

5 **Concluding remarks.**—Having regard to the large and constantly increasing volume of capital that is being invested by foreigners in Canadian enterprises, it is a matter of supreme importance that the precise extent of the power of Provincial Legislatures with respect to the rights of non-resident shareholders in domestic companies should be judicially defined. The existing situation is highly unsatisfactory. Administrations representing both the Liberal and the Conservative parties have taken the position that the confiscatory character of a statute is not of itself a sufficient reason for the exercise of the power of disallowance by the Dominion authorities. The effect of the course thus pursued is the virtual nullification of an important provision of the British North America Act, and the future resumption of the duty imposed by that provision is extremely improbable in view of the circumstance that it has been renounced from motives of a supposed political expediency. Against the mischievous consequences of this singular recognition of a "right divine to govern wrong" in a democracy of the twentieth century, a class of persons whose goodwill and confidence is essential to the prosperity and progress of Canada would be to some extent protected, if it were once settled that the "rights" of non-resident shareholders are not subject to the jurisdiction of Provincial Legislatures, except through the medium of statutes which purport, by their specific terms, to deal with the "property" of which those rights are an incident. Completely effective safeguards for the interests of foreign investors will, of course, not be obtained until a clause forbidding Legislatures to pass statutes impairing the obligations of contracts, and certain other provisions of a tenor similar to those by which property is secured under the American Constitutions, have been inserted in the British North America Act.

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