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PROVINCIAL AND DOMINION COMPANIES

The Supreme Court of Canada have decided, by four to two, that a provincially incorporated company is not limited in the scope of its operations to the territorial boundaries of the incorporating province, but has the right to go to other provinces to carry on its business.

The power of the province to license and regulate such incorporations from outside as located within its territory, is upheld so long as such regulation or licensing is not preventive in its character.

An appeal will likely be made to the Privy Council. The insurance companies especially have taken an interest in this matter, which has been before the courts for a long time. Writing in *The Monetary Times Annual Review* this year, Mr. T. L. Morrissey, Montreal, said:—

"Away back in the sixties when the Fathers of Confederation sat down to write the rules of the game to govern the new Dominion—commonly known as the British North America Act—it occurred to none of them to set down insurance as either a subject to be assigned exclusively to the provincial legislatures, or worthy of mention amongst those subjects expressed for greater certainty as falling to the Dominion Parliament. The consequence is that insurance has been held up ever since, something like Mahomet's coffin, between the heaven of Dominion supervision and the earth of Provincial interference, or vice versa, to suit the taste or views of the particular individual considering the question, or how it affects his particular interest at that particular moment."

There is little doubt that while the Dominion and nine provincial governments are discussing their respective "rights" in the matter of company laws, serious obstacles are being created to the conduct of business.

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The ten governments have different ideas as to company laws and requirements. The result often is that the Dominion has to be treated as ten units by companies doing business, or desiring to, in Canada. A uniform company law for the Dominion is a necessity. That fact will surely be recognized one day by the various governments concerned.

HOW THE NATIONAL AGENCY STOOD BEHIND

At the investigation of Union Life affairs at Toronto, Mr. C. A. Masten, K.C., on behalf of the government, asked:—

"What did the National Agency receive from the Union Life?"

"Twenty per cent. on the gross commission," was the reply of Mr. Harry Symonds, K.C., a director of both companies.

"What was the National Agency doing for that 20 per cent.?" asked Mr. Masten.

"Standing behind the Union Life, making contracts, and in a general way supporting the company," came the answer.

When the Union Life tempted hundreds of British investors to purchase 10,000 shares of its stock at a premium of 20 per cent., the National Agency Company guaranteed a dividend of 6 per cent. for three years. This was presumably one of the ways in which the National Agency promised to stand behind the Union Life. It failed to pay the dividend, and that was one of the ways in which it actually stood behind the Union Life.

Last week the National Agency was placed in the liquidator's hands, after having performed gracefully its acrobatic "support" of the Union Life's dip into the British investors' pockets.