

*Canada Trust Company*

the questions to be raised at the time of adjournment tonight are as follows: the hon. member for Frontenac (Mr. Dumont)—External aid—Increased aid to French-speaking countries; the hon. member for Renfrew North (Mr. Hopkins)—C.B.C.—Protest against program respecting Algonquin Park; the hon. member for Halifax-East Hants (Mr. McCleave)—Broadcasting—Inquiry as to request for tapes of news broadcasts.

It being six o'clock, the house will now proceed to private members' business as listed on today's order paper, namely private bills and public bills.

[*English*]

**PRIVATE BILLS**

## THE CANADA TRUST COMPANY

**Mr. D. Gordon Blair (Grenville-Carleton)** moved the second reading of Bill No. S-6, respecting the Canada Trust Company.

He said: Mr. Speaker, the Canada Trust Company is a well known Canadian financial institution. It was incorporated in 1894 by an act of the parliament of Canada. Its original capital was set at a maximum of \$500,000. In the year 1899 this company became a wholly owned subsidiary of the Huron and Erie Mortgage Corporation. The amount of authorized capital was increased at that time to its present maximum of \$5 million, all of which has been issued and outstanding for some time. The company was given the additional power to receive money on deposit by an act of parliament in 1922.

• (6:00 p.m.)

The growth of the role of trust companies generally in Canada's economy has been accelerating by almost geometrical progression, and the growth of the Canada Trust Company has been keeping pace. When the parent company, the Huron and Erie Mortgage Corporation, reached its 100th birthday in the spring of 1964, the total assets under the administration of the Canada Trust-Huron and Erie organization passed the \$1 billion mark. This year, as a result of internal growth and acquisitions, the total assets under administration will pass the \$2 billion mark.

One of the major functions of the company is the acceptance of money in trust through guaranteed trust certificates, or guaranteed deposit certificates, for investment. At present the Trust Companies Act limits the amount that may be borrowed by any trust company, together with moneys entrusted to it for investment the repayment of which is

[Mr. Speaker.]

guaranteed by that trust company, to a maximum of 15 times the excess of the assets of the trust company over its liabilities. Notwithstanding a conservative policy of retention of a substantial portion of its annual earnings for growth purposes, the company anticipates that this internal generation of reserves will not be sufficient to provide for the expected growth in borrowing and acceptance of public money for investment arising from its expanding business, and the company finds itself in a position where all the existing capital has been subscribed for and issued for many years, while at the same time it is faced with a need for increased capital by the issuance of further shares.

The expansion of the services of the Canada Trust Company, with 56 branches and being licensed to carry on business in eight of the provinces of Canada and in the Yukon territory, has been accomplished partly by acquisitions and partly by internal growth, and while no further acquisitions are contemplated at the present time it is clear that additional capital is presently and will in the future be required to enable the company to play its full part in the growth of the economy. For these reasons the Canada Trust Company is seeking the present legislation to increase its authorized capital to \$20 million.

I do not wish to infringe on the rules of order, Mr. Speaker, but it will be noted that on the order paper the next bill to be presented is one to amend the charter of the Huron and Erie Mortgage Corporation. In view of the interest that has been expressed by hon. members of this house in the ownership of financial institutions, perhaps I might be permitted to make one comment about the Huron and Erie Mortgage Corporation which, as I said earlier, is the parent of Canada Trust. The Huron and Erie Mortgage Corporation is a company which is almost 100 per cent owned and controlled by Canadian shareholders. As it is the sole owner of Canada Trust, it can be said that the Canada Trust Company is a wholly owned Canadian corporation.

I hope it will be possible for hon. members to accord rapid passage at the second reading stage of this bill and the one relating to the Huron and Erie Mortgage Corporation. The officers of these companies would then be able to appear before the appropriate committee of this house to give full answers to questions that may be asked and further explanations of the matters which I have raised during my brief remarks.