

The Companies Act, under which the company was incorporated, was afterwards re-enacted by 2 Edw. VII. ch. 15, which in turn became chapter 79 of the Revised Statutes of Canada, 1906, but the various sections bearing upon the point in question here were left unchanged in substance, the chief change being in the numbering. For convenience, therefore, the provisions of the R.S.C. 1906 ch. 79, will be referred to instead of those of the earlier Act.

All companies obtaining incorporation under these Acts must, in general, govern themselves in accordance with the statutory provisions. All are alike subject to and controlled by these provisions. There are no distinctions dependent on the number or character of shareholders. Whether a company is intended to be one with shares for which all the world is invited to subscribe, or is intended to be a "one man" company, it must find its power within the four corners of the Act and the letters of incorporation. The letters of incorporation of the appellant company contain no special provisions. They constitute the petitioners and all others who may become shareholders in the company, a body corporate and politic with all the rights and powers given by the Act—no other rights or powers are expressly given.

What then are the powers given by the Act with regard to the transfer of shares? Do they carry the right to the directors or shareholders to prevent holders of fully paid-up shares of the capital stock who are not indebted to the company, transferring their shares, except with the consent of the board of directors, and to refuse to allow any person to hold or own stock without the consent of the board?

The cases of transfers of unpaid shares, shares on which calls are in arrear, and shares the holders of which are indebted to the company, are expressly dealt with by the Act, secs. 65, 66 and 67. In these instances the consent of the directors is necessary to render a transfer valid.

To fetter alienation of shares fully paid up and held by one not indebted to the company is, it is almost unnecessary to say, a serious innovation upon the ordinary right of the holder of personal property—which these shares are declared to be—to freely sell and transfer it to any one who desires to become the purchaser.

In a matter of such grave consequence to the holders of shares, hampering, as it would, their dealings with them and very materially affecting their market value, it is not surprising to find that throughout the Act, Parliament has not deemed it proper—as it has in the other cases—to confer, in unmistakeable