

'3. Nothing in this section, or in any charter or letters patent heretofore or hereafter issued, shall be deemed to prevent any company to which this Act applies from acting as a contractor in railway, telegraph or telephone construction.'

Mr. R. L. BORDEN. I would like the hon. gentleman to explain the reason for this legislation. Is it based on any similar legislation in Great Britain? Does it follow any precedent? If not, what is the exact reason for it? How would it operate with reference to existing companies? I suppose it is not intended to be retroactive. Is it intended to enlarge the powers of existing companies? I have not considered the question at all, but I would like to have the hon. gentleman's views.

Mr. COWAN. I do not think it would. Section 5 of the Companies Act is peculiarly worded, and it is very doubtful whether or not under that section a company could act as a contractor in railway, telegraph or telephone construction. It was never intended that they should not, and it was only for the purpose of clearing up an ambiguity in the Act that this section is proposed.

Mr. R. L. BORDEN. Has the hon. gentleman the section it is proposed to amend?

Mr. COWAN. I have sent for the statutes. I did not expect this Bill to be reached.

Mr. FITZPATRICK. This clause is only intended to remove doubts which have arisen because of the construction which might be put on section 5 of the Companies Act. That section provides for the incorporation by letters patent of companies for any purposes or objects to which the legislative authority of parliament extends except—and these are the important words—'except the construction and working of railways or of telephones or telegraph lines or the business of banking.' It is possible that this exception might be so construed so as to make it applicable to companies incorporated for the purpose of constructing railways, and it is to eliminate that doubt that my hon. friend has introduced this amendment.

Mr. R. L. BORDEN. Has my hon. friend's attention been directed to the somewhat peculiar wording of this amendment:

Nothing in this section, or in any charter or letters patent heretofore or hereafter issued, can be deemed to prevent any company to which this Act applies, from acting as a contractor in railway, telegraph or telephone construction.

There might be a construction of this section which we do not contemplate at this moment. It is possible that it might give a company, incorporated for an entirely different purpose, the power to contract for the construction of railways.

Mr. SPROULE.

Mr. FITZPATRICK. I am not quite sure that the phraseology of this section is quite happy, and perhaps it might be improved. At the same time, I do not think that the possible construction which my hon. friend the leader of the opposition put upon it necessarily follows. We might let it stand.

Section allowed to stand.

On section 2,

2. Section 40 of the said Act is amended by adding thereto the following subsection:—

'2. Whenever the par value of existing shares is less than one hundred dollars each the directors may, at any time, make a by-law consolidating them into shares of a larger amount; provided, however, that no such consolidated share shall exceed the par value of one hundred dollars.'

Mr. COWAN. Under the Act you can by by-law reduce shares of \$100 down to \$25, but there is no provision for grouping together shares of a lesser amount than \$100 so as to bring them up to the par value of \$100. There are some companies, whose shares are \$25 each, which find it more convenient to group four together into one share at \$100, and this Bill proposes to give such companies the right to do that by by-law.

Mr. R. L. BORDEN. As I understand the hon. gentleman, if you have a thousand shares of \$50 each, you may consolidate them into 500 shares of \$100 each.

Mr. COWAN. Under the present law, you can reduce from \$100 to \$25, but you cannot raise from \$25 to \$100.

Progress reported.

#### CRIMINAL CODE AMENDMENT.

Bill (No. 86) to amend the Criminal Code, 1892, respecting the punishment of fraudulent debtors.—(Mr. Bickerdike)—was read the second time and House went into Committee thereon.

On section 1,

1. Section 368 of The Criminal Code, 1892, is amended by adding the following after paragraph (b) thereof:—

'(c) who, being a trader and indebted to an amount exceeding one thousand dollars, is unable to pay his creditors in full, and has not, for five years next before such inability, kept such books of account as, according to the usual course of any trade or business in which he may have been engaged, are necessary to exhibit or explain his transactions, unless he be able to account for his losses to the satisfaction of the court or judge and to show that the absence of such books was not intended to defraud his creditors.'

Hon. CHARLES FITZPATRICK (Minister of Justice). It seems to me the promoter of this Bill should explain the object he has in view.

Mr. BICKERDIKE. The object is simply to provide that the man in business who