MR. LEAKE: It was necessary to say so, and to let it be seen that we wished to do justice to all parties. He moved that progress be reported.

Motion put and passed.

Progress reported, and leave given to sit again.

ADJOURNMENT.

The House adjourned at 10.35, p.m., until the next Tuesday afternoon.

Legislative Council,

Tuesday, 27th September, 1898.

Papers presented — Joint Select Committee: Official Receiver in Bankruptcy; motion to enlarge powers (postponed)—Criminal Appeal Bill, third reading—Companies Act Amendment Bill, in Committee, clause 1 to new clause, progress reported—Adjournment.

THE PRESIDENT took the chair at 4.30 o'clock, p.m.

PRAYERS.

PAPERS PRESENTED.

By the COLONIAL SECRETARY: Acclimatisation Committee, second annual report. Immigration Restriction Act 1897, Regulations.

Ordered to lie on the table.

JOINT SELECT COMMITTEE: OFFICIAL RECEIVER IN BANKRUPTCY.

MOTION TO ENLARGE POWERS.

HON. R. S. HAYNES: I desire to move, without notice and by leave, "That the Select Committee appointed to act jointly with the Committee of the Legislative Assembly, to inquire into and report on the administration of the Bankruptcy Act by the senior Official Receiver, be also empowered to inquire into and report upon the administration of the affairs of registered companies of which the same officer has acted as official liquidator." As the Committee is still sitting, it is necessary, in order to save time, that leave be granted to me to bring on this motion to-night.

THE PRESIDENT: This is a Joint Committee. A message came down from the Legislative Assembly, asking this House to join with hon. members in another place in appointing a Committee, and this House cannot pass a motion of this kind unless it be assented to first in another place.

HON. R. S. HAYNES: I understand that a similar motion will be moved in another place to-night.

THE PRESIDENT: The proper way, as this Committee originated with the Legislative Assembly, is that a motion should be moved in another place first, and a message come down to us acquainting us of the decision arrived at there.

HON. R. S. HAYNES: Then I can ask permission to bring this motion on at a later stage.

THE PRESIDENT: We cannot be cognisant of what is done in another place until we are notified. Supposing leave were granted here to extend the scope of the Committee, the other House might refuse leave, and then the permission granted in this House would be of no avail.

HON. R. S. HAYNES: I was told that this was the proper practice. The Joint Committee find it necessary to be armed with fuller powers; and although they feel that what they are now asking is within the purview of the powers granted to them, still it is advisable to have the scope of the Committee enlarged by way of instruction. I understand that a similar motion is to be moved in another place.

THE PRESIDENT: If that is so, a message will come down here.

CRIMINAL APPEAL BILL.

Read a third time, on the motion of the HON. F. T. CROWDER, and transmitted to the Legislative Assembly.

COMPANIES ACT AMENDMENT BILL.

On the motion of the HON. H. G. PARSONS, the House resolved into Committee to consider the Bill.

IN COMMITTEE.

Clauses 1 and 2—agreed to.

Clause 3—Local register to be kept by foreign companies:

HON. H. G. PARSONS: In the second paragraph of the clause an amendment was necessary. Neither in the Companies Act nor the Bill was provision made for transfer being affected. The omission had not been productive of serious harm in the past, but might be a source of danger in the future; therefore he moved, as an amendment, that in the second paragraph, line 2, after "1893," the following words be inserted:—"And transfers shall be effected on such register, in the same manner as on the register kept at the head office of the company, and notice of transfer lodged at the colonial office of the company shall be binding upon the company."

HON. A. P. MATHESON: The amendment did not go far enough, but dealt only with a portion of the difficulty. A further provision was desirable setting forth that shares could be transferred from the colonial register to the London register. In the New Zealand Act there was a provision of this sort, and it was obviously needed here. Further, there ought to be provision for a transfer fee. He had understood the Government were going to introduce certain amendments of the Act, and that these amendments would deal with these points; but, apparently, the Government had dropped the amendments.

