

This decision, also disposes of the objection that Provincial legislation cannot interfere by taxation, with the operations of Banks chartered by the Dominion Parliament.

It is also objected, that the Act in question is a tax upon the franchises of corporations, and therefore a license, and consequently *ultra vires*.

In answer to this objection, it is opposed that their Lordships of the Privy Council have declared in a former decision, that an Act cannot be a License Act unless it contains a prohibition against carrying on the business licensed if the license tax be not paid. As there is no such prohibition in the Act in question, the objection that it is analogous to a License Act has no foundation.

It is also objected that the Act in question is not in relation to taxation *within* the Province.

In answer to this objection, it is opposed that the restrictive principles necessarily governing every system of taxation is, that the power of taxation must be limited to subjects *within* the jurisdiction of the power imposing the tax. These subjects of taxation are—persons, property and business. The Constitutional Act of Canada has therefore restricted Provincial taxation in express terms, by providing that it should be “within the Province.”

But considering all corporations as artificial persons, a domestic corporation, having its *head office* within the Province, is naturally and properly treated as having its domicile there, and is therefore liable to taxation there, on the whole of its capital. And a foreign corporation, having a *place of business* within the Province where it transacts business through its agents, who represent it there, is treated as personally present and doing business, through its representatives “within the Province,” and, as the capital of a corporation is held in law to be personal or movable property, it therefore follows such artificial person or corporate body, and has its *situs* within the Province. And the whole of the capital or income of every corporate body may, therefore, become subject to taxation within the Province where it carries on business or has a residence.