

do any good, but it may possibly do a great deal of harm and cause a great amount of trouble and expense to the farmers. At this stage, without committing myself to any distinct action, I beg to move that the debate be adjourned until the next sitting.

Put and passed, and the debate adjourned accordingly.

ADJOURNMENT.

The House adjourned at 8.1 p.m. till the next day.

Legislative Council.

Wednesday, 3rd November, 1897.

Papers presented—Motion: Leave of Absence—Steam Boilers Bill: in Committee; referred to Select Committee—Registration of Firms Bill: second reading (debate resumed)—Companies Act Amendment Bill: second reading moved—Perth Gas Company's Act Further Amendment Bill: Standing Orders suspended; Bill passed all stages—Dog Act Amendment Bill: first reading—Adjournment.

The PRESIDENT took the Chair at 4.30 o'clock, p.m.

PRAYERS.

PAPERS PRESENTED.

By the MINISTER OF MINES: (1) Returns of various life assurance societies, 1896; (2) Report of Government Railways and Tramways, 1896-7.

MOTION—LEAVE OF ABSENCE.

THE MINISTER OF MINES moved that 14 days' leave of absence be granted to the Hon. W. Alexander, on account of urgent private business.

THE PRESIDENT: Before that motion is put, I would like to draw the attention of the House to the number of members who are obtaining leave of absence. We are a very small House, and if this leave of absence be granted, as I presume it

will, it will mean that out of a House of 23 members, exclusive of the President, five will be away on leave of absence. I think that members who are in the colony should make some effort to be present. I am aware, of course, that some hon. members are prevented from attending by severe illness. I would point out that, in matters of urgency, when the Standing Orders have to be suspended, there has to be an attendance of twelve members, besides the President; and last evening I had to wait here for some time, and give a great deal of elasticity to the rule which lays it down that, if there be not a quorum five minutes after I take the chair, the House stands adjourned. As I have said, hon. members residing in the colony should remember that the number of members is limited in the House, and that, if they do not attend, great difficulty may arise in carrying on public business.

THE MINISTER OF MINES: While on this question, I should like to ask you, sir, as to whether the necessary quorum of eight includes yourself.

THE PRESIDENT: The Standing Order is very plain on the subject. It states that a quorum of the Council consists of eight members, exclusive of the President, or some hon. member chosen to preside in his absence,

Motion put and passed.

STEAM BOILERS BILL.

IN COMMITTEE—REFERRED TO SELECT COMMITTEE.

Consideration of the Bill in Committee resumed. Clause 3—Governor may proclaim districts in which this Act is to be in force:

HON. G. RANDELL moved that the order of the day be discharged, and the Bill be remitted to a Select Committee.

THE PRESIDENT pointed out that, in accordance with a previous ruling he had given, the Bill could not, at this stage, be referred to a Select Committee, unless with the consent of the hon. member who had charge of it.

THE MINISTER OF MINES (Hon. E. H. Wittenoom) said he had no objection to the Bill being referred to a Select Committee.

Motion put and passed.

A ballot having been taken for the appointment of a Select Committee, the

following members were chosen:—Hons. A. B. Kidson, J. W. Hackett, and G. Randell (the mover); to report on the 17th November.

REGISTRATION OF FIRMS BILL.

SECOND READING—DEBATE RESUMED.

THE MINISTER OF MINES (Hon. E. H. Wittenoom): Since the adjournment of the debate yesterday, I have had an opportunity of examining this Bill; and, so far as I can see, it is a satisfactory measure, for the introduction of which Mr. Randell deserves the congratulations of hon. members. At the present time, when business is increasing so much in Western Australia, and when a very large number of new people and new firms with new businesses are arriving, it is wise and safe to provide some means of finding out the exact position of those with whom we have to do business. Under these circumstances, I think this Bill will be of very material use; and, having said so much, I have great pleasure in supporting the second reading.

Question put and passed.

Bill read a second time.

COMPANIES ACT AMENDMENT BILL.

SECOND READING.