HON. H. G. PARSONS: Perhaps the difficulty could be met by inserting words to the effect that the London practice of a half-crown fee should be adopted. He had thought, however, that might be dealt with in another place, as he was rather afraid of interfering with money matters in the Legislative Council. Stock brokers were, he understood, quite willing to charge a fee of half-a-crown and get their remuneration on the basis of a minimum.

THE COLONIAL SECRETARY: It was open to the hon. member to insert an amendment providing for fees for services rendered.

HON. H. G. PARSONS: Then the amendment might be amended by inserting after the word "manner" the words "and at the same charges."

Amendment, by leave, amended.

HON. A. P. MATHESON: As to the last paragraph of the clause, and the question of the notice of transfer in London, it was not the custom to accept transfer of notice, but only to accept the actual lodgment of the transfer. Though secretaries of companies there, as a matter of grace, gave a receipt, still the transfer was not accepted until it had passed the board. If a clause were introduced dealing with notice of transfer, which was contrary to the English practice, it might lead to much difficulty. Unless some provision was made for transfer to the London register, a shareholder in the other colonies, or in England, who had once got his shares on the colonial register, would not find the same free market enjoyed by other shareholders. That point was overlooked in the amendment of the Companies Act brought forward last year.

HON. H. G. PARSONS, with a view of meeting the objection raised, asked leave to further amend the amendment by omitting the word "notice" after the words "Head office of the company and."

Amendment, by leave, further amended.

HON. J. W. HACKETT said he did not understand whether the Committee were being asked to assume facts as existing in London, without any evidence being provided. The Committee were not bound to assume that a company, or their attorney out here, would be compelled to give full information as to how the work in London was carried out. But a larger question was opened up as to the entire assimilation of the procedure in Perth to that in London. Would that not be weighting companies here with a burden heavier than could be borne? In London a transfer had to be signed by two or three, or perhaps all the members of the board.

HON. H. G. PARSONS: No; two directors.

HON. J. W. HACKETT: Then the amendment would mean that all companies in Western Australia must have two directors in Perth who must always

be available. There were other points on which it would be found impossible to impose the same conditions as obtained in London.

HON. H. G. PARSONS: It would be useful to have two directors in all cases appointed out here.

HON. J. W. HACKETT: Did the hon. member think that a Bill of this kind, to compel all companies to have two local directors, should pass?

HON. A. P. MATHESON: The position would be dealt with in London in this way, that directors and the secretary would be the witnesses to the seal. It was usual to have two directors and the secretary to witness the seal in every case, but a great many companies only had one director and the secretary. What would happen was that most of the companies would have to pass special amendments to their articles of association by giving three weeks' notice, and afterwards two weeks' notice to get the amendments confirmed, empowering these companies to have a colonial seal. And in the regulations it would have to say that the colonial seal should be witnessed by one director and the secretary. Unless it was already provided by the articles of association, provision would have to be made for the use of the colonial seal. The fact that such provision did not exist was no obstacle to the local Act.

HON. J. W. HACKETT: There would be two directors, according to the regulations, in London, and they would only appoint one director out here. A foreign company might not register a shareholder, but would not refuse to do so. That company could not be punished for not registering, because it would be entitled to get the signatures of two directors.

HON. A. P. MATHESON: There was a penalty for not making the necessary provision.

HON. J. W. HACKETT: No; for refusing to register a shareholder.

HON. A. P. MATHESON: The shareholder came with his transfer all right, and the company was bound to accept it. The company then had to issue a certificate showing that the man held certain shares. The certificate was a mere piece of paper or title which had to be sealed with the colonial seal and witnessed by the secretary and two directors. A transfer would contain only the signatures of the transferror and the man who received the share.

HON. J. W. HACKETT: Not according to our Companies Act. He was speaking of the directors' signature. His point was that if the attorney or the local office declared that the shareholder had not complied with what was required of him by the articles of the company, he could refuse to register, nor could he be fined for that.

HON. H. G. PARSONS: Transfers could be effected in the same way as on the London register, and companies would be bound to provide for that. Companies would be bound to effect transfers. If a company did not choose to facilitate the business by getting the directors' signature the transfer would go through all right; and if a company did not provide for putting a transfer through, the transferrors would be subject to the penalties provided for in the Bill.

