

Kingdom in 1845, 7-8 Vict., ch. 110, was the first general Act for the incorporation of joint stock companies. That this legislation was not followed in the Canadian Act of 1850 is shown by the fact that its two main features were not adhered to. Under that Act there was provisional registration, and complete incorporation was granted only after the filing of a deed of settlement. It has been suggested that the methods of the United Kingdom were followed in Canada because the proceedings for incorporation were initiated by the filing of a document. This suggestion does not go to the root of the matter. The essential difference in the two methods of incorporation is not created by the filing of a document or the issue of the so-called letters patent. It is created by the fact that in one case all the constituting interests of the company are not public documents and in the other they are. The Act of 1850 provides for the enactment of by-laws, private documents. This is the method which has been followed throughout in the United States. Under all British legislation a memorandum of association or deed of settlement, together with articles of association, were required to be filed with a public officer.

A deed of settlement has been required in modern times even where a company was created by charter. The British South Africa Company was incorporated by charter dated the 28th of October, 1889, notice of which appeared in the "London Gazette" of the 20th of December, 1889, C'd. 8773 (1898), and C'd. 5918 (1890). The deed of settlement, dated the 3rd of February, 1891, was subsequently approved of by Order-in-Council.

It is pertinent also to note that the use of the word "limited" in the name of a company was not introduced in Canadian legislation until the year 1869. The use of this word is of no great importance in the method of incorporation or in the manner of control, but the popular imagination seems to have been moved very greatly by its use, and it is very likely that if British legislation had been taken as a precedent, the word would have been adopted immediately after the year 1862 when it was first used in the United Kingdom. For this reason it is advisable to trace in a few words the development which had taken place in the United States down to that time.