LAW OF TRUSTS IN CANADA
Second Edition
By D.W.M. Waters

Toronto: The Carswell Company Ltd., 1984
cxvi, 1146 pp. (appendices and index 94 pp.), $95.00

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Sad to say, seldom can a Canadian law book be ranked alongside the leading British textbook on the same subject. Professor Waters's Law of Trusts in Canada is, however, a book to which Canadian lawyers can turn with confidence and one too that deserves a place next to Underhill* and Lewin2 on the bookshelves of equity lawyers. The appearance of the second edition is a major publishing event in the Canadian law of trusts.3 A book of monumental proportions, perhaps more than any other title published in Carswell's Canadian Legal Classic Series, this text is something of a classic in its field.

While this may seem like high praise for a book under review, if these remarks appear uncritical it is only because of the author's high standard of scholarship and the all-encompassing analysis he has prepared. While few would maintain that trusts law embraces much high adventure, Waters' book shows at least that the law of trusts is undeserving of its reputation as dull and drearisome. The law of trusts is not lacking movement, development or vitality, and the interested reader will not be left in a state of ennui.

Waters reveals in his preface that he has endeavoured to provide a "readable book for students in all situations, and a reliable work of reference for the courts and practitioners."4 He has undoubtedly succeeded in the second of these aims: his discussion of the law is both comprehensive and detailed. It is the very exhaustiveness of his book that allows me to recommend it with enthusiasm to the bench and bar. However, that same depth of analysis may make the student tire or recoil. Many students will not need, or want, for example, an explication of charitable trusts that spans nearly one hundred and fifty pages5 or a discussion of duties of trustees that runs to over one hundred and eighty pages.6 Now judges, academics and practicing lawyers may think this splendid, but a student wishing to learn the law of trusts at first instance may find some chapters inappropriately abundant.7 So the thorough nature of this book may have removed it from the student market. One might think that Waters' twofold aim was overly ambitious, but other leading texts are works of dual utility and have

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3. The only other current text on the subject is the short book by B.G. Smith, Introduction to the Canadian LAW of Trusts (1979).
5. Ibid., at Chapter 14.
6. Ibid., at Chapters 18 and 19.
cut a good figure with student and practitioner alike. In any event, *Law of Trusts in Canada* can be commended to the enduring student as a book he will not quickly outgrow.

If trusts law has its share of problems and discomposure, the careful analysis the author brings to bear upon it reduces them. At page 377, for example, Waters provides a brief passage that goes a long way towards removing the ambiguity and confusion surrounding the terms 'implied', 'resulting' and 'constructive' trusts. Many writers have little to say in this regard, leaving it to the student to disentangle the often unprincipled use of these terms in the reports. The explanation of the constructive trust that follows is especially good. Indeed, here we see Waters excel where British books must lag behind: as the text points out, British courts refuse to recognize the 'new model constructive trust' as part of English law. Of course since the benchmark decision of the Supreme Court of Canada in *Pettkus v. Becker,* the constructive trust has been firmly established as a remedial instrument that can be pressed into force by our courts when required to prevent an unjust enrichment. But in England, Lord Denning M.R.'s judgement in *Hussey v. Palmer* has been given a cool reception and has been largely ignored or condemned. And so Canadian courts are in the vanguard; in this area, then, readers should turn first to Waters.

The title of the book suggests one that is national in breadth and coverage. This is borne out by the text. Refreshingly, Waters holds a relatively even hand among the provinces: legislation and case law from all the common law provinces are discussed at some length. So unlike other texts (whose authors typically write out of Ontario), this book does not expose the reader exclusively to the legislation of a single province and simply cite like provisions from the acts of a few other provinces. Ontario lawyers will not be disappointed, for their laws still receive the lion's share of attention, but readers from Manitoba may be pleasantly surprised to discover that legislation from their own province is at one point set out as a model. Another feature of the book makes it additionally appealing to a national audience: two of the appendices allow the reader to locate quickly key sections of the Trustee Acts in force in the common law provinces and territories.

