

EXTRA PROVINCIAL LICENSING ACTS

These as Passed by Most Provinces Were More Than a Commercial Travellers' Tax

QUESTION OF TAXATION

If Provinces Cannot Compel Extra-Provincial Companies to Register Tax Fee, it Will Not be Easy Matter to Collect Taxes Imposed.

By H. S. Ross, K.C.

The "Extra Provincial Licensing Acts" passed by most of the provinces were more than a "commercial travellers' tax" until the recent decision of the Privy Council in the British Columbia-John Deere Plow Company case.

After all is said and done it was a question of taxation, and if the provinces cannot compel the extra-provincial companies to register and pay a fee (really a tax on registration) and in some cases thereafter yearly it will not be an easy matter to collect taxes which may be imposed. Even British Columbians knew it could not prevent outside companies from doing business in the Province, but they knew that most companies would register rather than face the possibility of being unable to sue in the courts of the Province. Many companies took the risk and the bringing of an action to recover the penalty provided by the different Acts for failure to register has rarely been resorted to. It has been a matter of comment that enterprises no matter how large, conducted by partnerships or individuals have not been called upon to register.

In the early days most companies confined their operations to a single province and generally were incorporated by that province. The powers of the Dominion and the provinces were not very clearly defined by the British North America Act, no doubt on account of the seeming unimportance of the matter at that time. But with the growth of interprovincial and foreign trade more Dominion charters were applied for. The provinces sometimes complained that many companies of a purely local character were seeking Federal incorporation. The Ontario Act was apparently intended to prevent this movement. The effect of the recent decision, of course, is that a company operating under a Federal charter can carry on business anywhere in Canada, so long as it does not act in contravention of the laws of any province respecting the rights of the public generally. In other words the status and powers of a Dominion company as such cannot be destroyed by provincial legislation.

The Province of Quebec expressly excepts Dominion companies from the necessity of getting a license and it also excepts "Corporations and companies incorporated under or in virtue of an Act of a Legislature in which corporations and companies incorporated under and in virtue of the laws of the Province of Quebec are authorized to do business without being obliged to take out a license therefor," so that the exception applies to Federal, Prince Edward Island, and probably Nova Scotia companies. But companies incorporated in other provinces and other countries are required to become licensed in Quebec as in the other provinces. The Quebec Act does not contain a provision preventing an unlicensed company from appearing in the Quebec Courts. In Quebec an extra-provincial company which must have a license is liable (any one doing business for it) to a fine not exceeding \$100 for each offence and in default of payment to imprisonment not exceeding three months. The Quebec Statutes also provide that "every incorporated company carrying on any labour, trade or business" in the province must file with the prothonotary of the Superior Court, or the registrar of the registration division in which it carries on its operations, a declaration showing where, how and when it was incorporated, and where its principal place of business within the province is situated. Until this year the penalty for neglect to file this declaration was \$200. Now the amount is left to the discretion of the judge (usually \$2,000), but some enterprising persons are still attracted by the costs which are usually taxed at about \$25.00.

The Quebec Statutes also provide that the term "Commercial Corporation" includes companies incorporated at Quebec and so companies with the ruling of the Privy Council in that it is "a law of the province restricting the rights of the public in the province generally" unless it might be said that the provision should extend to business carried on by partnership or individuals. All companies carrying on any undertaking trade or business in the province of Quebec must pay a tax of "one-eighth of one per cent upon the amount of the paid-up capital to one million dollars and fifty dollars for each one hundred thousand dollars or fraction of one hundred thousand dollars for all sums over one million dollars." There is also "an additional tax of fifty dollars for each place of business, factory or workshop in the cities of Montreal and Quebec, and of twenty dollars for each place of business, factory or workshop in every other place." The Lieutenant-Governor-in-Council may allow incorporated companies a reduction of taxes when their real place of business is outside the province, or when, their chief office being within the province, they employ therein only a part of their paid-up capital, and the larger portion of their capital is outside the province. But the tax exacted must never be less than \$50.00.