HON. H. G. PARSONS, in moving the second reading, said: A similar Bill was brought before the House during last session. I brought it forward then, knowing that it could not become law then, but thinking as long a period as possible should be allowed hon. members for the purpose of considering it. I have brought this Bill under the consideration of the Chambers of Mines at Kalgoorlie and other places, the Mine Managers' Institute, and even municipalities and editors of newspapers. So far as I have been able to ascertain, all those engaged in the gold mining industry give their undivided support to the principle of the measure. This matter has, in some shape or form, been before the colony for many months. At first there was some opposition shown to it in London, and that is a point which I will deal with presently. The Bill now before the House differs in some details from the measure introduced last session. The latter measure was brought before the Kalgoorlie Chamber of Mines on October 10. I

was then, and am now, vice-president of that body, and I thought it of great importance that the members, who are the leading mine managers of the colony, should give their opinion as to the practicability of the provisions; but I found, greatly to my surprise, a certain amount of opposition in that Chamber. I say that opposition was to me a surprise, because the Bill originally was fathered by that body, by whom I was instructed to bring it forward. I found that the opposition was chiefly to Clause 2, which provided that every foreign company having a registered office in Western Australia should cause to be kept a local register. Mr. Callaghan, of Lake View, who is president of the Chamber now, and one or two other leading members of the body, brought forward an amendment which is embodied in the present Bill, providing that when colonial shareholders hold or are entitled to a proportion of not less than twelve and a half per cent. of the total shares in the company, a register shall be kept. I think Mr. Callaghan was perfectly right, and I accepted his amendment. The principle there is a very just one. Unless a very fair proportion of the shares are held in Australia, it would be unfair to compel a company to have a local register. Those members of the Chamber who sided with Mr. Callaghan on that occasion acknowledged that it should be enough for us that the proportion specified should be held in these colonies as a whole. That is, we need not inquire whether the shares are held in Western Australia in particular, but so long as 12½ per cent. of the shares are held in Australia, then it was only reasonable, according to the ideas of a large body of influential and practical men, that a register should be kept in the colony. I have obtained good arguments and facts in support of this Bill from men of a great deal longer mining experience than myself. I am told that the Ballarat and Bendigo mines are, and have been almost from the outset, really supported and developed out of local funds and investments. Adelaide has pretty much the same history, and I really believe it might be better if we adopted the policy of Adelaide, and, instead of encouraging horse racing, encouraged mining investment as a legal form of gambling, which

would probably tend more to developing the country than what is generally known as "sport." Some years ago a measure of this kind was brought forward in the Legislative Assembly, and thrown out on the ground that to carry it out would frighten English capital. That, however, happened in a day when, I think it is not too much to say, the people in this colony were not sufficiently acquainted with the habits and susceptibilities of the English capitalist or investor to be rightly capable of forming an opinion. I think it very significant that the chief persons in this colony who are connected directly with the English investor and capitalist are the strongest supporters of the principle of this Bill, which has also been before that section of the London Chamber of Commerce which particularly attends to mining, and before the Westralian Chamber of Mines. It has been before the latter body for so long that they have ceased to offer opposition to it. The whole of the shares of the North Boulder mine, with which I am connected, and which is a very influential and prosperous company, are held in London. My co-directors were very strongly opposed to the measure, and several of them met Sir John Forrest when he was in London, and told him it would be the ruin of the colony if the Bill passed into law. I had communicated with my co-directors in London, forcibly pressing upon them the necessity for such a Bill in their own interest, and they grew frightened, and went to Sir John Forrest to ask him to lend them his support in opposing the measure when it was brought forward by me. Since that time those very directors have telegraphed out a power of attorney, giving authority to start a share register in Coolgardie. That means that the strongest opponents of the Bill in London have seen, as business men, that it is to their interests, and the interests of their shareholders, that a Bill like this should be passed. The mere fact of that company caving in, after having taken the decided stand it did, is a very strong argument in favour of our passing the Bill now. The general principle of the Bill is that, if there is a big mine within a reasonable distance of any leading centre in the colony, that mine ought, to a certain extent, to be owned by

local residents. From my experience of the gold-mining community, I find that men employed on a good mine—men of all ranks, from the manager downwards to the men looking after the boiler, who know most about the mine—are the most likely to invest their savings in that mine. If you encourage that principle, well and good; but that principle has not been encouraged on the goldfields, and the consequences have, I think, been absolutely disastrous to the fields and the colony. Mine employees in this colony are very highly paid—too highly paid, I think, for the interests of the colony and themselves in the long-run—and a man getting £4 a week has a very large margin, if he is not obliged to send the whole of it away to the other side for the maintenance of his wife and family, and he could, if this Bill were passed, invest in the shares of the company by whom he was employed. The fact of the employees being holders of shares is a big guarantee to other shareholders of the *bona fides* of the mine. If it is generally known—as all these things ought to be known—that the working men employed and drawing wages from a particular mine are large holders of shares and always eager to buy, the shares of that mine will rise in value, thus increasing the property of the shareholders generally. It is a fact that, if you give working men a chance of buying into a mine, the other shareholders, resident perhaps in London, profit financially forthwith, materially and permanently. Apart from that, and looking at the question from a slightly broader point of view, I would say that it is to the interest of this colony that mines in the neighbourhood of Kalgoorlie, or any other mining centre, should be locally owned. If they are locally owned or partly locally owned, even up to 12½ per cent. of the capital, and if those mines turn out wonderful amounts of gold, and give very heavy dividends—as some have been doing, and as they are going to continue to do—then the local people prosper, and the colony shares that prosperity with the locality. At present, the Ivanhoe, the Great Boulder, the Lake View, and half-a-dozen other leading mines are not locally owned. These mines might as well be in some other colony, or in another planet, if it were not for the