HON. A. P. MATHESON: Mr. Hackett misunderstood the difference between the transfer and the certificate, he thought.

HON. J. W. HACKETT: The transfer was nothing unless a man got a certificate.

HON. A. P. MATHESON: The acceptance by the company of the transfer had been ruled in the English courts as the practical termination of the business. The certificate was merely a piece of paper, which, if lost, could be replaced.

HON. J. W. HACKETT: It was the negotiable document.

HON. A. P. MATHESON: Dealing with the question that no company would be able to refuse a transfer; every English company's articles of association contained a form for the transfer of shares, and all the shareholder had to do was to copy that transfer form slavishly, and sign it, and also get a witness.

Amendment put and passed, and the clause as amended agreed to.

New clause:

HON. H. G. PARSONS moved that the following be added to the Bill as a new clause:—

All notices of general or extraordinary meetings, required by law to be issued to shareholders upon the register of the company, shall be issued from the registered office of

the company within the colony, in the case of companies whose head office is in any other colony in Australasia, not less than one month, and in the case of other companies not less than two months before the date of such meeting.

His object was to provide against reconstructions which were becoming such a public danger. In a newspaper of to-day (Tuesday) there was some reference to this matter, as follows:—

It is now reported that Chaffer's Company is about to issue 70,000 new shares at 4s. each, instead of 50,000, as originally announced. The details of the distribution are not available in the colony, and apparently the attorney at Kalgoorlie is not in a position to give any information to colonial shareholders. The company is among those that have no colonial share register, and it is therefore more than probable that—as is so often the case in such new issues—colonial shareholders will not receive advices in time for them to make application for the shares that in the ordinary course would be due to them. At present there are 350,000 shares in the company, the market price being over 6s. per share. The new shares will probably only be offered to present holders in the proportion of about 1 to 5, and will really be in the nature of a bonus. If, however, colonial holders are not given an opportunity of applying, they will not only lose their bonus but also see their present shares fall back a trifle as a natural consequence of increasing the size of the company. It is to be hoped Parliament will remember this, among other instances, when the Companies Act Amendment Bill, having for its object the making compulsory the keeping of share registers in the colony, comes up for consideration.

What the Chaffer company proposed to do was on all fours with what had taken place on other occasions, notably in connection with the reconstruction of the North Boulder and Lake View South. In the case of the North Boulder the directors went so far as to say they did not intend to allow colonial shareholders to participate, and they would not even give thirty days' notice. That resulted in the whole of the colonial investments being withdrawn, and the company drifted into the hands of London holders. Western Australia was in fact robbed of that mine. It was within the power of foreign companies to do the same with every mine that became prosperous. From what he had read it would seem that here was another mine becoming prosperous in Kalgoorlie, the directors of which were going to do the same thing.

HON. F. T. CROWDER: Would two months be sufficient time for notice to be given from London and a reply sent back?

HON. H. G. PARSONS said he was anxious to make the terms as short as possible. A London company could send notice by cable to their agent here, and that agent could then give the notice, and from that day two months would be quite sufficient in the case of a London company, and one month in the case of an Adelaide company.

HON. A. P. MATHESON: The passage of this measure should not be delayed as it was an extremely important one, but it would be desirable for hon. members to see this new clause in print before dealing with it. From his experience in England the articles of association of every company provided for a certain specific notice being given, and if, without considering the Acts of other countries, we passed a law compelling foreign companies to give what we considered a reasonable notice of meeting, we might find ourselves absolutely in conflict with other Acts. If we desired to pass an amendment that should be operative, it was desirable not to put anything into the Bill that was not feasible.

THE CHAIRMAN: If the hon. member moved to report progress, the clause would be in print by the next meeting.

HON. A. P. MATHESON moved that progress be reported.

Progress reported, and leave given to sit again.

ADJOURNMENT.

The House adjourned at 5.30 p.m. until the next day.