

structed any hon. gentleman to represent him. I do not want to press the Bill unduly.

Mr. FOSTER. I am sorry to object, but it is getting too much of a habit to go on with a Bill in the absence of its promoter, and then to suppose that out of courtesy it is going through. These are important points that may be all right, but we would like to discuss this Bill a little. I suggest that the Bill better not be gone on with until the promoter is here.

Mr. FIELDING. I am not concerned in the promotion of the Bill. If the hon. gentleman wishes it to stand over I have no objection. But I do not see any objection to that clause; it is necessary in order to carry out the business of title insurance. This section corresponds with section 2 of an Act of 1903, with respect to the Dominion Burglary Guarantee Company. There is nothing new in it; it is to enable them to do this class of business, if there is no objection to their doing that class of business in Canada. It is done elsewhere to a considerable extent, and only to a small extent in Canada.

Mr. FOSTER. In what way is this business carried on?

Mr. OSLER. This is purely the guaranteeing of land titles. These are powers that will never be exercised because nobody will consent to pay anything for this guarantee. It is quite worthless, but if the committee think well to pass this clause it is quite a proper and necessary clause. This is a clause governing companies which guarantee the validity of titles.

Mr. FOSTER. For a money consideration?

Mr. OSLER. Yes, they issue a policy.

Mr. SPROULE. The danger of it is that there is the possibility of it being put in the power of certain parties to go out amongst the people and create a suspicion in regard to their titles, thus securing from these people the business of guaranteeing their titles. A great many people know very little about law or about the validity of titles, and it would be the easiest thing in the world to make these people believe that there was some danger and consequently some advantage to be gained by having the company guarantee their titles, the people paying a consideration for it.

Mr. R. L. BORDEN. This is a description of business that is known very well in the United States where it is carried on quite extensively. Any person desiring to purchase property—property, perhaps, of a very great value—will place the matter in the hands of one of these companies which has always on hand a staff of experts in regard to titles. They examine the title and then for a small consideration they guarantee out of the capital of the company that the

title is a valid one and if afterwards any defect in the title arise it is made good under the terms of the policy which the company issues. It is really a description of insurance. It is the insuring of titles. They examine the titles just as an insurance company examines an individual whose life it insures, and then they come to a conclusion as to what premium should be demanded for insuring the title. Then, they proceed to issue a policy by which the title of the intending purchaser is insured against all possible claims of all possible persons. I do not think that the provisions of such laws in the United States have ever been found to bring about any injustice or difficulty. I should be inclined to think that in a province where the system of land titles is good the company would have very little business. I am sure they would have very little business in any province where the Torrens system of titles exists, because after all this is simply a private Torrens system. Instead of being insured by the government as you are by the Torrens system, you are insured by a private company which undertakes that work for a consideration.

Mr. FOSTER. This is simply combining the functions of an insurance society with those of a trust company. The question might be well considered as to whether that adds to the security. Certainly it does not with the trust company. The guaranteeing of titles would be a bond of indebtedness upon the society or the company. Their capital would be liable to it. Trust funds and their investments have always been hedged around with the most scrupulous exactness and it has been considered that everything of a speculative or hazardous nature should be eliminated. Our provincial law prescribes the kinds of securities in which trust company funds can be invested, and they can only be invested in such securities as are not of a speculative or hazardous kind. You join with a trust company which has a very important and responsible duty to perform, and with the same capital that carries it is an insurance business which is much more speculative, much more liable to loss and contingencies of risk. You subject the capital that ought to be very closely hedged as a guarantee and bond for trust funds to the more or less speculative calls of an insurance company. I can quite see that if the very greatest care is taken that none but good titles would be guaranteed and that consequently the loss will be small, you could use that sort of an argument for joining these businesses together. The provincial authorities have only gone to the length of permitting a trust and loan business to be carried on together, and unless good reasons can be shown for combining a guarantee and insurance business, I think it would be well