The Nova Scotia Act (consolidated and amended in 1912), provides for the payment of a registration fee annually and the appointment of "a recognized manager or agent resident within the Province, service upon whom of any writ, summons, process, notice or other document shall be deemed sufficient service upon the corporation. Any one doing business in Nova Scotia for a company which has not filed the required statement of the affairs of the company and paid the registration fee is liable to pay a penalty of ten dollars a day, the action to recover the penalty being at the instance of the Attorney-General. Prior to 1912 the Nova Scotia Act was clearly a revenue measure, as no license was issued to Dominion companies and registration was merely incidental to the payment of the tax. The 1912 Act provided that an unregistered company cannot bring an action in the Nova Scotia Courts. Taking orders for or buying and selling goods by travellers or by correspondence is not considered to be carrying on business if the company has "no resident agent or representative or no office or warehouse or place of business in Nova Scotia." The Nova Scotia Act still differs from the British Columbia and Ontario Acts in that there is no discretion to refuse registration and in that all companies are treated alike.

Prince Edward Island charges all companies whether incorporated or not and associations whose principal office and organization is not within the province, one hundred dollars per year, which amount may be recovered as a Crown debt with interest and costs by the Provincial Secretary-Treasurer. There

is no penalty or disability for failure to pay the tax except that interest is added if proceedings are taken to recover it. The Act applies only when there is an agent of the company or association residing in the province and business done by commercial travellers or correspondence is not affected. But the objection to the Prince Edward Island Act is that it places the tax of \$100 per year upon all companies of a certain class instead of all companies, as under the Quebec Act. And the Prince Edward Island Act differs from the Nova Scotia Act in that the latter puts Dominion companies on the same footing as its provincial companies for the purpose of taxation.

The well known commercial travellers tax of Prince Edward Island gave rise to many complaints, and in 1909 was repealed. The Acts of Ontario, New Brunswick, Manitoba, Saskatchewan, Alberta, the Yukon Territory and Nova Scotia since 1912 are practically the same and only apply to companies which maintain an office or place of business or a resident representative in the province or probably a company having a traveller residing in the province. The most objectionable feature of these Acts is the clause making it unlawful for any company to maintain an action in any of the Courts of any of these Provinces until it had taken out its license.

The British Columbia Act included "every extra-provincial company having gain for its purpose and object" with one notable exception, namely, The Hudson's Bay Company, and does not exclude business done by commercial travellers or correspondence and contains in particular the clause, considered the most objectionable, providing that an unlicensed company "shall not be capable of maintaining any action, suit or other proceeding in any court in British Columbia in respect of any contract made in whole or in part within this Province in the course of or in connection with its business contrary to the requirement of this part." This objectionable provision is now of no effect so far as Dominion companies are concerned but there is still to be decided the question as to what power a provincial company has to do

business outside its own province and also whether or not provincial legislatures have the power to lay down the terms with which foreign companies must comply before they are lawfully entitled to do business in Canada. It is probable the Privy Council would decide this last question is a matter for the Dominion under the head of "trade and commerce" rather than for a Province under the head of "civil rights."

The question remains as to whether this decision does not still leave to the Provinces considerable power of restraint over Dominion companies. The decision is clear enough in its ruling as to the legislation existing in British Columbia, but is not at all so definite in its suggestions as to what forms of restrictive legislation might take and still be intra vires. As already stated, provincial legislation cannot destroy the status and powers of a Dominion company as such. Their Lordships held that to enact the provisions of the British Columbia statutes "in their present form" was not within the power of the Legislature, because they thought these provisions of Dominion companies, and to preventing them from exercising the powers conferred on them by the Parliament of Canada."

But Dominion companies are subject to— 1. "Provincial laws of general application enacted under the powers conferred by s. 92 of the B.N.A. Act and (2) Taxation by way of a license to trade which affects a Dominion company in common with other companies."

3. The Lord Chancellor stated what he evidently intended as a third qualification, namely "subject to the powers of the province relating to property and civil rights under s. 92 for the regulation of contracts generally."

