

to consider the question before passing this Bill.

Mr. FIELDING. If the hon. gentleman (Mr. Foster) will read section 12 he will see that provision is made for keeping the trust moneys absolutely separate and apart from the other line of business.

Mr. FOSTER. But the capital of the company would be liable for it all.

Mr. FIELDING. Yes, that is so. But there is every precaution that we can take by legislation, short of separating the two businesses, that the guarantee business and the business of a trust company shall be conducted on sound principles and that all the moneys received for the purposes of the trust company shall be invested separately and apart from the other branch of the business.

Mr. FOSTER. Would it be in accordance with the policy of the Finance Department to give a trust business into the hands of an insurance company? Would the hon. member incorporate an insurance company and add to the powers of that insurance company the powers of a trust company?

Mr. FIELDING. there is a precedent for doing that to the extent to which it is done in this Bill. It has already been done to the extent to which this Bill proposes to unite two branches of business together and in the same way that this Bill proposes to do it.

Mr. FOSTER. Has it ever been the policy of the department to add to the powers of an insurance company the powers which will enable it to become a trust company? I think you absolutely prohibit that to-day. But here you are in this way really doing it. You say you are constituting a trust company but you are constituting an insurance company and you are adding to that insurance company the powers of a trust company. It seems to me that the two functions are not in accordance with each other and that they ought to be separated.

Mr. FIELDING. It is in accordance with a precedent already established. How far it is a wise precedent is a matter of debate. But we have thought that inasmuch as other companies have obtained these powers there would be no objection to this Bill.

Mr. FOSTER. Only one other company.

Mr. FIELDING. Besides the Royal there is another one. There was a Bill passed in 1904 constituting a company called the Real Estate Guarantee and Investment Company. Therefore, we have a precedent for it. It is a question whether it is wise to permit these businesses to be united, but the House and the committee that investigated this matter have thought that in this instance

Mr. FOSTER.

there is no objection to uniting these two businesses.

Mr. FOSTER. I would not have as much objection to joining the real estate business with insurance in the way of insuring titles, because they are cognate subjects, but when you propose to join an insurance, trust and loan company, I think you are joining two matters which are a long way apart, and I can see where it is not wise because you add a risky business to a business where there ought not to be the least shadow of risk allowed.

Mr. FIELDING. It has never been the policy of the department to join a fire or life insurance company with a trust company. This particular branch of insurance is the only branch which has been associated with a trust company.

Mr. FOSTER. I think it is a dangerous piece of business.

Mr. SAM. HUGHES. The hon. minister says it has not been the custom in the other matter. Has it been the custom in this matter?

Mr. FIELDING. In several cases.

On section 10—company authorized to transact other business; subsection (c), trustee.

Mr. FOSTER. This section provides that the company may accept certain trusts. Some words have been added in committee. May I ask, Mr. Chairman, what those words are and how they come in?

Mr. DEPUTY SPEAKER. The words added follow the phrase 'and perform the duties or of such offices or trusts,' and the words added are 'as fully as and completely as any person so appointed could do.'

Mr. FOSTER. 'So appointed.' By whom?

Mr. FIELDING. It gives them all the powers of an individual.

Mr. FOSTER. An individual may be appointed to do anything. But the expression here is 'so appointed.' If it means 'appointed' by a court or other judicial authority, I could understand it.

Mr. FIELDING. The section provides that the company may:

(c) accept and execute all such trusts of every description as are entrusted to it or which are committed or transferred to it by any order, judgment or decree of any court, and may execute the office of executor, administrator, trustee, accountant, arbitrator, adjuster, auditor, receiver, assignee, liquidator, sequestrator, guardian, curator, or committee of a lunatic, and perform the duties of such offices or trusts as fully and completely as any person so appointed could do.

It means that this corporation may do anything by virtue of an order of the court that an individual could do.