

MR. LEAKE: Was it necessary to mention in the Bill that all these particulars should be inscribed on the disc? There was already authority to prescribe these matters by regulation.

THE PREMIER: Yes; perhaps it was unnecessary to prescribe all these particulars in the Bill.

HON. S. BURT: Last session a proposal made by the Legislative Council that dogs should be compelled to wear discs was negatived by the Assembly as impracticable. Collars and discs might be removed by owners, or through contact with fences and other obstacles, and in the end no notice would be taken of their absence, and the law would become a dead letter. That was his (Mr. Burt's) own opinion then and now. If a man had a valuable dog, and it got out of the house without a disc, it would be liable to destruction.

MR. LEAKE: And the owner be sent to gaol for six months.

HON. S. BURT moved that the clause be struck out.

Put and passed, and the clause struck out.

Clause 12—agreed to.

Clause 13—Illegally removing disc:

THE PREMIER moved that the clause be struck out.

Put and passed, and the clause struck out.

Clause 14—Regulations:

THE PREMIER moved that the words "Commissioner of Crown Lands," line 1, be struck out, and "Governor" inserted in lieu thereof.

Put and passed, and the clause as amended agreed to.

Title—agreed to.

MR. VOSPER: Now let the "dogology" be sung.

Bill reported with amendments.

ADJOURNMENT.

The House adjourned at 8.50 p.m. until the next day.

Legislative Council,

Wednesday, 19th July, 1899.

Papers presented—Question: Kangaroos, to Protect—Question: Life-Saving Apparatus, Rottnest—Motion: Leave of Absence—Police Act Amendment Bill; Wines, Beer, and Spirit Sale Amendment Bill; Imported Labour Registry Amendment Bill; Immigration Restriction Amendment Bill, first readings—Motion: Midland Railway Company, Inquiry—Evidence Bill; Criminal Evidence Bill; Perth Mint Amendment Bill, first readings—Criminal Appeal Bill, second reading, debate resumed and concluded—Bills of Sale Amendment Bill, second reading—Adjournment.

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

PRAYERS.

PAPERS PRESENTED.

By the COLONIAL SECRETARY: 1, Registrar General's Report on the working of the Statistical Office from its inception on 1st July, 1897, to 31st December, 1898; 2, Letter from Secretary of Agricultural Department relating to Contagious Disease (Bees) Bill.

Ordered to lie on the table.

QUESTION—KANGAROOS, TO PROTECT.

HON. C. E. DEMPSTER asked the Colonial Secretary whether it was the intention of the Government to bring in a Bill to prevent the destruction of kangaroos for their skins.

THE COLONIAL SECRETARY (Hon. G. Randell) replied:—No; there being no necessity. Full power to protect kangaroos is already provided in the Game Act, 1892.

QUESTION—LIFE-SAVING APPARATUS, ROTTNEST.

HON. A. B. KIDSON asked the Colonial Secretary whether it was the intention of the Government to provide a life-saving apparatus at Rottnest Island.

THE COLONIAL SECRETARY (Hon. G. Randell) replied:—The matter will have prompt attention, and necessary inquiries will be instituted as to what appliances, if any, are required and calculated to be most suitable to the particular circumstances of Rottnest Island.

MOTION—LEAVE OF ABSENCE.

On the motion of the COLONIAL SECRETARY, leave of absence for one month was granted to the Hon. H. Briggs, on account of illness.

POLICE ACT AMENDMENT BILL.

Introduced by Hon. F. M. Stone, and read a first time.

WINES, BEER, AND SPIRIT SALE
AMENDMENT BILL.

Introduced by Hon. F. M. Stone, and read a first time.

IMPORTED LABOUR REGISTRY AMENDMENT BILL.

Introduced by Hon. F. M. Stone, and read a first time.

IMMIGRATION RESTRICTION AMENDMENT BILL.

Introduced by Hon. F. M. Stone, and read a first time.

MOTION—MIDLAND RAILWAY COMPANY, INQUIRY.

HON. R. S. HAYNES (Central) moved:

(1) That a Joint Committee of both Houses of Parliament be appointed to inquire into and report upon—(a) the agreements existing between the Midland Railway Company and the Government; (b) the most effectual method of securing to the public a guarantee for the safe carriage of passengers and freight over the company's line, and the adjustment of any claims that may be made against the company or its mortgagees; (c) and, generally, (2) that the Committee have power to send for papers and persons.

