

GENERAL NATURE OF THE ACTS.

Importance of Extra-Provincial Licensing Acts.

During the past ten years or more joint stock companies carrying on business in Canada have been compelled to give increasing attention to a class of legislation adopted by a majority of the provinces under the name of "Extra-Provincial Licensing Acts" or "Foreign Companies Acts." Owing to its very drastic provisions the most recent of these Acts, that of British Columbia, which came into force on the 1st July, 1910, has received more attention than its predecessors in the other provinces; but most of the provinces have Acts of a similar nature, though more limited in scope.

The idea seems to be still prevalent that these Acts merely create a "commercial travellers' tax," and they have, as a matter of fact, in some provinces taken the place of older Acts under which commercial travellers were taxed. But their operation is a much more serious matter than a mere tax; and if a company carries on business in any province under such circumstances as to bring it within the operation of one of these Acts, the consequences of the infringement may be very serious.

In general the Acts in question require companies incorporated outside the enacting province to comply with certain formalities and pay certain fees before being allowed to carry on business in the province. For default in complying with these conditions companies are subjected to certain penalties and disabilities. In most of the provinces the Acts apply to companies incorporated by the Dominion Parliament as well as those incorporated in other provinces or in foreign jurisdictions.

Fiscal Operation of the Acts.

In one aspect these Acts represent a peculiarly awkward type of taxation. They are aimed primarily at ordinary manufacturing and other commercial concerns, but amongst these only incorporated companies are affected, and enterprises, no matter how large their extent, conducted by partnerships or individuals, are immune. Again, the amount of the fee imposed is, generally speaking, based, not on the actual capital of the company or the proportion of such capital employed in the province, but upon