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THE NEW PRIVY COUNCIL DECISION.

The decision of the Privy Council in the John Deere Plow case, while not settling decisively the complicated and vexed question of the relationship of the provincial authorities to companies incorporated by the Dominion, is satisfactory, so far as it goes. It puts a curb on the provincial spirit, objectionable manifestations of which in recent years were the origin of the test case, a final decision in which has now been given. This test case arose from the British Columbia law, which required the licensing or registration of extra-provincial corporations carrying on business in the province, under the penalty of a heavy fine and inability to maintain action in the British Columbia courts. Thus companies incorporated under Dominion laws were placed in the position of being unable to collect debts due to them in British Columbia, until they had been licensed by the province. The Judicial Committee of the Privy Council, according to the cabled reports of its decision, condemns this position root and branch. It holds that the legislature of a province cannot interfere with the status and corporate capacity of a company created by or under federal law in so far as that status and capacity involves powers conferred by the Parliament of Canada to carry on business in every part of the Dominion.

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The decision, while of much importance in regard to the particular points dealt with, does not cover all the outstanding points of difference between the Dominion Government and the Provinces in regard to the incorporation and taxation of companies. For a general light on these points, we have still to wait for the Privy Council's decision on the questions which are to be submitted to them dealing with that matter. The quoted opinions of well-known lawyers in regard to the present decision show, however, that its possible effects are far-reaching. It is presumed that under this ruling, the provincial authorities will henceforth be prevented from levying a license on federally incorporated companies, such license being a condition imposed before the Dom-

inion company could do business in the province, and further, that a registration tax upon these companies is no longer within the power of the Provinces. While the Provinces are not denied the right to impose some kind of a tax upon these companies, this would have to be one similar to that imposed on any other concern or individual doing business within the confines of the province.

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Comment in regard to this case has hitherto been mainly in regard to probable effects upon commercial companies. But the decision is also of great importance to the insurance companies, for whose special benefit the various provinces have set up "insurance departments," an important part of whose work is the collection of all kinds of registration fees and taxation from the various companies. Apparently by the decision in the John Deere Plow case, insurance companies which have been incorporated by the Dominion Government will henceforth have the right to enter any of the various provinces and transact business without being required to pay the various registration fees hitherto required, though presumably they will still have to pay up any other taxes imposed by the Province. The further interesting point then arises, how are insurance companies *licensed*, though not incorporated, by the Dominion Government (whether foreign companies or provincially incorporated companies) affected? Does the Dominion Government's license give them the same right of entry into the provinces as does apparently a Dominion Government certificate of incorporation? The question is one of immense interest to the insurance companies in view of the exactions to which they are at present subjected by the various provinces for registration and other fees—apart altogether from ordinary annual taxation. Possibly the answers of the Privy Council to the questions to be submitted to it in regard to the respective jurisdictions of the Dominion and Provinces over commercial and insurance companies will throw some light on the point, which otherwise will still remain to be settled.