He said: I would like to point out the reason that prompts me to bring this matter before the House. It appears the Midland Railway Company are the only company running a railway for the purpose of carrying passengers and goods in the colony. The railway is owned by a foreign company, the offices being situated in England, and the shareholders mostly resident in England. It was built, as everyone knows, upon the principle that, if the company constructed the line, a certain grant of land would be given out of the land adjoining the railway premises. I need not say the object for which the Act was introduced was to settle people all along the district; and

the idea put before the country at the time was that, if the railway were built, people would settle on the soil in the immediate vicinity, and there would be freight for the railway. We find, however, that instead of people being settled on the land, the land has been locked up, and it is impossible for persons living along the line to get any facility whatever.

HON. R. G. BURGESS: Who has the best of it?

HON. R. S. HAYNES: The company.

HON. R. G. BURGESS: No; two or three men. It is out of our hands.

HON. R. S. HAYNES: I am informed by my constituents that there is a vast amount of land in the hands of the company, and the company have adopted tactics which are always adopted by land-grant companies when they construct a railway. They run it so as to induce a certain amount of traffic over the line, the object being to prevent or stifle any attempts to compete with them, either by passenger or goods traffic or any other means. Having run any competing company out of the market, they endeavour to compel the Government to buy them out at their own figure; and then you have revealed to you a company come to levy blackmail. That is the history of all land-grant companies throughout Australia.

A MEMBER: Why blackmail?

HON. R. S. HAYNES: Because they induce you to enter into a contract on the understanding that, as you wish to develop the country and settle people in the district, they will undertake to do it on condition that you permit them to build a railway; whereas, instead of that, the only object they have in view is to get the Government to purchase the railway at a sum beyond its worth. That is what is called in London "business principles." I repeat, the only object the company have in view is to be bought out. If anyone has been following lately the history of this company, he will find they are in a very peculiar position; and not only so, but the railways of our colony are also in a peculiar position with respect to them, for there is a gap between our system and the railway which is owned by this company. In order to use the whole of our railways, we are bound to use a portion of the

company's railway also; and what is the result? If a person wishes to go from Fremantle or Perth to Geraldton the railway company here issue a through ticket; you pay one fare only, and get a through ticket, and the Government make an arrangement with the Midland Company to pay their proportion for carriage over the line. The Government get a very small proportion, that obtained by the company being five or ten times as great.

HON. A. P. MATHESON: That is for mileage.

HON. R. S. HAYNES: Certainly; but if an accident happen to a person or to goods the Government, and not the Midland Railway Company, pay the damages. That is a "horse of another colour."

While some acids were being carried from a place up the line to Fremantle the jar broke, and some goods were set fire to. Who paid? The Government, and not the Midland Company. The Government had issued a through waybill, and they had to pay, whilst they themselves got no compensation beyond, perhaps, a few shillings for carrying those goods; and although the Midland Company got ten times as much as the Government, yet the Government had, I repeat, to pay for the whole of that damage. That is bad enough; but, of course, it might easily be altered by the introduction of a regulation providing for such cases. I do not think that of itself would be sufficient to ask the House to appoint a Select Committee; but there is another aspect of the question. The Midland Railway Company were a limited liability company, registered, and the company issued debentures, and the debenture holders, not having been paid, have taken possession of the whole undertaking, on the order of the Court. They hold the lines, they employ and dismiss the whole of the employees, and they are supposed, I take it, to answer for damages if any person have a claim against them. But who are the debenture holders? Supposing you take a ticket at Midland Junction, and want to travel to Geraldton; and let us suppose a case where an accident happens. You get injured through a defective carriage or the defective line, or through the negligence of the company; and, if you get injured, you naturally are entitled to bring an action for damages. But against whom will

you bring it? Against the company? No. I hear an hon. member say "Against the receiver." I wish you luck of your action, if you bring it against the receiver. But supposing you go further, and get a judgment against the receiver; what will be the value of it? Can anyone tell me? Will anyone be bold enough to tell me to sue the receiver, or will anyone tell me whom to sue? Supposing you have goods being brought from the Midland Railway, and the goods are lost, against whom are you going to bring an action? And if you can find out whom to sue, tell me from whom you will get the money?

