

companies to make certain returns, but I thought it would be important, as far as mining companies are concerned, that these returns be more complete than they are, and therefore I have suggested this as clause 5 :

5. In addition to the facts to be stated in the returns mentioned in the section 89 of the Companies Act, 1902, every mining company incorporated under this Act shall state the number of shares, if any, issued totally or partially unassessable and to what extent.

Then, I call more especial attention to clause 6 :

6. If any person in any return, report, certificate, balance-sheet or other document required by or for the purposes of this Act, wilfully makes a statement false in any material particular, he shall be liable on conviction on indictment to imprisonment for a term not exceeding six months, with or without hard labour, or on summary conviction to imprisonment not exceeding three months, with or without hard labour, and in either case to a fine of one hundred dollars in lieu of or in addition to such imprisonment as aforesaid.

All these provisions, except clause 5, have been borrowed from the Mining Act of Ontario, and it seems to me that they are exceptionally good provisions, and that if this Bill is passed it will offer a much better guarantee to the public than exists in the absence of it. A great number of companies incorporated under the law of New Jersey and other states of the neighbouring country, do business here without affording any security to the public. It seems to me we should facilitate the incorporation of mining companies in Canada in order to avoid, as far as possible, incorporation under foreign law, and we should endeavour to get from the companies doing business in Canada, proper guarantees. I hope that the hon. member will not insist on his amendment. It would entirely nullify the object of the Bill. Under the constitution this legislation can operate only as far as companies are incorporated for the purpose of carrying on business in more than one province. If it is merely for local purposes, it should incorporate under the provisions of the provincial law.

Hon. Mr. LOUGHEED—Upon the second reading of this Bill I took the liberty of making some rather extended observations with reference to the principle embodied in the Bill. I certainly have not changed my mind since with reference to the subject. The objection which I see to this Bill lies in the facilities it affords to the

capitalization of fictitious companies. It admits of the issuance of paid-up non-assessable stock to parties who have not contributed in any sense whatever to the capital of the company, and it is a mischief which I took the liberty of pointing out the other day. I take no second place to my hon. friend in my desire to see the development of our mining resources throughout the Dominion, and yet at the same time, I am bound to point out that much of the difficulty, in fact, much of the depression which to-day exists in mining enterprises is very largely due to the exploiters of mining projects, who, in the first instance, get hold of a mining property, capitalize it at a very large amount beyond its value, issue stock paid up and non-assessable under the provincial laws, and then expect the public to contribute a small sum compared with the amount which should be contributed to the opening up of mining enterprise. This being the case, we find the mine in most cases crippled, and those who have subscribed for stock liable for calls, finally wiped out by reason of the financial difficulties which inevitably arise under that condition of affairs. That is the case throughout British Columbia and the North-west Territories, and in fact throughout all the provinces of the Dominion where mining is carried on to a large extent. It is desirable that people going into mining enterprises should face the obligation which must necessarily confront them in the proper development of the industry which they have in view, and if part of the shareholders, or a very large section of the shareholders, are able to issue to themselves paid-up stock without the assumption of any liability, and employ a very small proportion of the capital which is paid in towards indifferently opening up the mine, the consequence is bound to be as I have pointed out. Another consideration which might be given to this Bill lies in this fact: that there are very few mining enterprises of a federal character—that is to say, the laws of the province afford all the facilities necessary, in my judgment, for the opening up of any mining enterprise in the Dominion, and it is very seldom you find a mining company owning mining property in more than one province. If they do, the laws of that province are sufficiently wide, it