

LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON PRIVATE BILLS
Tuesday, 19 May, 1981

Time — 10:00 a.m.

CHAIRMAN — Mr. Jim Galbraith (Dauphin)

MR. CHAIRMAN: I call the Committee to order. We're dealing with three bills: Bill No. 16, An Act respecting the Montreal Trust Company and the Montreal Trust Company of Canada; Bill No. 31, An Act to amend An Act to incorporate Mennonite College Institute; Bill No. 33, An Act to amend An Act to amend and consolidate An Act to incorporate Manitoba Pool Elevators.

**BILL NO. 16 — AN ACT RESPECTING
MONTREAL TRUST COMPANY AND
MONTREAL TRUST COMPANY OF
CANADA**

MR. CHAIRMAN: We'll start dealing with Bill No. 16, and I understand we have Mr. Randall Gray to make a presentation.

MR. RANDALL GREY: Good morning, Mr. Chairman, honourable committee members. I'm with the law firm of Buchwald, Asper, Henteleff, and we represent Montreal Trust Company on this matter.

The aim of the proceeding before you is to enact an private act of the Manitoba Legislature that has the legal effect of vesting certain portions of Montreal Trust Company's business in a federally chartered trust company called Montreal Trust Company of Canada. I will refer to Montreal Trust Company as the original trust company and I will refer to Montreal Trust Company of Canada as the new trust company.

Although the original trust company is a longstanding financial institution familiar to all of you, I believe, it would be helpful for you to have some background with respect to this proceeding.

The original trust company was incorporated by an act of the Quebec Legislature in 1889. It is licensed to carry on the business of a trustee in each Canadian province. On April 5th of 1978, Montrustco Corporation, a wholly owned subsidiary of the original trust company, was incorporated as a business corporation under the Canada Business Corporation Act. On July 19th, 1978, Montrustco Corporation caused the incorporation of the new trust company under The Federal Trust Company's Act. The new trust company was incorporated as a wholly owned subsidiary of Montrustco Corporation with the exception of directors qualifying shares.

The original trust company has determined that it is in its interest to rationalize and streamline certain aspects of its business, primarily its trusteeship work, by consolidating all of the trusteeship work that is generated in the nine common law provinces in Canada in the new trust company and to preserve and conduct the trusteeship work emanating from the one civil law jurisdiction, Quebec, in the original trust company.

It has been further determined that the most desirable and correct procedure to be utilized in order to effect this structure is to petition for statutes of the Legislatures of each of the common law provinces. Now, these statutes will each provide in very simple terms that in respect of the trusteeship aspect of the original Trust Company's business, the new trust company is substituted in all respects for the original trust company and in this way appropriate continuity is achieved for the benefit of the original Trust Company and in this way appropriate continuity is achieved for the benefit of the original Trust Company, the new Trust Company, and I think quite significantly also for persons having dealings with the original Trust Company and the new Trust Company. Now with this end in mind, on June 17th, 1980, Royal Assent was given to Bill PR7, a private Act of the Ontario Legislature which effected this result in Ontario. It is intended that corresponding Acts be passed in each remaining common law jurisdiction and Bill 16, which is the Bill before you, addresses this matter in the Province of Manitoba.

Now this Bill 16 has been drafted with the assistance of your own Legislative Counsel and is based in part upon the Ontario Act. It is also based upon a previous private Manitoba Act, Bill 10, which was assented to on July 20, 1978. This earlier private Act addressed, in respect of Royal Trust, a situation that is identical to the one we have at hand. Now having reviewed the earlier Royal Trust Bill and the comments that were made with respect to the earlier bill, we have been able to improve the language of Bill 16 in order to take into account the earlier comments that were raised in the Legislature and at previous committee.

Now beyond this, Bill 16 is substantially self-explanatory in terms of its language and each section and sub-section, each of which addresses and satisfies a particular concern. I would like to highlight though, sections 4 and 5, which provide the critical continuity that I had made earlier reference to, as these sections insure an unbroken connection and flow of existing claims and liabilities and also the enforcement of judgments which may be enforced against the original Trust Company as well as the new Trust Company, and in this fashion it is ensured that the substantial assets of the overall enterprise are always available to persons dealing with it.

Now I would propose to conclude my presentation at this point subject to responding to any questions that any members of the committee may have.

MR. CHAIRMAN: Thank you, Mr. Gray. Have any members of committee or any other members any questions of Mr. Gray regarding this bill?

Thank you, Mr. Gray.

MR. GRAY: Thank you, and good morning.

MR. CHAIRMAN: What is the wish of the committee? Do you want to deal with this bill in its entirety right now or do you want to hear the other delegations?

We'll now turn to Bill No. 31, An Act to amend An Act to incorporate the Mennonite College Institute. Mr. John T. Wiens.

**BILL NO. 31 — AN ACT TO AMEND
AN ACT TO INCORPORATE
THE MENNONITE COLLEGE INSTITUTE**

MR. JOHN T. WIENS: Good morning, my name is John Wiens. I'm with the law firm of Scarth Simonsen and Company.

The Mennonite Collegiate Institute has petitioned that an amendment be made to its incorporation charter. There are two amendments being asked for. The first relates to the deletion of a restriction that was contained in the original charter in 1945 that the real property in the province held and owned by the Corporation shall not exceed at one time its annual value of \$10,000.00.