HON. A. P. MATHESON: Why not sue the receiver?

HON. R. S. HAYNES: What is the use of suing the "man in the moon?" You try to sue him, and you will most likely be brought up for contempt of Court. At the present time we have a large line of railway owned by I do not know whom, run by I do not know whom, and supervised by—I do not think anybody knows. People and goods are carried over that line, but no one ever hears of an action against the company for the non-delivery of goods. If you go to Geraldton or anywhere up the line, you will hear wails of complaint about goods not being delivered, but what do the company care? They can carry on irrespective of any claim made against them. You do not know who the persons are that are liable, and no one can find out.

HON. C. E. DEMPSTER: Who receives the freights?

HON. R. S. HAYNES: The station-master; but you cannot sue him, seeing that he is only an agent for the principal; it would be absurd to do so. If you send goods by the Government railways, or travel by the Government railways, and an accident happens, you can bring a claim, for you know who is liable, and there is a fund sufficient to pay; but if you travel by the other line, you do not know who is going to pay, nor who is liable. You do not know whom to sue, because they have so mixed the company up. I believe there are two series of debenture holders, and they have floated themselves into a separate company—a sort of company on a company—for the purpose of looking after receipts from the Midland Railway Company. Now

the Midland Railway Company have absolutely nothing to do with the railway, and the debenture holders have nothing to do with the railway, but there is a limited liability company on the top of the whole lot of it, and no one knows who they are, where they are, or anything about them, and they receive the freights. If the committee sit, I can put before them certain information that will show it is time for us to be awake, because in England people are accusing the Government of this country of dealing with them unfairly, and they are going to take steps to wake up the Government.

HON. J. E. RICHARDSON: They will give you a free pass.

HON. R. S. HAYNES: I think the proper thing will be to be prepared. If the enemy be on the track, we will be in a position to know how we stand. The Midland Railway Company were good enough in their generosity to hand me a pass to travel over their railway while the House is sitting. I do not know whether they sent one to any other gentleman.

HON. R. G. BURGESS: Yes.

HON. R. S. HAYNES: I thanked them and returned it. If I want to go to Geraldton, I can walk up, or go by the steamer, and I think it would be safer to do either than travel on the Midland Company's railway as managed at the present time. I wish, as far as possible, to see if the public cannot be protected against such a chimerical company as this. The company owe a very large sum to the Government, and I do not think any member knows how much.

HON. A. P. MATHESON: Five hundred thousand pounds.

HON. R. S. HAYNES: Can the hon. member tell me when it is payable?

HON. A. P. MATHESON: It commences in 1902.

HON. R. S. HAYNES: Then it will be after the next comet. The company borrow money from us, lock up the land, run a railway through our country, and then are not responsible if any action be brought against them. I ask members if that is the sort of company we want carrying the people of this colony, and charging them full rates? Ought not the public to be protected? Ought not the

residents of the northern district, who are compelled to travel by that line, to be as well protected as those members of the community who travel from Albany up to Perth? If they ought, precaution should be taken. The committee, which would consist mostly of lawyers, would see the documents and agreements existing between the Government and the company, and making inquiries into the working of the company, and the liability or otherwise of the company, or the receiver, to answer claims, and also as to the funds available for the payment of debts. It will then be for the House to decide what steps, if any, may be taken for the purpose of protecting the public.

HON. J. W. HACKETT: What steps can you take?

HON. R. S. HAYNES: I do not know that one can state right off what steps can be taken, but I may mention a very effectual method of dealing with the company, and that would be to treat them as insurance companies are treated; such a very good company as the Commercial Union Assurance Company, which is a very wealthy company, and always pays its claims. Insurance companies have to deposit a sum of money to ensure the payment of claims which may be brought against them; and I think a bogus company like the Midland Railway Company ought to place some guarantee with the Government. The public are not bound to do business with an insurance company, but are obliged to travel by the company's railway; and if a guarantee be necessary in the one case, it is just as necessary in the other.

HON. A. P. MATHESON: And in all instances?