It does seem that a provincial statute might be specially directed to some matter within s. 92 (say taxation) rather than interfering with the powers of the companies and possibly have the effect of restricting the powers of such a company without necessarily being of general application to the rights

AMERICANS ARE HOT FOOT AFTER ORDERS FROM BRITISH GOVERNMENT.

Toronto, Ont., January 14.—Mr. A. J. King, who is in England in search of orders for boots from the Imperial Government, says that Canada has been getting quite a few decent orders, but he is convinced that if the manufacturers had taken this matter up seriously at the outbreak of hostilities, they would have had considerably more.

"The fact is the ordinary Englishman is not aware of our resources outside of agricultural and food products," he continues.

"Our American friends have been here and are still here for everything, from the proverbial needle to an anchor. The Savoy, Cecil, and other popular hotels are full of hustling Americans representing cotton goods of all descriptions, shirts, underwear, socks, fleeced underwear, sheetings, absorbent cotton, etc. I met one chap whose firm got an order for 500,000 tents; I am at liberty to quote this, for it is no secret now.

"Then there are woollen men, with underwear of every description, blankets, etc. etc. steel men from Schwab down, and you can take it from me, the Americans are getting some fat orders in steel, galvanized and barbed wire. There is also an army of shoemen here, a number from Boston and other towns in Massachusetts, not forgetting our own Canadian men representing Montreal, Quebec, and Ontario. In a word, the seller is up against a world competition.

of the public or even without being applicable in common to other companies. The decision seems in an indefinite way perhaps to suggest that such a statute is possible. The examples given in the decision of approved restrictive legislation were probably selected because they are apparent and conservative rather than as indicating the limit to which such legislation may go.

SASKATCHEWAN FARMERS ARE URGED TO CONSERVE ALL STOCK

All Authorities Are Agreed That Meat is Likely to Ascend into the Realm of Luxuries Ere Very Long. Indications Point That Way.

Saskatoon, Sask., January 14.—In a new country in process of development from the raw by mostly poor men, and mostly on credit, the existence of accumulated money for the weathering of any unpropitious exigency, cannot be expected. If the oat crop fails as it did last season, and if feed, in consequence of this and other circumstances, soars to high prices, the rushing of stock upon the market is the inevitable outcome. And, as the market, under normal conditions, would now be very strong, can only absorb a certain maximum without glutting, prices have been most disappointing of late. It is true that the effect of a glutted market upon prices has been aggravated by the poor condition of much of the stock received, and which resulted from feed shortage. It was unfortunate, too, that the recent removal of the United States foot and mouth disease embargo flooded the markets of that country at the same time and with results equally disastrous to prices. However, this unsatisfactory condition is merely transitory, a fact that is now being impressed upon the farmer by the Dominion and Provincial Governments which are doing everything possible to enable the holding of stock for better prices inevitable in the near future. Meantime, all authorities are agreed that meat is likely to ascend into the realm of luxuries ere very long. Certainly, all indications point that way.

JAMES BICKNELL'S ESTATE.
The late James Bicknell, K.C., the Toronto lawyer, left an estate valued at approximately \$400,000.

BUSINESS IS SLOW IN BRADFORD WOOL

English Wools Strongly Held—Spot Merinos are in Some Enquiry—Mediums and Lows Slow

SPINNERS ARE BUSY

Recent Advance in Buenos Aires Has Not Checked Business—This Month's Deliveries Causing Top-makers Considerable Anxiety—Prices Firm.

Bradford, December 31. (by mail).—Holiday and stock-taking influences combine to make business in the wool trade rather slow. There is some inquiry for spot merinos from spinners who have been disappointed in regular deliveries expected this month, but on account of the more than ample supplies on hand and the fact that users will not longer buy ahead of their needs. The difference between spot and future prices for spot merinos is now not much more than a halfpenny. For crossbreds 50's and 56's are inquired for, and quotations remain steady. Medium and low sorts are able to sell, inasmuch as anything that is sold can only be held, inasmuch as an exorbitant price, if at all. There is a slight concession in the mohair markets at the Cape as close to the holidays, and the demand here is nil. No recent transactions are reported in alpaca.