actual wages bill. The wages bill is the main object of the Mines Regulation Act, and the mining policy of most of the Acts on this continent. At Southern Cross the majority of the people are subsisting on the wages bill of Fraser's and one other mine. The people at Hannans and in the Boulder country are subsisting no doubt on the wages bill of, roughly, £4 per week per man of half-a-dozen, or perhaps ten, mines. At the same time, those towns would be infinitely more prosperous, and consequently the colony would be more prosperous, if the mines were not only employing wages men, but were owned to a certain extent by the people of the district. I can state, from my own experience and knowledge, and with the utmost confidence, that those mines would be locally owned to a very much larger extent if such a Bill as this now before the House had been in force two years ago, or even one year ago. I know that, in the case of the North Boulder, the working men held a very large share, which they had bought in the open market. The vendors' shares went to a friend of mine in England, who has them there, but the working men bought up the shares and had their scrip sent out. As I mentioned last session, these workmen missed certain profits accrued to the company, owing to subsidiary flotations and increase in shares. It was an open secret that these men were intended to miss those profits. It was held in London that these working men should be regarded as vendors, who ought not to participate in profits until the people who had bought in the open market had benefited. That was an immoral, and a wrong, unbusinesslike, and illegal view to take. But it happened, and it is not the only case. The result has been, not only in the case of that mine, but in connection with all leading mines, that shares which were once held largely in Kalgoorlie are now not held there at all. The local inhabitants, whether working men or shareholders, or other resident investors, do not hold to any large extent shares in those mines. What shares are held in the colony are largely held in Perth. I do not put this matter before the House as a sharebroking matter. I never hold shares, except as a vendor of leases. I never do deal in shares, and do not believe in encouraging

very much share dealing; but to encourage the local owning of mines is incontestably correct. It is to the interests of our common prosperity that those mines, which Providence has gifted the colony with, should, as far as possible, be kept in the control, and conduce to the enriching, of the citizens of the colony. An objection is raised that the expenses which would arise if this Bill were passed would be so heavy as to frighten investors. To some extent that objection might hold water. In 1895, when the boom was very strong, a great many companies were floated in Adelaide for dealing with Kalgoorlie mines in particular. I mention these, because my experience of Kalgoorlie is more extensive than my experience of other places; but the principle applies all over the colony. Mines were floated in Adelaide with a small capital, a very small proportion of which was called up. It has been represented to the Coolgardie Chamber, and to myself, that a Bill like this might be oppressive, and might bar the flotation of small companies, and, consequently, stop development. I do not think that is reasonable, or is likely to be, in the long run, a serious objection. I am informed that legal managers in Ballarat—under the Victorian law there have to be legal managers—keep their share register for £3, or thereabouts, weekly. That really means that the registered offices of a company, including the share register, can be run for about £500 a year. Under the present law it is absolutely necessary for a company to have a registered office, and therefore the difference in cost between keeping an office and keeping a share register is not likely to amount to a fatal objection. Then there would naturally be the fees for transfers, which would probably pay for the expenses of keeping the register, and consequently the local owning and dealing in shares would raise their value, unless it were a wild-cat mine, to a great deal larger extent than the £500 per annum required to keep up the office and register. Again, the expense of cabling home in reference to ordinary share deals would be saved absolutely. More money would be paid in salaries in the colony for the keeping of the registers. It would not be statesmanlike or just to pass a Bill of this kind merely for the purpose of employing

