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BLUE SKY LEGISLATION.

The meaning and intent of Blue Sky legislation has, until recently, been unfamiliar to the general public, and even the legal profession has been somewhat hazy respecting its nature and extent. Those who have financial dealings with the United States are somewhat better informed. The subject has been prominently brought before the public recently through the introduction by the Attorney-General in the Legislature of Ontario of a Bill intituled "An Act respecting the Sale of Securities."

Briefly speaking, the term Blue Sky legislation has been applied to any species of law which attempts to regulate or deal with the sale of fraudulent or worthless securities. The imposition on the public of these so-called "securities" has been a growing evil in every community since the time when corporate entities became recognized by law. The expression "Blue Sky legislation," which is not in any way indicative of the subject, seems to have arisen from an expression used in a report made by the United States Post Office Department that some promoters would even sell lots in the blue sky. To give entry and seizin in such a case would not, however, be much more difficult than it would be in the case of the celebrated company "North Pole, Ltd.," where the promoter undertook to deliver ice-covered land to farmers in the Northern States.

As early as the year 1884 Germany had limited the sale of fraudulent securities, and in 1893 France followed suit. Great Britain has now a very strict Companies Act, which answers many of the purposes intended to be covered by Blue Sky legislation. In 1911 the State of Kansas enacted the first law on this continent, since when some 43 of the States have enacted laws which, in some form or other, regulate and control the issue and sale of stocks, bonds, debentures and other securities.

With the exception of three Provinces, Canada has been slow