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1. I have in mind works like R.E. Megarry and H.W.R. Wade's *The Law of Real Property* (5th ed. 1984). Indeed, occasionally such works eclipse books aimed primarily at the practitioner, as does, for example, R. Cross, *Evidence* (5th ed. 1979).


3. Supra n. 4, at 382.


6. As an indication of the rapid development of the law in this area, it should be noted that Waters' separate monograph, *The Constructive Trust* (1964), is now seriously out of date.

7. Supra n. 4, at 703.704, where subsection 37(1) of The Trustee Act, R.S.M. 1970, c. T160, is quoted and discussed.
I might say a word about Waters' "relaxed style of expression"," which may be said to account in part for the length of the text. "Relaxed" is not an apt term to describe his style. "Lucid" is more accurate, but, understandably, the author does not use it. Waters has sacrificed conciseness in order to avoid being prolix or cryptic. But while he may not have diligently applied Occam's razor, he has avoided protractedness as well. The book is written in correct and unadorned English, reminiscent of Received Standard, as one might expect from an Oxbridge lawyer like Professor Waters.

Far and away, most textbooks on a standard subject canvass substantially the same topics, if only out of deference to tradition, though the arrangement will usually vary from one writer to the next. Further, in the context of a short book review, a rambling description of contents is often a barren exercise that serves little purpose other than to lengthen a wanting review. Having already said then that *Law of Trusts in Canada* is exhaustive and involved, I need not embark on a vacant, almost pedantic, description of its contents. The discussion is full; those who need to know more I refer to the Table of Contents.

The book's four tables (of contents, cases, statutes and of reports and working papers) and its index are of a uniformly sterling quality, again both detailed and comprehensive. For this Waters owes a debt of gratitude, which he acknowledges, to his publisher, who has produced all parts of the book to a very high standard of presentation.

In short, *Law of Trusts in Canada* will permit students, bench and bar to delve as far into the subject as their needs or curiosity take them. The book is not without imperfections» but overall Waters has produced a real *tour de force*. The profession will be well served by this edition as a reference work, and the students for whom Trusts lies ahead as a subject likened to "sawdust without butter" would do well to read out of this book.

17. A slip can be found at *supra* n. 4, at 876, where Waters refuses Manitoba's Surrogate Courts, which of course no longer exist, having been formally abolished by S.M. 1982-83-84, c. 82, s. 25(k).
Canadian Law - Canada FAQ. In most countries, ruled or settled by the British, the so-called Common or traditional law is applied. The Civil Code was also known as the Napoleon Code and initially covered only private law matters: relationships between persons (marriage, divorce, parentage, adoption); legal attributes of individuals such as age of majority and name; property, e.g. land boundaries and possessions; and institutional bodies that administer and govern these relationships. Today, Canadian law in all provinces and territories except for Quebec is based on Common law. The Common law s While the laws applicable to the tax and other benefits derived from trust planning at any given point in time will continue to be subject to change based on the government s interest in controlling or curtailing such benefits, trusts continue to have an important and robust role in Canada. There are a variety of planning strategies, both inter vivos and testamentary in nature, that are used widely.Â The two types of trusts, inter vivos and testamentary, are currently subject to different tax regimes in Canada. Until the imposition of the proposed amendments of 2014 Federal Budget to the ITA, testamentary trusts are subject to graduated tax rates, whereas inter vivos trusts are subject to tax at the highest marginal rate. The trusts are NOT considered resident for calculating a Canadian's liability when paying the trust (i.e. when a resident taxpayer pays the deemed resident trust it is requires to withhold Part XIII). They are also not considered resident for the purpose a determining a Canadian resident's (other than the trust) foreign reporting requirements. If you need help determining whether the trust is a deemed resident of Canada, contact us. Employee benefit plan.Â A trust is a REIT for a tax year, if it is resident in Canada throughout the year and meets a number of other conditions, including all of the following: at least 90% of the trustâ€™s non-portfolio properties must be qualified REIT properties.