

classifying a confiscatory enactment for the purpose of testing its validity.

4. Question considered with reference to the power of a Legislature to dissolve a company.—It may be objected to theories put forward in the foregoing sections that the authority which a Provincial Legislature possesses in respect of dissolving a company,⁴ must of necessity include, as the greater the less, authority to pass laws which derogate from the rights of all the shareholders, non-resident as well as resident. That this aspect of the matter is suggestive of some serious difficulties cannot be gainsaid.

Since the situs of the rights of a company, *as a company*, is in the Province in which it was formed, it must be conceded that all laws which modify or extinguish those rights come within the explicit clause of the British North America Act with which we are now concerned. It is also clear that the dissolution of a solvent company always diminishes, even if it does not entirely destroy, the value of the shares held by non-residents. In this point of view there is apparently no escape from the conclusion, that a Provincial Legislature may, by exercising its power to terminate the existence of a company, affect the rights of non-resident shareholders. But the situation thus predicated should, it is submitted, be regarded rather as one in which the modification of rights outside the Province is an incidental result of a law operating upon rights within the Province, than as one in which the possession of one power is deemed to imply the possession of another. If this hypothesis is correct, the circumstance that a Provincial Legislature is authorized to dissolve a company does not involve the conclusion that it is also invested with a general authority to pass

4. In *Royal Bank of Canada v. Rex* (1913), A.C. 283, the Board "agreed with the contention of the respondents that, in a case such as this it was in the power of the Legislature of the Province to subsequently repeal any act which it had passed." The position thus taken does not necessarily imply that the Board would hold the dissolution of a company organized under *general* laws to be a valid exercise of legislative authority. But such a dissolution would certainly be lawful under the theory that the powers of the Provincial Legislatures are "plenary."