HON. R. S. HAYNES: That is only one suggestion I make. The fact that Mr. Hackett cannot see how the subject should be dealt with shows the necessity for a Select Committee, for the appointment of which no better argument could be offered; and, if the motion be carried, the whole matter will be considered by members of both Houses. I ask leave to amend the motion to provide for five members from this House on the committee, and to give the committee power to sit during any adjournment of the House.

THE PRESIDENT: The better plan will be for the hon. member to move each paragraph separately.

HON. R. S. HAYNES: I move that the first paragraph of the motion be adopted.

HON. F. M. STONE (North): It is with satisfaction that I see this motion introduced, because of the unsatisfactory working of the Midland Railway Company from whom, in a considerable number of claims, it has been found impossible to get any satisfaction. Communications go on until applicants become tired, and then find they have no remedy at all. I know of a case in which an attempt was made to seize some of the property of the company, but the parties were immediately brought up by the receiver for contempt of Court, and had to drop their proceedings like a "hot potato." The travelling public on the line may receive serious damage, yet have no remedy at all. Mr. Haynes has pointed out that goods are carried on the line under Government tickets; but that may be altered, and the public have their goods lost through negligence, and yet be without redress. I am told on good authority that the line is under-manned in every way, and that the expenses have been cut down until the traffic is conducted at considerable danger to the public.

HON. A. P. MATHESON: Is there no Government inspection?

HON. R. S. HAYNES: There is no Government supervision.

HON. F. M. STONE: The information I have received is on very high authority. No doubt the House will vote for the motion, and the committee will arrive at some means of protecting the travelling public, and preventing this company from being managed as at present.

HON. A. P. MATHESON (North-East): I intend to support the motion, but I cannot quite agree with the expressions of opinion by Mr. Haynes.

HON. R. S. HAYNES: About English companies?

HON. A. P. MATHESON: Not about English companies generally, but about this company in particular. No doubt the company when first formed honestly intended to settle the people on the land.

HON. R. S. HAYNES: The hon. member was not here at the time.

HON. A. P. MATHESON: The company expected to make a great profit out of the sale of land; but, almost immediately after the concession had been granted, the Government first reduced the price of land on adjoining Government blocks, and finally decided to give away allotments of land of 160 acres for nothing. Under the circumstances, the company found it impossible to sell a single acre of land.

HON. J. W. HACKETT: How many years was that after the company was formed?

HON. R. G. BURGESS: Ten years after.

HON. A. P. MATHESON: It was a year or two after the line was opened. The formation of the company had nothing to do with the matter, because they could not possibly sell the land before the railway went through, and the railway was constructed only eighteen months or two years before the Government decided on the innovation of giving land for nothing.

HON. F. T. CROWDER: The company absolutely refused to sell the land.

HON. A. P. MATHESON: Under these circumstances, as I say, the company found it impossible to get any adequate price whatever for the land.

HON. F. WHITCOMBE: The company refused £2 an acre.

HON. A. P. MATHESON: The company have lately, I understand, had offers for exceptionally good land.

HON. F. WHITCOMBE: That was four years ago.

HON. A. P. MATHESON: This good land is situated somewhere in the neighbourhood of Mr. Lefroy's property, wherever that may be; but the company declined to sell at a price which they thought was under the value.

HON. J. W. HACKETT: What do the company think is the value?

HON. A. P. MATHESON: I am unable to say.

HON. F. WHITCOMBE: £20 an acre.

HON. A. P. MATHESON: The price offered did not seem to the receiver an adequate price. Under all these circumstances, something ought certainly to be done, because no doubt the development of the country is being retarded. I propose to move as an amendment, that a further paragraph be added to the motion, empowering the Committee to inquire

into the terms on which the concession can be acquired by the Government.

SEVERAL MEMBERS: No, no.

HON. A. P. MATHESON: It is all very well for hon. members to say "No, no"; but the Government cannot get the property before buying the company out.

HON. J. W. HACKETT: The company want £1,600,000.

HON. A. P. MATHESON: Mr. Hackett always seems to know more than anybody else about a subject in debate. In another place the Premier has been asked the terms upon which the company can be bought out, and he returned an evasive answer, to the effect that a proposal has been made, but that it is an impossible proposal.

HON. J. W. HACKETT: The proposal was for £1,600,000.

