

how legal responsibility could be fixed upon any body of men acting together for a common end, and yet at the same time how the legal liability of each individual could be defined. For example, one thousand men might unite in order to build a railway, each subscribing, say, a thousand pounds. But the law regards them as so many separate individuals, and as such no landowner would sell them the land upon which the railway was to run, no one would work nor manufacture for them, nor enter into large negotiations with them, unless the whole thousand men separately signed the necessary contracts, promising to pay for what they received. It needs no argument to prove that business so conducted is impossible, and consequently the object to be attained was the incorporation or forming into one body—which in all transactions could be legally represented by one or two men—of all those who determined to enter into such a business companionship. At first, then, in English history we find that this was done either by the Sovereign granting a Royal Charter, or by Parliament passing an Act to incorporate and give a legal existence, rights, and privileges to various guilds, societies, and companies. As trade increased, and with it, population and its myriad needs, the hands of Parliament became too full to undertake these little private Bills, and so a Royal Charter became the ordinary method. But after a time the demand for these became so great that it was realised that some less cumbersome and more expeditious means of incorporation must be adopted. And so Parliament passed a Companies' Act, which provided that any seven or more persons united together in business or trade might form themselves into one body corporate by a very simple process. This consisted in stating—according to one form given in the Act—the various objects for which the subscribers had joined together, and—in accordance with another form prescribed by the Act—the exact rules under which the subscribers desired to work. These two documents, called respectively the memorandum of association and the articles of association, were to be printed, and two copies of each were to be sent to an official appointed by Government for the purpose. It was his duty to see that the documents were drawn up in strict accordance with the requirements of the Act. If satisfied upon this point, he returned the copies to the promoters of the new company, to be signed by at least seven subscribers to the undertaking. When this had

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been done it became the Registrar's duty to enter the name and particulars of the society upon the Register of Companies, kept at Somerset House. The issue of a certificate of registration and the payment of certain fees completed the transaction. The society was then recognised by law as an incorporated body, became endowed with certain rights, and had corresponding duties to fulfil.

So far, then, as incorporation goes, the above procedure is all that is necessary now, and every year hundreds of companies are registered at Somerset House in this manner. But other matters involved further changes and additions to the Companies' Acts. We need only refer to two of these to illustrate our argument. Societies formed in the way which we have described sometimes incurred vast liabilities, and if their schemes failed, correspondingly great debts. By the first Acts it was provided that these must be paid by the members, and in some instances the greatest hardships were caused. For example, a society composed chiefly of poor persons, and in which one or two richer men, for philanthropic motives, had taken a small share, failed for a very large amount. The poorer members could not meet its liabilities, and these therefore had to be defrayed by the benevolent gentlemen to whom we have alluded, and at least one of whom was completely ruined. Scandals such as these became of frequent occurrence, and finally an Act was passed whereby the liability of every member of a Registered Company was limited to the amount of the share which he took in the concern, so that once he had paid that sum he could not be called upon for any further contribution. The Act provided that such companies should bear after their name the word Limited, to distinguish them from companies in which the liability of the members was unlimited in extent. But the 23rd section of the Companies' Act of 1867 made a most important exception to this rule. It provides that if a company has been formed not for profit, but for the purpose of promoting "art, science, charity, or any other useful object," and if the company undertakes not to pay a dividend to its members, but to apply all its income to effecting its objects, then the Board of Trade may give such a society permission to omit the word Limited after its name. In numberless instances such permission has been sought and freely given.

The Royal British Nurses' Association has applied, it appears, to be incorporated without the

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[previous page](#)

[next page](#)