I might go back a little further still and say that in 1945, when two of these four trust companies were incorporated, the Ottawa Valley Trust Company and the Trust Company of America, the minimum subscribed capital and the paid capital in each of these cases was nearly $500,000.

In other words, they did put up more than the minimum required by the act; but each of these companies found its path too difficult to continue in business; and as I mentioned, each was taken over by another larger and better established company.

More recently the two newest trust companies, the Investors Trust Company and the Interprovincial Trust Company, each put up $1 million capital.

I think that each might have started with less, had it not been for the discussions that we had with the interested parties.

We, in the department, felt that the minimum capital in each of these cases should be $1 million, and the sponsors agreed to apply for a bill with that minimum in it, notwithstanding the very much lower minimum mentioned in the act.

In answer to your question, Mr. Regier, it is correct to say that the very small minimum presently required has been an embarrassment.

The CHAIRMAN: Clauses 4 and 5 agreed to. You have already covered Clause 6.

The WITNESS: Clause 6 is incidental to this amendment.

The CHAIRMAN: Clause 7 agreed to.

By Mr. Fraser:

Q. There are a number of these companies whose shares have a par value of less than $100 at the present time?—A. Yes sir that is correct; but there is a section in each act that authorizes the splitting of shares.

Q. Yes?—A. Subject to appropriate authorization at a special general meeting of the company.

The practice has been to incorporate companies with shares having a par value of $100. But it is true that some of the companies incorporated many years ago, have, under the authority of that section of the general act, reduced the par value of their shares to $20 or $10.

Q. And they did not have to come back here?—A. That is correct. There is authority contained in the general act to do it.

The CHAIRMAN: Clauses 6, 7 and 8 agreed to. We have already covered clause 9. Clause 9 agreed to. Clause 10?

By Mr. Benidickson:

Q. This is the most important section of the bill. May we hear something about it? I am particularly interested to get information as to how many of these companies now have borrowings very near to ten times their capital reserves?—A. Clause 10 relates to the socalled borrowing powers of these companies.

Under each act the expression "borrowed money" has a rather particular meaning. The expression includes not only money borrowed from the banks, for example, or through a bank overdraft; it also includes, in the case of loan companies, by definition, monies accepted from the public by way of deposits, and also money borrowed from the public through the issuance of debentures.

In the case of trust companies, the expression "borrowed money" by definition includes deposits accepted from the public and monies accepted in trust from the public, the repayment of which is guaranteed by the trust company.