HON. A. P. MATHESON: It would be interesting, especially to members of this House, in order that they might be able to judge for themselves, to know exactly what was the proposal made to the Premier.

HON. F. T. CROWDER: Ask a question on the subject.

HON. A. P. MATHESON: There is no necessity to ask a question, if a select committee be appointed.

HON. R. S. HAYNES: I do not think anyone has power to sell the land.

HON. A. P. MATHESON: It has been stated that the Midland Company are abusing this colony in England, and I would like to explain how this arose, because the abuse was certainly conveyed to me personally when I was in England. In the session of 1897, an Act was passed dealing with mining on private property; and, while the special mining rights granted to the Hampton Plains Syndicate were recognised, those of the Midland Railway Company were ignored; and when the Midland Railway Company expressed themselves very strongly to me on the point, I was unable to explain why what was fair to one company was not fair to the other.

HON. R. G. BURGESS: The Hampton Plains Company wanted special conditions, and those conditions had to be given.

HON. A. P. MATHESON: A similar document, it appears, was given to each company—I do not know under what circumstances—and those documents were

in London when notice was given that the special mining rights must lapse; and, as I say, the representatives of the Midland Company expressed themselves very strongly, though I do not know with what justice. In the programme of the Government there is a new railway to a point called Goomalling, in order to open up agricultural land stated to exist there. But the Midland Railway actually runs through agricultural land in the Irwin and neighbouring district, which, from all I have heard, is extremely valuable, though this is a point on which Mr. Whitcombe could best inform the House.

HON. F. WHITCOMBE: The land is not worth £20 an acre.

HON. A. P. MATHESON: What the land may be worth is another matter, but it is extremely valuable, and yet no one can use it, because the company will not sell at the price offered. If money can be used for the purpose of acquiring this land, leaving the railway out of account, or taking the railway and the land, it would be much better than building the Goomalling Railway, the prospects of which are very hypothetical. I move as an amendment that a new paragraph be added to the following effect:—

(d.) The terms on which the concession can be acquired by the Government.

HON. J. W. HACKETT: Is that amendment moved in order to encourage the company to put up the price?

HON. A. P. MATHESON: The amendment provides for information which I believe hon. members would like to have.

Amendment not seconded.

First paragraph of motion put and passed.

Second paragraph (in amended form):

HON. R. S. HAYNES moved "That five members be elected, with power to send for persons and papers and leave to sit during any adjournment of the House; and to report on or before the 1st September."

Put and passed.

A ballot for a Select Committee having been taken, the following members, in addition to the mover (Hon. R. S. Haynes), were elected:—Hon. A. B. Kidson, Hon. H. J. Saunders, Hon. F. M. Stone, and Hon. F. Whitcombe.

Ordered, that the resolution be transmitted to the Legislative Assembly, with a message asking for their concurrence.

EVIDENCE BILL.

Received from the Legislative Assembly, and, on the motion of the COLONIAL SECRETARY, read a first time.

CRIMINAL EVIDENCE BILL.

Received from the Legislative Assembly, and, on the motion of the COLONIAL SECRETARY, read a first time.

PERTH MINT AMENDMENT BILL.

Received from the Legislative Assembly, and, on the motion of the COLONIAL SECRETARY, read a first time.

CRIMINAL APPEAL BILL.

SECOND READING.

Debate on motion by Hon. A. B. KIDSON, for second reading, resumed from the previous day.

HON. F. M. STONE (North): I do not intend to occupy the House for long in discussing the Bill, because its provisions have been fully explained by Mr. Kidson and Mr. R. S. Haynes. I need only say I am strongly in favour of the Bill becoming law; and no more powerful argument could have been used in favour of the measure than that which Mr. R. S. Haynes submitted, to the effect that in a civil action an appeal may lie, but in the case of a person whose liberty is at stake there is no appeal whatever. Under the Bill, a man convicted can appeal from the sentence, and he can also appeal from a conviction; and the only question that occurs to my mind is whether sentences on which a person may be allowed to appeal should not be limited to those of six months; otherwise the Courts may be flooded with appeals from trifling punishments. Under the Bill a man sentenced to, maybe, only two months' imprisonment has the right to appeal.

HON. A. B. KIDSON: Why should he not?

