

any such intervention. The difficulties of company law are largely those which are raised by the manner in which the agents are appointed and the manner in which they act. In fact the by-laws, the authority of directors and officers, the calling and method of conducting of meetings of directors and shareholders, are all substantial matters for consideration in determining the agency by which a company is bound.

One of the first results of this anomalous condition is shewn in the judgment of the Appellate Division of the Supreme Court of Ontario in *Edwards v. Blackmore* (1918), 42 O.L.R. 105. There it was held that the directors, without reference to the shareholders, could carry on any business whatsoever, whether set out in the charter or not. This conclusion would be subversive to the conduct of business by means of companies. An investor would have no means whatever of knowing the destination of his capital or the manner in which it was to be used. He would be entirely in the hands of the directors. This was not so in the common law company of which we know. It was the body of members in general meeting who controlled the affairs of the company. Many of these companies had no joint capital, the capital in each case being subscribed for particular ventures, and in many cases there was not even the joint venture of all the members. It may be fairly said that if the principle as laid down in *Edwards v. Blackmore* is followed—and undoubtedly this decision is binding on all the Courts of Ontario—the development of business by means of incorporated companies would be at an end; and when it is pointed out that the incorporated company is the greatest instrument of modern commerce, the position of the Canadian merchant or investor may be readily deduced.

The decision of the Appellate Division of the Supreme Court of Ontario in *Weyburn Townsite Co., Limited v. Honsburger* (1918), 43 O.L.R. 451, appears to revert to the early American view of the limitation of company activities. No comment or statement in either the argument or judgments in the *Company* case or the *Bonanza Creek Gold Mining* case can be shewn to support this conclusion. A phrase in the *Insurance* case has been suggested as supporting this view. Viscount Haldane (1916), A.C. p. 597: