

*Trust Companies Act*

Mr. HANSON: Do I understand from the minister that the assessment is now and has been for some time made on the insurance companies for the cost of their inspection? And does that cost cover all the items set out under the details of Civil Government on page 103 of the estimates? In other words, is the country recouped by the insurance companies for the total cost of the department?

Mr. ROBB: Oh yes, the insurance companies pay the total cost of the administration of the department now.

Mr. HANSON: You propose to spread the cost over the three classes of companies?

Mr. ROBB: Yes.

Mr. CHURCH: Some weeks ago I introduced a motion regarding these trust, loan and insurance companies, asking for further safeguards, inspection and audits to further protect the public and those interested in and dealing with these companies. A survey is needed and additional safeguards to protect all concerned. Are we to wait until the loan, trust and insurance companies follow the Home Bank's example? What inspections are there of these companies, and what is being done to further protect the public? What are the functions of a trust company? The act has not been consolidated and revised since 1914, and trust companies have gone far afield and beyond the functions intended by parliament, with the skilful way lawyers can draw agreements. Trust companies to-day are doing a banking, real estate and general business, and usurping powers never intended by parliament. The Home Bank inquiry shows how they go far afield, and how such a company can be the backbone of a bank, a trust, and a restraint of trade. The whole Insurance, Loan and Trust Company General Act should go to the Banking and Commerce committee, a survey should be made and the act revised and consolidated and brought up to date to protect the public before these companies follow the Home Bank way of doing things. All these acts need overhauling. Are we to wait until it is too late. These companies are exercising powers never intended by parliament.

Mr. ROBB: We have an inspection in that regard, and a report is published each year and may be obtained from the Superintendent of Insurance. The last one I have in my hand is dated the 31st of December, 1922, and we have a preliminary report now out for the period ending 31st December, 1923.

[Mr. Robb.]

Mr. MEIGHEN: The minister has had a recess now; perhaps he will venture to give us an opinion on the question I asked about. I think it is fundamental; it is the root of the whole matter.

Mr. ROBB: That is, as to guarding investors?

Mr. MEIGHEN: I want the minister's opinion about the wisdom of the government of Canada making itself the guardian of debenture holders, clothing itself with powers and responsibilities to safeguard any except the public of our country. The principle was conceded long ago of guarding the public in respect to deposits made in response to an invitation extended to the people generally. But what does the minister think about our inspecting with a view to protecting debenture holders? Just to make the case specific: The minister has talked pretty strongly in the past against the drift to socialism, but if I were drifting that way this is about the last by-way of socialism I would want to tumble into. Why do the debenture holders need our help?

Mr. ROBB: We are not making any change in the act in that regard. The act we are working under now was the act adopted in 1914, and my right hon. friend supported the government that introduced it.

Mr. MEIGHEN: The act has been amended, and amended under this government, in this very feature. There has been continuous expansion. I am not sure I can defend all the expansions that went on even under the late government; one cannot follow every detail. But there has been a growth, and I think a dangerous growth, since. Now, what does the minister think of it? Is it right or is it wrong? If we start or if we continue in this direction—and this is going to encourage the continuance, because this gets the money to keep enlarging the staff, building up an extensive department, sending men here, there and everywhere, inspecting this company and that for fear somebody will lose some money over in Scotland—where are we going to end? Suppose after all somebody does lose something—the hon. member (Mr. Jacobs) laughs.

Mr. JACOBS: I was laughing at the idea of Scotland being a place where any one would lose money.

Mr. MEIGHEN: I got the point, especially coming from the hon. member.

Mr. McMASTER: Almost as strange as from Palestine.