HON. F. M. STONE: A magistrate in summary jurisdiction may sentence a man to six months, and in many cases there is no appeal against the decision. No doubt convicted persons would take every chance of appealing.

HON. A. B. KIDSON: Why should a man not appeal, even if the sentence be only a week's imprisonment?

HON. F. M. STONE: As I pointed out a magistrate can pass a six months' sentence, against which there is no appeal.

HON. R. S. HAYNES: There is an appeal.

HON. F. M. STONE: In many cases in summary jurisdiction there is no appeal.

HON. R. S. HAYNES: In nearly all cases there is.

HON. A. B. KIDSON: Yes, that is so.

HON. R. S. HAYNES: There is an appeal in all cases under the Police Act.

HON. F. M. STONE: In many cases in summary jurisdiction there is no appeal.

HON. R. S. HAYNES: I do not know of one case, except where a convict is convicted.

HON. F. M. STONE: We will not, however, go into that question at the present time; but I certainly think there should be some limit to the sentence on which an appeal may be made, and it is a question which we may discuss when the Bill is in committee. Mr. Crowder, who is not here, raised some doubt as to whether there was any appeal in case of a sentence of death; but it is clear there is an appeal in such a case, and if a conviction be affirmed the sentence is carried out, or if it be quashed the sentence is removed altogether, because in neither case can there be any revision. On this Clause 3 of the Bill is very clear, and, though Mr. Crowder may raise the question in committee, I perfectly agree with Mr. Kidson and Mr. R. S. Haynes on the point. I shall occupy no more time, but simply say I support the Bill.

HON. J. W. HACKETT: Who pays the cost of these appeals?

HON. A. B. KIDSON: The person making them.

Question put and passed.

Bill read a second time.

BILLS OF SALE AMENDMENT BILL.

SECOND READING.

HON. R. S. HAYNES (Central), in moving the second reading, said: This is a short Bill, and the effect of it will be simple. I will shortly state what the

law is at present, and then explain the object of the Bill. At present a company formed, either outside the colony or in it, may issue debentures, charging the whole of its stock and its undertaking for money advanced. It may issue those debentures for a hundred pounds each, and sell them either at par, or possibly for £20; it may be carrying on business in the colony, and people may give credit on the understanding that the company owns assets, and that if it does not pay its debts, creditors can enforce claims against the assets of the company. When the company has become heavily indebted, a creditor in the colony either sues or endeavours to obtain payment by winding up the company. The sheriff or the official liquidator takes possession of the goods, and is about to distribute the assets amongst the creditors of the colony, when the debenture holder appears. Nobody ever heard of such a gentleman before; but he certainly makes his presence known, for he goes to the Court and gets an order to take possession of everything. He quietly excludes the official liquidator or the sheriff, as well as every creditor in the colony. I know one instance in which a sum of £60 was paid for a debenture issued at a hundred pounds, and the holder got paid the hundred in full, the creditors of the colony getting nothing, except experience. The object of the Bill is to put companies on exactly the same footing as private individuals; for as companies carry on business in exactly the same way as private individuals, they should be subject to the same laws. If a private individual is carrying on business, and gives a bill of sale which is not registered within a limited time (so that everyone may know of its existence), or which does not set forth the consideration for which it is given, it is void against the execution creditor and trustee in bankruptcy; but if a company is wound up, or goes into bankruptcy and is not able to pay its debts, a bill of sale or debenture given by it need not be registered, the reason alleged being that the company is registered under the Companies Act. But if one turns to the Companies Act, he will find that the company is directed to enter all its mortgage transactions in a book for that purpose; but the company does