more clerks but the fact must be remembered that a great many more people would be employed in those offices. The danger and loss involved in transmission by post of scrip, either to Adelaide or London, would be obviated. By encouraging local investment we should take a very long stride forward, and would keep the wages of the men themselves in the colony. A large amount of money is sent away to the other side every week, but a very large proportion of that amount would be kept in the colony if the men had a fair chance to invest in local mines. I know companies which are of good standing here now, but which are so little known in England beyond a limited circle that it would be impossible to sell 4,000 shares in connection with them; whereas if there were local registers, and the mines were locally held, a man could sell or buy those shares with the utmost freedom and without knocking the market out. I do not purpose to go into the clauses of the Bill to any extent, most of them being practically formal. Clause 2, which provides that a local register shall be kept by foreign companies, contains the gist of the Bill. The clause sets forth that every foreign company, having registered in Western Australia, when the colonial shareholders—by which is meant shareholders in any part of Australia—hold or are entitled to a proportion of not less than $12\frac{1}{2}$ per cent. of the total shares, shall cause to be kept a local register on which shares can be transferred, and dividends and profits accruing from subsidiary flotations, or any other source, shall be payable. The words "held or are entitled to" are significant. The day has gone by when vendors' shares are likely to accrue to any people in the colony. Two years ago most of the people on the fields, who were prosperous, were living on the sales of mines. I do not know that this is likely to happen to a large extent in the future, although sales are always occurring in any given period of two or three months. It has been the case in the past that holders of vendors' shares did not get them, or, at all events, got them at such a stage, or under such conditions, that they did not profit by the shares. But twelve and a half per cent. of shares held by owners on this side of the equator has been accepted as a fair proportion, and, if this Bill

were passed, a meeting could be held and the shareholders could demand a local share register. Clause 6, providing that a register may be closed, is absolutely necessary, as registers have to be closed at certain times in the year. I do not think I have any other clauses to direct your attention to. I would like to say, however, that a provision, which I have discarded, I regarded as most valuable. That provision was that companies should deposit a certain percentage of their capital in some local bank, to be available for the payment of wages. I discarded that provision as likely to provoke a certain amount of opposition. I did not wish to shipwreck this Bill, which is of the utmost importance to the colony, and I thought it better to deal with the matter of a wage deposit later on in a separate measure. It is considered on the fields most important that companies should have a certain amount of their capital deposited in the colony, and available to be shot at by persons who have legal claims on that company. This matter however requires a great amount of consideration and adjustment, and might be regarded as an illegal interference with private interests. I have therefore left that provision out of the Bill, as it is at present presented to you. From all one can learn, this Bill will have the support, not only of all the Chambers of Mines and similar bodies on the fields, and of Stock Exchanges—though the latter deal more in shares, while this Bill is directed towards the support of mining as such, and not as a speculative or gambling affair—but of all persons who have the interests of the mining industry really at heart. The people on the fields are looking for and will, I am sure, be grateful for, such a Bill. I cannot see any harm that can be done by such a measure. The only opposition that could be expected or feared would come from London. In the interests of the colony, it is advisable to have the utmost freedom of trade and exchange in shares, and to make it as easy as possible for our citizens to benefit in the shape of dividends or in any other way. The London investors, whom we desire to consider and support, would, if they objected and the Bill passed, be forced to participate in profits against their will. I think many who now object

would, after the Bill had been in operation for a few months, be the first to come forward and say they were grateful to this Parliament for having passed a measure which put money into their pockets. It stands to reason that if you encourage people here to invest, and particularly in mines situated within the borders of their own colony, those mines will profit, and the shareholders in London would be the first to benefit by the rise in the value of the shares. The colony would profit by the enrichment of our citizens, who would then be able to re-invest their money in mining. I say advisedly that, after long consideration of this question, I believe the passing of this Bill to be of the most vital importance to the colony, and that we should have been more prosperous if the mines had been locally owned, and this Bill had been in operation for many months past.

HON. A. P. MATHESON: I do not intend to take up the time of the House to any great extent. I say, straightaway, I do not think the present measure, although desirable in itself, is an improvement on the Bill submitted last session. As I happened to have drafted the original Bill, I should like to deal with one or two clauses now before the House. Two or three little blunders which crept into the original draft have escaped Mr. Parsons' notice. For instance, in Clause 12, dealing with the register of mortgages, bills of sale, &c., to be kept, there should have been inserted at the end of sub-clause 1 a provision that, without registration, such charges should not be valid at all. At present the clause does not read in that way. In Sub-clause 2 of the same clause, in the first line, the words "in the colony" were omitted by accident, and the clause will have to be amended so as to read, "If any property of a foreign company in the colony shall be mortgaged or charged," &c. It could never have been the intention of anyone in this House that the property of a foreign company, mortgaged outside the colony, should be registered. I should like to point out to the House that most of the clauses of this Bill are simply taken from the existing Local Companies Act, with some slight alterations to make them suitable for the purposes for which they are now intended.