The reason for the request that this be deleted is that it was not clearly understood what the limit was intended to do and I could not help them in understanding the limit. In any case it seemed to me that the property that they do hold greatly exceeds whatever this might mean. The building campus, residence, school, and teacherages have an insurance value of approximately \$2 million, so the \$10,000 dollar annual value, whatever it might have been, has in all likelihood been exceeded some time ago. So the request is to delete that from the Charter.

The second request is to change the Charter in respect of directors. The Charter provided for 12 directors, elected annually by a membership meeting. At its annual meeting the Mennonite Collegiate Institute decided that it would change its provision for election of directors, so that the congregations that support the school would elect a director and not the membership meeting itself. There are approximately 28 congregations that support the school, so that if each of them is entitled to a director then the limit of 12 in the Charter would have to be deleted, so the request is then that the election of directors be changed from the existing 12 in the Charter to such number and such manner of election as is prescribed by the by-laws.

The by-laws have been adopted pending confirmation of changing to the Charter, that the election will take place by the congregations and each congregation is entitled to a director, so those are the changes that are being requested by this bill.

Thank you.

MR. CHAIRMAN: Thank you Mr. Wiens.

Do any of the members of the Committee have any questions? If not, thank you.

**BILL NO. 33 — AN ACT TO AMEND
AN ACT TO AMEND AND CONSOLIDATE
AN ACT TO INCORPORATE
MANITOBA POOL ELEVATORS**

MR. CHAIRMAN: We'll now turn to Bill No. 33 — An Act to amend An Act to amend and consolidate An Act to incorporate Manitoba Pool Elevators.

Mr. Alan Scarth.

MR. ALAN SCARTH: Mr. Chairman, my name is Alan Scarth and I represent the Manitoba Pool Elevators. I apologize for the title to this bill which has a number of amends in it, but Manitoba Pool Elevators has lived very happily under the wing of the Legislature now for 56 years and a number of

amendments to its act of incorporation have been necessary.

Now of course, as you all know, the trend is towards applying under general Acts for incorporation, and Manitoba Pool is following this trend. The essence of this bill, Mr. Chairman, is in section 2 which calls for the continuance of Manitoba Pool Elevators under The Cooperatives Act.

I think you're all familiar with Manitoba Pool Elevators and Mr. McGregor has kindly provided the Legislature on Second Reading with some background on the Cooperative. The essence of the bill is that after these 56 years, Manitoba Pool wishes now to go under The Cooperatives Act, which suits its structure and also to take advantage of the modern corporation law, which much simplifies the capacity provisions which are contained in section 1.

That is all there is to the bill, Mr. Chairman. It's a bill which authorizes a movement from a special act corporation to a corporation under The Cooperatives Act.

MR. CHAIRMAN: Thank you, Mr. Scarth. Do any members have any questions? Mr. Blake.

MR. DAVID BLAKE (Minnedosa): Mr. Scarth, was this required in some way to allow them to participate in the venture they're contemplating now to do with oil explorations and in co-operation with the Co-Op movement and the Credit Union movement?

MR. SCARTH: No, Mr. Chairman, this came up long before. It's something that I've been contemplating now for three years ever since The Cooperatives Act was put in place. There really is no reason any longer for a corporation to carry on as a special act company when there is good general legislation in place. I'm grateful to Mr. Tallin that we do have good general legislation in place.

MR. CHAIRMAN: Any further questions? Thank you, Mr. Scarth.

**BILL NO. 16 — AN ACT RESPECTING
MONTREAL TRUST COMPANY AND
MONTREAL TRUST COMPANY
OF CANADA (Cont'd)**

MR. CHAIRMAN: Members of the Committee, we will now turn back to Bill No. 16 and go through them. What's your wish, clause by clause, page by page, bill by bill?

Bill No. 16, page 1 — pass.

Mr. Tallin.

MR. TALLIN: I have to give a report on each private bill before the Committee considers the bill. As required by rule 110 of the Rules of the House, I've examined Bill 16. I should like to bring to your attention the provisions of Section 2 and 3 of the Bill. The effect of these sections is to vest in or bestow upon Montreal Trust Company of Canada property rights, duties and obligations, which were previously or would become the property rights and obligations of Montreal Trust Company. This is an unusual occurrence although a similar bill was passed in 1978 respecting the Royal Trust Company and the Royal Trust Corporation of Canada.

MR. CHAIRMAN: Page 1 — pass; Page 2 — pass; Page 3 — pass; Page 4 — pass; Bill — pass; Preamble — pass; Title — pass. Bill be reported.

**BILL NO. 31 — AN ACT TO AMEND
AN ACT TO INCORPORATE
MENNONITE COLLEGIATE INSTITUTE
(Cont'd)**

MR. CHAIRMAN: Bill No. 31 — Mr. Tallin.

MR. TALLIN: I've examined Bill No. 31, and have not noted any exceptional power sought or any provision requiring special consideration.

MR. CHAIRMAN: Preamble — pass; Title — pass. Bill be reported.

**BILL NO. 33 — AN ACT TO AMEND AN
ACT TO AMEND AND CONSOLIDATE AM
ACT TO INCORPORATE MANITOBA POOL
ELEVATORS (Cont'd)**

MR. CHAIRMAN: Bill No. 33. Mr. Tallin.

MR. TALLIN: I've examined Bill No. 33, and have not noted any exceptional power sought or any provision requiring special consideration.

MR. CHAIRMAN: Page 1 — pass; Page 2 — pass; Preamble — pass; Title — pass. Bill be Reported.

That's all the bills that this committee has to deal with members. Thank you.

Committee rise.