

*Canada Trust Company*

apologize to him. No hon. member in this parliament ought to be considered as representing less than 1 per cent of anything, no matter where he sits in the house.

I congratulate the hon. member for Grenville-Carleton for his detailed presentation and his diligent research into this matter. We all welcome receiving this kind of information; I think it behooves all of us to learn more about the companies operating in Canada. This firm is known as the Canada Trust Company. There is something warm and comforting about the word "trust". It encourages trust, something we need in all business dealings. On the other hand I notice that this company is to have dealings with the Huron and Erie corporation, and the word "eery" is not nearly as comforting as "trust". Be that as it may, I should be obliged if the hon. member for Grenville-Carleton, whose background in mathematics seems a lot broader than mine, could elaborate on the differences between geometric and arithmetic progressions, since those terms sounded very formidable to my ears.

I notice that the assets of the company in the past four years have grown by \$1 billion. I think its directors are to be congratulated. As a Canadian owned company it merits the support of hon. members of the house, especially if its business is of benefit to the people of Canada. Although trust companies by the very nature of things must pursue profits, there is no reason why their activities should not be in the best interests of our people in developing a stronger Canada. They do much worth-while work as executors of many estates, and acting as trustees for beneficiaries. I think that there ought to be no doubt about their integrity, acceptability or sincerity so far as business dealings are concerned.

These qualities have not always been present. For example, in recent years a number of companies, among which British Mortgage loomed large, did not act in a manner that was in the best interests of Canadians. I receive letters regularly from a constituent of mine who is a beneficiary of an estate held or administered by the Royal Trust Company in Montreal. Her major complaint is the interminable delay she is experiencing in having this company settle a rather complicated estate. She and her husband are elderly, and she feels that the company is not acting in her best interests. Apart from instituting legal action there is little she can do to solve her problem.

Current newspaper articles reflect the concern people feel about our financial institutions. In this regard I wish to quote from an article printed in the *Financial Times News Service*. It is headed "Corporations protest investment regulations", and was written by Judith McMahon. The body of the article says in part:

The government has at least introduced legislation to protect the public from losses created by the collapse of overextended financial empires like Atlantic Acceptance Corporation.

But the sweeping powers to inspect and regulate investment companies proposed in the government bill have stirred up a howl of protest in the business community.

Bill S-17, quietly introduced in the Senate weeks ago, is intended to prevent recurrences of financial collapses like Atlantic and Prudential Finance Corporation, which between them caused \$75,000,000 in savings to be wiped out, a few years ago.

But many corporate executives claim that the legislation reaches far beyond what is necessary to safeguard the public against such financial failures. It would give a federal official, the superintendent of insurance, the power to oversee and investigate the operations of any company which borrows money from the public and invests 25 per cent or more of its assets in stocks, bonds or other debts.

It appears to me, sir, that this is the kind of thing this company is asking permission to do in its expansion program. I continue quoting:

The act is aimed primarily at the finance and acceptance companies which up to now have not been regulated by the government. But the definition of investment company goes far beyond the finance industry. It would include many industrial and commercial companies with large investments. It is thought it would apply to conglomerate companies and to holding companies.

In conclusion may I say that I was most impressed by the number of distinguished Canadians on the company's board of directors. I wanted to read out the list but have no time for that. Instead I wish to ask several questions.

Apparently about 1,400 shareholders have contributed toward a capitalization of \$2 billion. If this bill is allowed to pass, who will be able to buy shares in this company? What is the extra capitalization to be used for? More particularly, will it be possible for foreign owned firms to buy into this expansion?

**The Acting Speaker (Mr. Béchard):** Is it the pleasure of the house to adopt the said motion?

**Some hon. Members:** Agreed.