

application for mining leases from the Yukon Council. Litigation arose by reason of the application, and the power of this company, provincially incorporated, to acquire a lease outside of the province of Ontario was questioned. The Canadian courts held that the company did not have the power to hold a license issued by any authority outside of the province of Ontario. The case went to the Privy Council, where it was held that the company, being a corporation created under letters patent, had wider powers than a company created under the registration system, and that therefore, being a common law corporation, it had the capacity of a natural person to receive licenses from the Yukon Council. Naturally this decision caused some consternation in Canada. If the decision is a good one—and I assume it is—a company incorporated by letters patent may, it is argued by some, carry on a business outside of the objects defined in its charter. Nothing is ultra vires of the company, and therefore the whole position of the bondholders and shareholders would be altogether changed if this extreme view of the law is correct. For the reasons I have already given; for the purpose of having uniformity of company legislation, I think it is desirable that incorporation under letters patent should be abandoned in the three or four provinces of Canada which still retain that principle, and particularly the Canada Companies Act, which is within our jurisdiction, should adopt the registration principle.

Mr. LEMIEUX: I understand that when incorporation under letters patent is asked for, at least in the province of Quebec, notices are published in the Official Gazette and in the press giving the purport and object of the company to be incorporated, and although the granting of letters patent is an old privilege of a king, as a matter of fact, letters patent are granted by the Secretary of State after the proposed incorporation has been considered by the Minister in Council, so that the public gets all the protection necessary, and it is not only according to the fiat of the King or the Lieutenant Governor for the King that letters patent are issued. The people are amply protected, it seems to me.

Mr. MACLEAN: If a company is incorporated by letters patent, the directors may exceed the powers granted by the patent and they may commit the shareholders to projects not contemplated in the charter

and projects which the shareholders did not wish to embark upon.

Mr. LEMIEUX: When the Companies case went before the Privy Council, I think it was decided on a much broader basis than that. It seems to me that the Privy Council decided that certain companies incorporated by the provinces could have the whole Dominion as a domain.

Mr. MACLEAN: The Privy Council held that this company created under letters patent, issued by the Governor in Council of Ontario was a common law corporation and had all the rights of a natural person. That is, if the company had been created for the purpose of carrying on a mining business, they might, by virtue of the fact that their charter emanated from the representative of the Sovereign, go beyond their defined powers and commence, say an insurance business or any other business, that a natural person might engage in. That, perhaps, is rather an extreme interpretation of the decision but even in that case, we lack the legal machinery to prevent such a course, even if it was ultra vires of the company. It is true, as my hon. friend states, that in Quebec we see numerous lengthy advertisements in the newspapers, and in the Royal Canada Gazette, to the effect that certain individuals have been incorporated as a company, these advertisements setting forth as well the powers and objects of the companies. It is a most objectionable practise and means a great waste of money and of paper. It is something that we should have long ago been rid of. I understand that under the present Companies' Act of the province of Quebec, companies are permitted to publish an abridged advertisement. In respect of companies incorporated under the Canada Companies Act we solemnly go through the farce of compelling companies to publish in newspapers and in the Royal Gazette lengthy advertisements respecting their incorporation which accomplishes no useful purpose whatever.

This Bill provides for the adoption of the registration system and the abolition of the letters patent system. In that respect the Bill, the second reading of which I am now moving, is a departure from the present Companies' Act. I can hardly undertake to explain its further provisions, because it is a very lengthy Bill, and I am sure a detailed explanation on my part would not interest many members of the House.