

57. The fact that a company incorporated under an Act of the Dominion Parliament, with power to carry on its business throughout the Dominion, chooses to confine the exercise of its powers to one Province cannot affect its status or capacity as a corporation, if the act incorporating the company was originally within the legislative power of the Dominion Parliament.

Companies may, therefore, be incorporated either under Dominion or Provincial charter. Important questions of law have arisen as to the respective legislative powers under the British North America Act of the Dominion of Canada and of the Provinces of Canada in relation to the incorporation of companies. It was suggested that the true construction of Sub-section 2 of Section 92 of the British North America Act limited the exercise by a provincial company of its corporate powers to the territory of the particular province by which such company was incorporated. The opposite view, however, was taken by a majority of the Judges of the Supreme Court of Canada in *Canadian Pacific Railway Company v. Ottawa Fire Insurance Company* (39 S.C.R. 405), where it was held that a company incorporated under the authority of the Provincial Legislature to carry on the business of fire insurance is not inherently incapable of entering outside the boundaries of its province of origin into a valid contract of insurance relating to property also outside of those limits.¹ Notwithstanding this decision it is felt that the questions of law regarding the respective legislative powers of the Dominion and of the Provinces in relation to the incorporation of companies have not been finally or completely settled. With a view to this being done a series of questions, drawn up by the Minsiter

¹See also *Citizens v. Parsons*, 7 A.C. 96; *Colonial Building v. Atty. Gen. Quebec*, 9 A.C. 57.