Under these circumstances there should not be any very great objection to a single clause in the present Bill. For instance, Clause 5 is practically the same as Section 34 of the present Act; Clause 6 is practically the same as Section 35; Clause 7 the same as Section 28; and Clause 8 the same as Section 30, and so on, of the present Act. Even Clause 12, which deals with mortgages, is the same as Section 43 of the existing Local Companies Act. These provisions were all considered necessary in the present Act, and, when hon. members consider that fact, they will be less inclined to criticise their insertion in this part of the Bill dealing with foreign companies.

THE MINISTER OF MINES (Hon. E. H. WITTENOOM): Hon. members have listened with very great interest to the clear and lucid explanation on this Bill given by Mr. Parsons. From what we have gathered from his statements, and also from remarks made by Mr. Matheson, it seems at all events to be the opinion of those two representatives of the goldfields that a Bill of this description is necessary. There is only one point which arises in my mind in connection with it. I have not had time to read the Bill, but the question which suggests itself to me is, as to whether the placing of such a measure on the Statute Book of the colony would in any way interfere with the introduction of capital to Western Australia. We are all aware that capitalists are very tender in their ideas of interference. They are the owners of their own money, and if they consider they are interfered with—however rightly we may think that interference is—we must be most careful before introducing such legislation. I am not saying that this Bill will interfere with the introduction of capital into the colony, but the principle involved in the Bill is, that those capitalists are to do certain things in the management of their companies, which probably are carried on with their own money—with money taken from their own pockets in England. The company is carried on by those capitalists, and mines are owned by them, and yet we are dictating how they are to spend that money. We have to look at that phase of the question. I feel sure that many of the arguments and suggestions brought forward by Mr. Parsons will do

a great deal of good. No doubt the gold mining industry would be benefited to a very large extent by such a Bill as this. The only question, and one which hon. members will have to consider very carefully, is how it will be regarded by capitalists in foreign countries. With these remarks, I move the adjournment of the debate until Wednesday next.

Motion for the adjournment of the debate put and passed, and the debate adjourned accordingly.

PERTH GAS COMPANY'S ACT FURTHER AMENDMENT BILL.

ALL STAGES.

HON. F. T. CROWDER moved the suspension of the Standing Orders, to allow of this Bill passing through all its stages at one sitting.

Put and passed, and the Standing Orders suspended.

HON. F. T. CROWDER, in moving the second reading of this Bill, said: Hon. members who have perused this short measure, and have taken the trouble to look up the original Bill under which the Gas Company of Perth has its charter, will see that the only interests involved are those of the shareholders of the company. Some time back negotiations were entered into by the Gas Company for the sale of their property. It was then found that, in consequence of a word or two being left out of the original Bill, the company, while having the right to dispose of their business, had no power given to transfer the rights under which that business was carried on, and the purchasers would not complete the purchase unless those rights could be also transferred. The Bill now before the House only seeks to make three short amendments in the original Bill. The first amendment gives power to increase the capital of the company to £300,000; the second gives power to the company to dispose of their property and assets; and the third transfers the powers and privileges held by the present company to the purchasers. The Bill has had the careful consideration of the Legislative Assembly, by whom it has been transmitted to this House.

Question put and passed.

Bill passed through committee without debate, reported without amendment, and

report adopted. Bill read a third time and passed.

DOG ACT AMENDMENT BILL.

Received from the Legislative Assembly, and read a first time.

ADJOURNMENT.

THE MINISTER OF MINES moved that the House, at its rising, do adjourn till Wednesday, 10th November.

Put and passed.

The House adjourned at 5:30 p.m., till Wednesday, 10th November.

Legislative Assembly.

Wednesday, 3rd November, 1897.

Papers presented—Question: Lengthening of North Mole at Fremantle—Question: Preferential Right to Local Makers of Batteries—Question: Insurance Companies and Fire Brigades—Question: Legislation re Early Closing of Shops—Dog Act Amendment Bill: third reading—Excess Bill, 1896: second reading; in Committee—Noxious Weeds Bill: second reading (debate resumed); Speaker's Ruling (progress suspended)—Adjournment.

THE SPEAKER took the Chair at 4:30 o'clock, p.m.

PRAYERS.

PAPERS PRESENTED.

By the PREMIER: Returns of various Life Assurance Societies (1896); Report of Government Railways and Tramways (1896-7).

Ordered to lie on the table.

QUESTION—LENGTHENING OF NORTH MOLE AT FREMANTLE.

MR. DOHERTY, in accordance with notice, asked the Director of Public Works, Whether it was the intention of the Government to carry out the North