

**Mr. Peters:** Mr. Speaker, I rise on a point of order. I am willing to allow the bill to pass, but I would like the hon. member sponsoring this bill, who attended committee meetings and is aware of the facts, to indicate briefly what took place in the committee in relation to some questions asked previously.

**Mr. Breau:** Mr. Speaker, I rise on a point of order and to seek clarification. Will I have the right to speak later, or will I end the debate if I speak now?

**Mr. Deputy Speaker:** That, of course, is the prerogative of the House. The hon. member, having moved the motion, is deemed to have spoken, and can speak a second time only with the unanimous consent of the House. He can speak now, as requested, but may speak a second time, according to our procedures, only with unanimous consent.

**Mr. Breau:** Mr. Speaker, I intended to participate in the debate and ceded the floor to the hon. member for Timiskaming (Mr. Peters), thinking he wanted to speak. I shall be happy to speak now, with the unanimous consent of the House.

**Some hon. Members:** Agreed.

**Mr. Breau:** Mr. Speaker, I thank the House for its courtesy. Bill S-29 is permissive legislation, not mandatory. It permits two companies to amalgamate. Officials of the companies appeared before the committee of the other place and the Standing Committee on Finance, Trade and Economic Affairs of the House of Commons and answered questions asked by honourable members. Eastern Canada Savings and Loan Company is a loan company subject to the Loan Companies Act. Central and Nova Scotia Trust Company was formed under the Trust Companies Act, by the amalgamation of the Central Trust Company of Canada and the Nova Scotia Trust Company, on January 1, 1974.

The Loan Companies Act permits the amalgamation of two loan companies. The Trust Companies Act permits the amalgamation of two trust companies. Neither act permits the amalgamation of a loan company and trust company. If Eastern and Central and Nova Scotia Trust Company are to amalgamate, a private act of parliament is required. These circumstances are set out in the preamble to the bill. The provisions of the bill may be summarized as follows. It permits the amalgamation of the two companies but does not require them to amalgamate. If the two companies are to amalgamate, they shall enter into an amalgamation agreement. For the purposes of the agreement, Eastern is to be considered a trust company. The agreement must set out all those matters which the Trust Companies Act requires two trust companies to agree on if they enter into an amalgamation agreement.

The only major technical difficulty in amalgamating a trust company and loan company is that a trust company is not permitted to issue debentures; instead, it issues guaranteed investment certificates. A loan company may issue debentures; it may not issue guaranteed investment certificates. At the time of amalgamation, Eastern will have debentures outstanding and Central and Nova Scotia Trust will have guaranteed investment certificates outstanding. Section 3 of the act provides for that difficulty. Officials of

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the companies explained to the Senate committee and House of Commons committee the reasons for amalgamation. In the second reading debate honourable members asked questions relating to the activities of the two companies. I agree that the matter is important, but am not competent to answer questions at the present time. I suggest that honourable members should have asked their questions in committee when officials attended.

I agreed to sponsor the bill, but not because I thought the amalgamation would be better for the Atlantic provinces, for the companies, or for Canada. Obviously, if the legislation created an entirely new corporation, substantiation would be necessary. I agreed to sponsor the bill because if both companies were loan companies existing legislation would allow them to amalgamate; if both were trust companies, existing legislation would allow them to amalgamate; but there is no provision allowing for the amalgamation of a loan and trust company. This, I think, is an anomaly in our statutes. I am, therefore, sponsoring this bill which will allow those two companies to amalgamate, if they so decide. I want to make it clear that I am not making a judgment as to whether it is better for the companies, for the region or for the country if they amalgamate. I suggest that if the shareholders of the two companies want the companies to amalgamate, they ought to be allowed to do so. At present, this is only possible if both companies are either trust companies or loan companies, as I said previously. If two trust companies, or two loan companies in Canada, can amalgamate, I see no reason why a trust company and a loan company should not do the same.

In conclusion, both companies are well known in the four Atlantic provinces and both operate many branches. Central and Nova Scotia Trust operate branch offices in many small communities. There is an office in my constituency, and the company tries—I do not know with what degree of success—to serve all my constituency; indeed, all of northern New Brunswick. The president of Central and Nova Scotia Trust Company told the committee where all the branches are located. I do not have the list with me. I suggest that if the two companies are allowed to amalgamate and so decide, Eastern Canada Savings and Loan Company will provide an expanded service to the clients of the companies who now do business with them. At present, Central and Nova Scotia Trust Company operate a larger network of branch offices.

I hope I have answered the honourable member's question. I thank the House for its courtesy in allowing me, technically, to speak a second time.

**Mr. Arnold Peters (Timiskaming):** Mr. Speaker, I appreciate the comments of the hon. member for Gloucester (Mr. Breau), and because he is so gentlemanly a member I will not move to have the subject matter of the bill referred back to committee for further study. The hon. member is stretching a point when he says that the companies should be allowed to amalgamate because they want to amalgamate and he sees no reason to stop them. We cannot let our financial institutions always do as they like.