyholders in Canada, exclusively, of such company or exchange."

The total premiums of those companies and exchanges in 1936, however, amounted to less than 1 p.c. of the total fire and casualty premiums written in Canada in that year. The special provisions were enacted on the representations made, by the two groups in question, that it was impossible for them, by reason of their constitution, to segregate any portion of their assets for the exclusive benefit of a section of their entire body of policyholders, such as, for instance, the policyholders in Canada. This assertion was maintained in face of the fact that other foreign mutual companies and reciprocal exchanges were complying with the ordinary provisions of the Act respecting their Canadian deposits, having availed themselves of the provisions of subsection (2), above quoted.

The experience under the said provision is of interest. In 1936 one of the largest of the reciprocal exchanges subject to that provision became insolvent and was placed in the hands of a liquidator in Kansas City, Missouri, who forthwith made a claim for the transfer to him of the Canadian deposit, which was at that time substantially in excess of the liabilities of the exchange in Canada; and, in order that the Canadian business might be wound up independently of the general business, Canadian creditors applied for the appointment of a Canadian liquidator, who, when appointed, reached a compromise with the United States liquidator by which the Canadian liquidator was put in possession of the deposit with authority to administer it for the benefit of Canadian policyholders (without any determination of his legal right to do so) and, as a result of that administration, all Canadian claims are expected to have been paid in full before the end of 1942. But for the special provision relating to deposits, enacted in 1932 and 1934, all of such claims could