

Third Report
on Private Bills

Company was incorporated in the year 1838, by an Act of the Legislature of the then Province of *Upper Canada*, and now prays that the powers conferred by that Act may be so far extended as to enable the Company to hold real and personal estate for their use, and to lease or convey the same, to build vessels thereon, and further improve their property by the erection of additional wharves and buildings.—The Petitioners seek no authority to increase their capital for these purposes: and your Committee are of opinion that their Act of Incorporation should be amended as prayed for.

The Petition of the Honourable *Adam Ferrie*, Chairman of the Committee of Management of a Joint Stock Company, known as the *Canada Inland Forwarding and Insurance Company*, praying for authority to sue for and recover the debts of the said Company—has been considered by your Committee,—and they have perused the articles of Association of the Company, bearing date 22nd January, 1833, wherein it is provided that all suits brought against the Association shall be brought against the Chairman of either of the Committees for the time being, and that all recoveries so had shall be conclusive upon the Company, its Stock, and Funds,—and that in case of any suit at Law, the Chairman of the Committee, for the time being, shall have full power in his own name and on behalf of the Company to prosecute to judgment and execution in the manner and form as, by the laws of the Province in which the action is brought, it is provided.

The Committee considering the difficulty of carrying this provision into effect without a Legislative enactment, recommend that a Bill be passed enabling the Association to sue and be sued in the name of the Chairman."

Fourth Report
on Private Bills

The Honourable Mr. *Moffatt*, from the Standing Committee on Private Bills, presented to the House the Fourth Report of the said Committee, which was again read at the Clerk's table, and is as followeth:—

"Your Committee have considered the Petition of *Eden Colville*, Esquire, of *Beauharnois*, the authorized Agent of the *North American Colonial Association of Ireland*, and that of *Thomas Corbett* and others, of *Kingston*. The evidence taken by your Committee in reference to these Petitions is annexed to this Report.

The *North American Colonial Association of Ireland* was Incorporated by an Act of the Imperial Parliament passed in 1835, and amended in 1842. The Company have a capital of £300,000 paid up, which they are empowered to enlarge to the extent of £1,000,000—and they are authorized to borrow a farther sum of £500,000. They have acquired a large estate in the County of *Beauharnois*, and are empowered, by an Act passed in the first Session of the present Provincial Parliament, to loan monies to the District Council in the said County, for carrying on public works. The Company are now desirous of obtaining power to invest a large portion of their effects and capital in the loan of monies on real securities within this Province; and Your Committee are of opinion that it is expedient to grant these powers to them, subject to such regulations and limitations as Your Honourable House may see fit to prescribe, with a provision, however, that the said Company should at no time be allowed to hold lands in this Province exceeding in value the sum of £300,000, the amount of their paid up capital.

The Petition of *Thomas A. Corbett* and others, prays for authority to enable them to form a Loan and Trust Company for the purpose of raising a Capital for the objects set forth in their Petition. Your Committee recommend that the prayer of the

Petitioners be granted, under such regulations and restrictions as it may be deemed expedient to impose.

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In the matter of the Petition of *Eden Colville*, of *Beauharnois*.

E. G. Wakefield, Esquire, a Member of the House, called in and examined:—

Please to describe to the Committee the objects of the present application.—Speaking in general terms there is but one object in view—namely, that of applying to *Canada* the principle of the Companies established in *London*, under the name of "Trust Companies", by means of which a large amount of Capital has been supplied to the British Colonies of the Southern Hemispheres. These Companies have been founded with a view of at once providing profitable employment for the Capital of a country in which money is superabundant, and furnishing to a new country that Capital in which it is necessarily deficient, and which is essential to the development of its natural resources. The old country is the lender, and the new country the borrower: and each party gains exactly that which it wants:—the lender, employment for surplus and idle capital—the borrower, the indispensable means of increasing the wealth of the poorer country. The *modus operandi* of the Australasian Trust Companies is very simple:—A Company is Incorporated by Royal Charter, or Act of Parliament, with power to subscribe a large capital, to borrow money in *England*, on the security of the capital subscribed, but not paid up, and then to lend in the Colonies, at Colonial rates of interest, the money so borrowed. The subscriptions of a wealthy body of Shareholders form the security on which the money is borrowed, at a low rate of interest, for the purpose of being lent at a high rate, and the profit of the Company consists of the difference (deducting expenses of management) between the two rates of interest on the sum employed. The *Australian Trust Companies* have been remarkably successful, and their operation is now on the point of being extended to *New Zealand*, at the instance of the inhabitants generally of the latter Colony, who have observed the beneficial effects of these Companies in *New South Wales* and *Van Diemen's Land*, and are most anxious to obtain the same great advantage for themselves.

2. In what manner is it proposed to apply the principle of the Australasian Trust Companies to *Canada*?—The *North American Colonial Association of Ireland*, is incorporated by an Act of the British Parliament, with a subscribed capital of £300,000, and with power to augment its available means either by subscribing a farther capital of £700,000 or by borrowing to the extent of £500,000, or by both of these operations. It therefore already possesses the power of doing all that is required with respect to obtaining in *England* a large Trust Fund—all that belongs to the borrowing part of a Trust Company's operations. Two years ago it also possessed under its original Act, all the powers requisite for lending money in *Canada*. But in the Session before last of the Imperial Legislature, this Company obtained a new Act by which its powers were greatly modified. The new Act divests the Company of various powers which the old Act authorized it to exercise in *Canada*, and provides that except as regards a purchase of land, already made by it in *Canada*, it shall exercise within the Province such powers only as shall be conferred upon it by the Provincial Legislature, but that powers so conferred by the Provincial Legislature, shall be exercised to the same effect as if they had been conferred by the Imperial Parliament. Under the present Law the Company can undertake nothing new without the sanction of this Parliament, and any legislation of this Parliament binds the Shareholders and Directors in *England*.