

PART I.

THE FORMATION AND CONSTITUTION OF A COMPANY

CHAPTER I.

INTRODUCTION.

The operation of businesses for trading and other purposes on Joint Stock principles can be traced back for several centuries. The Hudson's Bay Company, for instance, was founded in 1670; the Bank of England in 1694, and the well known East India Company as far back as 1600, eight years before Champlain laid the foundations of Quebec. In those days such Companies were incorporated either by special Act of Parliament or by Royal Charter, but there also existed large and important businesses (*e.g.* Banking and Insurance Companies) which were merely private partnerships. In 1855 the principle of Limited Liability was established, and since that date the benefits and advantages which accrue therefrom have become so universally acknowledged, that in the Statute Book of almost every civilized country there will now be found enactments having Limited Liability as a fundamental principle for the operation of Joint Stock Companies.

The Imperial Parliament in 1844 and in subsequent years passed various general Acts of Parliament enabling Joint Stock Companies to be incorporated without the necessity of obtaining a special Act of Parliament, and in 1908 that Parliament consolidated all the general acts re-