

THE GUARANTEE AND TRUST COMPANY
—*Con.*

Brodour, Hon. L. P. (Minister of Inland Revenue)—*Con.*

money put into the hands of trust companies—3665. I would be in favour of subjecting this legislation to the rights of the provinces—3666. It would be no use for us to create corporations giving more powers than are permitted by the provincial law—3667. I know that the National Trust Company was incorporated in Quebec, and I think another company—3668.

Fielding, Hon. Wm. S. (Minister of Finance)—3651.

As this is entirely within the lines of charters already outstanding granted by this parliament, I see no objection to it—3651. I fail to see that we are obliged in passing Dominion legislation, to be governed by what may be done in the provinces—3652. If Foster wishes it to stand over I have no objection—3653. There is a precedent for doing that to the extent to which it is done in this Bill—3655. It has never been the policy of the department to join a fire or life insurance company with a trust company—3656. It simply means that in each of these cases, what an individual might do this corporation may do—3657. The practice in previous charters has not been to specify any percentage—3658. I do not think there would be any objection to inserting these words—3659. The main interest after all is to see that the funds are safely and wisely invested—3660. I think if you say that it should be left to the court or judge you leave it to a responsible party—3661. It means that only small fractions of trust moneys may be gathered together and put into one fund—3662. It could only refer to small matters—3663. We regard insurance investments as those concerning which the greatest care should be taken—3664. This might be regarded as one of the suspended clauses—3665. That practically implies that we are going to make our legislation subordinate to the legislation of a province—3666. I do not think we can afford to be guided by what takes place in the provinces—3667. I propose this section so that it will not be held that one part of the company is alive and the other part dead—3668. I would not care to say in the absence of the promoter. He must be the judge of that—3669.

Foster, Hon. Geo. E. (North Toronto)—3651.

You make a trust company here, then you add to that another function, that of guaranteeing titles in a very wide manner—3651. Unless there is some very good reason that I do not see, it ought not to be done—3652. These are important points that may be all right, but we would like to discuss this Bill a little—3653. This is simply combining the functions of an insurance society with those of a trust company—3654. But the capital of the company would be liable for it all—3655.

THE GUARANTEE AND TRUST COMPANY
—*Con.*

Foster, Hon. Geo. E. (North Toronto)—*Con.*

I would not have as much objection to joining the real estate business with insurance in the way of insuring titles—3656. The company may execute trusts committed to it by a decree of that court, and may execute these other offices—3657. They seem to be an airy kind of security to offer a blunt, plain farmer when he talks about trust funds—3658. Supposing that an insurance company from the United States is doing business in Canada—3659. I suppose the first part of this subsection is all right—3660. Trust companies are popularly not supposed to take deposits, but they may take moneys and guarantee them—3663. This is an important section, and I would like Fielding to look into it—3664. The Act of incorporation of no trust company that I know of gives it power to invest its funds in definitely stated securities—3665. You should put in 'which are inconsistent with the charter of incorporation of trust companies or with the laws of such province'—3666. It undoubtedly is the right of a province to create trust companies, and it therefore has power to make legislation—3667. I suppose there will be no objection to this Bill standing over ten days or so—3668. I intend to send some copies of this Bill away—3669.

Haggart, Hon. John G. (South Lanark)—3668.

A clear cut understanding was come to as to what subjects the Dominion government should deal with—3668.

Hughes, Sam. (Victoria and Haliburton)—3656.

Has it been the custom in this matter?—3656.

Maclean, W. F. (South York)—3659.

There should be a reform also in the direction of publication of any large investment—3659. I think we will have to admit that the class of security is better in the other two countries than in Canada—3660.

Osler, E. B. (West Toronto)—3653.

These are powers that will never be exercised, because nobody will consent to pay anything for this guarantee—3653. That word 'ample' is an extraordinary word to use there—3658. That would come under the duties of the judge. This gives him power to order investments—3661. They are not bound to apply the trust law to an estate of the kind I have referred to that comes into their hands—3662. I do not think it wise that we should be guided here by the Companies' Act in any province—3666.

Sproule, T. S. (East Grey)—3653.

Some advantage to be gained by having the company guarantee their titles—3653.