Spinners of the various kinds of khaki yarns are very busy on old contracts, but for the time being no much new business is coming forward. There are still, however, buyers in the market for blue-green mixtures for the French cloths. Botany spinners are well employed on whites for the dress trade, and also on hosiery yarns, and particulars are coming forward in abundance, but there are not many new orders about.

There is a fair demand for spot tops of all sorts including even merinos. Although one or two top makers appear to be in difficulties with regard to deliveries on account of the late arrival of wool bought in Australia, there are, of course, plenty of merinos on the market, and prices are easy. The difference between spot and future rates tend to vanish, but some sellers have to-day dropped their quotations for February delivery another half-penny. Users are contenting themselves with buying from hand to mouth, and this will no doubt be their policy for some time.

Spot rates of crossbreds from 46's upwards almost sell themselves, but the turnover is limited by the shortness of the supply. The question of January deliveries is causing topmakers a good deal of anxiety as the congestion at the ports is still unrelieved, and the reply of the Mersey Docks and Harbour Board to the representations that were made to them regarding the position at Liverpool urges many excuses, but makes no promise of amendment. The recent advance at Buenos Aires has not checked business, and importers report having made large sales here this week. A fortnight ago it was stated that 50 per cent of the Bradford style crossbreds, had been disposed of, and as selling continues briskly the season is expected to be over by the end of January. French buyers are reported to have been operating on a fairly large scale in the Buenos Aires market recently—presumably against the time when the Germans will be compelled to relinquish their hold on the manufacturing districts of the North. One of the results of the British embargo is that River Plate merinos are pence a pound dearer than Australian.

IRON AGE ON STEEL SITUATION.

New York, January 14.—The Iron Age says:—Steel works are increasing slightly their rate of operations and for this week, a number of large companies are running at 40 to 50 per cent. capacity. The Steel Corporation's percentage is 45, and it may be able to increase this shortly to 50 as specifications are rather better.

Taking the trade through the first half of January has brought no new turn. The railroads naturally require some time to canvass and finance their needs. Wage readjustments affecting principally the highest paid men are being made by a number of steel companies and are an inevitable result of the long depression and low-priced business on which mills will be working for three months and probably longer. Rail buying thus far and that in prospect gives no assurance of more than partial employment for rail mills through the winter.

The New York Central has placed a part of the 40,000 tons on which it asked prices on January 4th. New Haven is to buy 18,000 tons and the Boston & Maine 15,000 tons.

THE HIDE MARKET

New York, January 14.—The market for hides lacked new features yesterday. Tanners did not manifest much interest in common dry hides, and no further sales were reported.

The market retained a firm tone, however, and previous quotations were repeated. There were no changes in wet or dry salted hides.

The city packer market was quiet.

	Bid.	Asked.
Orinoco	32 1/2	33 1/2
La Guayra	31 1/2	32 1/2
Puerto Cabello	31 1/2	32 1/2
Caracas	31 1/2	32 1/2
Maracaibo	31	32
Guatemala	31	32
Central America	31	32
Ecuador	31 1/2	32 1/2
Riohacha	26	27
Vera Cruz	26 1/2	27 1/2
Panama	26	27
Tabasco	26	27
Yucatan	26	27
Dry Salted: Selected—		
Payta	21	22
Maracaibo	21	22
Perambuco	21	22
Natamoras	21	22
Wet Salted:		
Vera Cruz	17 1/2	18 1/2
Mexico	16 1/2	17 1/2
Santiago	16 1/2	17 1/2
Camaguey	16 1/2	17 1/2
Havana	16 1/2	17 1/2
City slaughter, spreads	17	18
City slaughter, steers, 60 or over	17	18
City bull	16	17
City cow, all weights	16	17
Country slaughter, steers, 60 or over	21	22
Country slaughter, cow	20	21
Country slaughter, bull, 60 or over	15	16

PLAYER'S
NAVY CUT
CIGARETTES

10 Cigarettes 10

10 FOR 10¢

THE IRON DUKE
Flagship of Great Britain's Home Fleet.