

*Dominion Companies Act*

they do so for the personal convenience of their shareholders. Full provision is made in this bill for branch registers, but we have left it optional with the company as to the adoption of a branch registry system. This bill applies to every company incorporated, whether it be a small company with a thousand dollars capital or a large company with many millions of dollars of capital. After full consideration we thought that the time had not come to make the establishing of branch registers obligatory. In the case of the smaller companies it would be an obligation and burden which would be intolerable. I trust the hon. gentleman will allow this section to pass in its present form. I am ready to accept the opinion of the committee, but my own opinion is very decidedly against making branch registers obligatory in a general statute which applies to all companies, whatever their capital may be.

Mr. HANSON (York-Sunbury): I appreciate that in the case of the small joint stock companies it might be a burden, but I do suggest that in the case of companies whose shares are listed on the stock exchanges it should be made obligatory. I am quite satisfied the section could be drafted in such a way as to cover the cases I have in mind, that is, companies whose shares are listed on the stock exchanges. It should not be any great burden if this were done, and it would provide protection to the estates of deceased shareholders. This should be done for the very pertinent reasons which I have urged. Any hon. gentleman practising in the smaller provinces knows that in the case of a large estate with diversified investments and securities a great number of shares will be held in companies listed on the Montreal or Toronto stock exchanges. In the case of decedents residing in the smaller provinces there is a double taxation because the shares are registered in the province in which the head office is located. I understand there is a recent decision in Quebec which is under appeal and which would afford protection, but I think this is the time and place to give consideration to the circumstances which I have indicated, I am afraid very inadequately. If we do not do it now we will not get it done for many years to come. This bill is to be a model and I appeal to the minister to give some consideration to these suggestions.

Mr. RALSTON: I suggest that my hon. friend who has just spoken is approaching the matter from the wrong end. I submit that we are legislating for companies and not in connection with succession duties. I think there is a lot of room for improvement in the

[Mr. Cahan.]

succession duties acts and in the way they are administered, although I do not cast any reflection upon anyone. The double duty is caused not by the Dominion Companies Act but by the rulings which have been given by the various attorneys general and the various succession duties departments of the provinces. While I sympathize with my hon. friend, I submit he is approaching the question from the wrong angle. I have a case in mind of a small estate which is being virtually held up because of claims from two different succession duties jurisdictions. I suggest that it would be a serious thing for companies, even those listed on the stock exchanges, to be required to have registers in every province regardless of the fact that their shareholders may be residing in only two or three provinces.

Mr. HANSON (York-Sunbury): I agree that we are legislating on behalf of all companies, but I suggest, with all deference, that we are also legislating on behalf of the shareholders of companies. I think that is a complete answer to the statement of my hon. friend.

Mr. RALSTON: They do not have to become shareholders.

Mr. HANSON (York-Sunbury): In so far as their rights are affected by this bill, we are legislating just as much in the interests of shareholders as we are in the interests of the company. It would not be such a difficult thing to establish branch registers. The trust companies operate in every province, and all that would be required would be the appointment of a registrar in a particular province by resolution of the directors. It would necessitate the payment of a very small fee to affect the transfers I have in mind. I see no difficulty about it; in fact I am quite satisfied it could be worked out very easily and very economically. It would be of great benefit, not to the companies but to the shareholders, to whom they owe a duty in this respect.

Mr. CAHAN: Hon. gentlemen will remember that in 1932 I introduced a bill which created a new part to the Dominion Companies Act, a part which appears as part VI of this act, to be found at page 96. This part provides that all Canadian companies incorporated under any act of the parliament of Canada or of the legislature of the late province of Canada may have branch registration offices. When introducing that legislation in 1932 we gave most careful consideration to the question raised by the hon. gentleman