not enter them, and is liable for a penalty of £50 for not doing so. That does not do the creditor any good. It will not pay the debt, which may be £4,000 or £5,000. There are very peculiar companies in this colony, and no doubt as time goes on and we get more people from the other side, and from England, we will have more peculiar companies still. There are some companies carrying on business in Perth, for example. They may get an overdraft at a bank for several thousand pounds. They have a large stock, and capital which they can call up; besides which they have book debts and the usual assets owned by a trading firm or partnership; and on the strength of them, as I say, they obtain an advance from the bank, or get advances of stores and wares from wholesale merchants, and enter into contracts and carry on the usual business of merchants. They may issue debentures. Nobody can ever find out whether they have issued debentures or not, and the companies need not tell you. If they issue debentures, they may give a mortgage or a bill of sale, and need not register it, so that when you come down and ask for payment, the debenture holder comes in and takes everything. I need not say that such a state of the law as that is deplorable. It may be urged in objection to the Bill that a somewhat similar law is in force in England, but the answer is that the conditions in England are totally different from those prevailing in Western Australia. The Bills of Sale Act in England is different from our Bills of Sale Act; and in England the Courts always stretch the law for the benefit of the debenture holders, for they say that it is for the benefit of business in England that the debenture holders should be protected, and recognised by the Court. That principle may be good for England, but it is very bad for us, and I cannot help thinking it is dishonest trading. I have introduced the Bill solely for the purpose of protecting creditors against swindles which may be perpetrated against them by bogus companies. It is solely in the interests of the mercantile community. One may say to a merchant "If you want to borrow money on the security of your undertaking, you have to register a bill of sale." If a man registers a bill of sale, and I know it, I

may say, "I will not trust you; or, if I do, it will be upon certain conditions." Yet a company can carry on trade, and need not register a bill of sale. All that merchants need do is to convert their firms into limited liability companies, which can easily be done by filing a document in the Supreme Court, and then they can perpetrate fraud. I understand there is some intention of introducing in another place a Bill containing the provisions of this Bill; but I am afraid the Bill about to be introduced there is so lengthy that it may be strangled in its birth, and the proper course is to at once pass the Bill introduced here. This Bill will not affect the other Bill, and it is, I repeat, entirely in the interests of the trading community. I, myself, have had experience of banks and merchants in Coolgardie being absolutely swindled out of their money—I cannot use any other term—by debenture holders coming in and claiming. I do not blame the debenture holders, because they have honestly bought at, it may be, sixty pounds; but they seize the whole of the per cent., taking the very things obtained from the creditors in Coolgardie. For the reasons I have stated, I move the second reading of the Bill.

HON. A. B. KIDSON (West): I have much pleasure in seconding the motion for the second reading of the Bill. It long since occurred to me that the anomaly existing in connection with the powers of the bankruptcy law affecting a company, and the law as affecting an individual, was most peculiar. As the law stands now, a bill of sale given by an individual under certain conditions is bad in bankruptcy. A similar bill of sale, or a debenture, given by a company under the same circumstances, is not bad, if the company goes into liquidation or insolvency; and it must be patent to members that the position a company occupies under the circumstances is, to say the least of it, a peculiar one, which it should not occupy, bearing in mind how the law applies to individuals. There is only one point to which I would like to draw the attention of the hon. member who introduced the Bill, and I quite see the difficulty he desires to provide against; but I think, in order to do it effectually, he will have to provide some means to check what will no doubt

turn out to be, unless checked, an evasion of the Bill. I refer to the case of a company previous to its winding up, selling its assets to another company, subject to a debenture or bill of sale, as the case may be. That system is nothing more nor less than a fraud, but it is perpetrated every day. Frequently instances of that sort of thing come before me; and not only is it done by local companies, but by English companies carrying on business in the colony, the colonial creditors being absolutely swindled out of their rights. Members will agree that such a state of affairs as that ought to be terminated if possible, and I think that with a condition—when the Bill gets into committee—to provide against the contingency I have mentioned, we shall be able to put a stop to this very bad state of things. I cannot agree with the hon. member when he says it may be a good thing in England to have the law as it is at the present time with regard to these debentures of companies. I think it a bad thing in England, and it has always occurred to me as being an extraordinary state of affairs.

HON. R. S. HAYNES: I did not say it was a good thing; I said it might be.

HON. A. B. KIDSON: I do not think it possible that it may be. To me it has always seemed most peculiar that the system has been allowed to exist so long. Why in the name of fortune should a company be placed in a better position than an individual? Why should we leave a company open to perpetrate what is a patent fraud, when an individual is debarred from doing the same thing? I cannot see a shred of argument in favour of it, and, therefore, I feel sure members will support the second reading of the Bill, because the object is to surmount a difficulty which has existed for a considerable time, and if the Bill be passed into law, it will have a very good effect.

Question put and passed.

Bill read a second time.

ADJOURNMENT.

The House adjourned at 5-50 until the next Tuesday.
