

It might be of some interest to members of the legal profession, but I am sure they do not now desire any lengthy explanation of the whole Bill. It is very important, I think, that we should have a new Dominion Companies Act. Our present Act was ill-conceived originally, and it has never been improved. It is hardly worthy of the name of a Companies Act. Structurally it is weak and incomplete, and it has not kept pace with the development of company law in this country. Company law, I think I may say with accuracy, is now one of the most important branches of our law. The greater volume of our business is done through the avenue of corporations, and without them we never could have reached our present stage of development. It would be impossible to mobilize money from all parts of the world for our purposes by means of unlimited corporations or partnerships, and it is inevitable that in the future the great proportion of our business will be conducted by and through corporations. In fact, it is the only proper method to conduct a business of any magnitude whatever. It is important therefore that we have a substantial body of statute law in respect to companies for the guidance of corporations and in order to safeguard the public. I have already stated that it should be the inherent right of men to become incorporated; for private purposes. There should be no such thing as solemnly presenting a petition praying the Governor in Council or any other body or person that certain persons may be incorporated as a company.

Mr. LEMIEUX: It is no protection to the public.

Mr. MACLEAN: None whatever, but the public should be protected in many other ways. The chief characteristic of a corporation is its limited liability, and for that reason we should take great care to safeguard the public against any fraud or abuse of the privilege of limited liability by corporations. Now, the present Canada Companies Act affords little protection to the public. I do not propose detaining the House to enumerate the many things which are lacking in this Act and which one would naturally expect to find there. For instance, there is nothing in the Act, I think, requiring the directors to call annually a meeting of shareholders. Nor is there anything corresponding to the clauses in the English Act relating to directors' liability, although most of the provinces have that provision.

[Mr. A. K. Maclean.]

The directors' liability clauses make directors liable for untrue statements in the prospectus. There are also provisions in the English Companies Act, and in most of the provincial Acts, relating to allotment of shares which we do not find in this Act. I do not think there is much that can be said in favour of the present Canada Companies Act, and it is very desirable it should be substituted by some other enactment which would be more in the interest of shareholders, the investing public and corporations themselves.

There is a feature which I should like to see introduced into our Act, and the only hope of getting it is from the Government. A great deal of doubt exists as to the capacity of a company provincially incorporated to carry on its business outside of the province in which it is incorporated. True there have been judicial decisions upon that point, but the public mind is very unsettled, with the result that most companies prefer a federal charter so as to escape the liability of an attack upon their powers to do extra-provincial business. I should like to see in the Canada Companies Act a provision making each province a separate district for federal purposes, and making the registrar of joint stock companies under the provincial Acts, a federal officer for the incorporation of companies under the federal Act. This would enable persons in the province of Nova Scotia or British Columbia say, to obtain a federal charter through the registrar of joint stock companies in their own province very quickly. The only difficulty would be as to the division of the fee for the incorporation between the province and the Dominion Government. There should be very little difficulty about that. I think in such matters the Government might treat the provinces generously, as doubtless the revenue derived from the incorporation of companies is an important matter to the provinces. I should like the Minister of Justice to take this matter into consideration and endeavour to make some arrangement with the several provinces by which companies can be incorporated at the capitals of the several provinces, the officer administering the provincial Companies' Act acting for the time being as a Federal officer. I think the provincial authorities would be disposed to assist in carrying out such an arrangement. I do not think I shall occupy the time of the House further. I would ask, in conclusion, that the Bill be referred to a select committee limited to, say, seven or nine members, and I trust that this sug-