

the nominal or authorized capital, whether actually subscribed or employed, either within the province or elsewhere.

History and Purpose of the Acts.

Apart from their character as constituting an awkward type of corporation tax, the history of the Acts indicates an ulterior object which places them in an entirely different light from that of a fiscal measure. Before the Confederation of 1867 each of the separate provinces then existing had exercised the power of creating corporations for ordinary commercial purposes, that is to say, for such purposes as buying, selling, manufacturing and dealing in goods, wares and merchandise; and this power the provinces continued to exercise after Confederation, though under the British North America Act the powers of the provincial legislatures were restricted to the incorporation of companies with "provincial" objects. At the time of Confederation, and during the years immediately following, questions relating to the incorporation and control of companies occupied no such prominence as at the present time. Commercial enterprises were largely conducted in the name of individuals or partnerships, and most of the commercial corporations of the present time date their establishment as corporations within the present generation. The comparative unimportance of the subject may partially account for the fact that the relative powers of the provinces and the Dominion in relation to the subject were not more clearly defined by the British North America Act (a).

While the number of joint stock companies was thus small the scope of their activities was correspondingly small, many of them confining their operations within the boundaries of a single province. It was natural, therefore, that the majority of such companies should receive their charters of incorporation from the local provincial authorities. With the extension of trade during more recent years the scope of ordinary commercial corporations has greatly widened, and it is now common for manufacturing and wholesale companies in Canada to carry on business to a greater or less extent in most or all of the different provinces.

Though the relative extent of the powers of the Dominion and the provinces over the subject of incorporation of companies is not clearly defined, it was not unnatural that with the growth of inter-provincial and foreign trade it should be felt that the proper authority to issue charters for such broader operations

(a) The constitutional questions arising out of the Acts are further dealt with, post p. 49.