

the siding, the net return to revenue being £250 to £300 per annum. This briefly explains the provisions of the Bill, the object of which is, as I have already stated, to authorise the construction of a line urgently needed to meet the exigencies of a situation which demanded that the matter be finalised without delay. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

In Committee.

Hon. J. Cornell in the Chair; the Honorary Minister in charge of the Bill.

Clause 1—Short Title:

The HONORARY MINISTER: I have here a plan of the district which I shall lay on the Table for the information of members.

Hon. C. F. Baxter: The plan will be of no use if you are putting the Bill through the Committee stage.

Clause put and passed.

Clause 2—agreed to.

Clause 3—Works completed or commenced before the commencement of this Act to be authorised works:

Hon. J. J. HOLMES: Does Clause 3 correspond with Clause 2? The latter states, "It shall be lawful for the Minister for Works, or the Minister for Railways, as the case may require, to construct and maintain," etc. Clause 3 states that the tramway has already been constructed.

The CHAIRMAN: It should read "to authorise and confirm."

Clause put and passed.

Schedule, Title—agreed to.

Bill reported without amendment and the report adopted.

House adjourned at 6.11 p.m.

Legislative Assembly.

Thursday, 20th November, 1941.

	PAGE
Questions: Taxation, betting fines as allowable deduction	2055
Western Australian Industrial Expansion Commission	2055
Electricity supply, as to approved extensions	2056
Gas producers	2056
Government contracts, as to M. Tomasich & Coy.	2056
Child Welfare Act, as to maintenance order payments	2056
Assent to Bill	2058
Motion: Standing Orders suspension	2058
Bills: Plant Diseases (Registration Fees), 3R.	2058
Factories and Shops Act Amendment, report, 3R.	2058
Licensing (Provisional Certificate), 2R.	2072
Potato Growers Licensing, returned	2072
Companies, Com.	2072
Loan Estimates, 1941-42, Com.	2059

The SPEAKER took the Chair at 4.30 p.m., and read prayers.

QUESTION—TAXATION.

Betting Fines as Allowable Deduction.

Hon. W. D. JOHNSON asked the Treasurer: 1, Whether the admission by the Taxation Department that fines imposed by the law courts in connection with illegal starting-price betting operations are allowable deductions under income taxation was made after legal advice? 2, If not, will the decision be submitted to the Crown Law Department for an opinion?

The TREASURER replied: 1, No. 2, The administration of the Income Tax Assessment Act is vested in the Commissioner of Taxation who is satisfied that the deductions are properly allowable.

QUESTION—WESTERN AUSTRALIAN INDUSTRIAL EXPANSION COMMISSION.

Mr. ABBOTT asked the Minister for Industrial Development: The State Government having appointed two Government engineers to represent it on the Western Australian Industrial Expansion Commission, will the Government take steps to secure also the appointment of a representative of private industry?

The MINISTER FOR INDUSTRIAL DEVELOPMENT replied: This is a matter for the Commonwealth Government and it is understood representations along the lines suggested have been made to that Government.

QUESTION—ELECTRICITY SUPPLY.

As to Approved Extensions.

Mr. SAMPSON asked the Minister for Railways: 1, What is the position in regard to the erection of poles, cables, etc., in connection with those district electricity extensions which have been approved and some of which have been under construction for some months past? 2, Is the shortage of copper still acute and, if so, has he advice regarding supplies? 3, When is completion likely to be effected?

The MINISTER FOR RAILWAYS replied: 1, The position as regards the various extensions is as follows:—Orange Grove—Complete except for erection of transformer. Forrestfield-Maida Vale, also East and Upper Swan—Well in hand, awaiting further material. Riverton—Held up awaiting 25 ft. poles. Bedfordale, Wongong, Mundijong, Mardella, and Serpentine not commenced. 2, Whilst the copper position is not altogether satisfactory, supplies are coming forward from time to time and it is anticipated that these will continue. 3, The completion of the extensions authorised depends upon the supply of the requisite materials. Definite dates of completion cannot be given.

QUESTION—GAS PRODUCERS.

Mr. WATTS asked the Minister for Industrial Development: 1, Have the satisfactory results achieved by representations as to priority for material used by gas-producer manufacturers resulted in a cessation of the importation of Eastern States gas-producers (a) wholly, (b) partially? 2, Have such representations increased the supply of materials available for local manufacturers? 3, Are such materials available through usual wholesale channels or are they obtainable only at special places? If the latter, can information be obtained as to where they are available?

The MINISTER FOR INDUSTRIAL DEVELOPMENT replied: 1, No definite information is available. Any person or firm is legally entitled to import gas-producer units from the Eastern States. 2, Yes. 3, Materials are available through the usual wholesale channels.

QUESTION—GOVERNMENT CONTRACTS.

As to M. Tomasich and Coy.

Mr. SEWARD asked the Premier: 1, How many Government contracts are held by M. Tomasich & Coy., of Woolgangie? 2, What are they? 3, What distance has the commodity to be supplied to be transported in each case? 4, Can the railways be used in any case, and if so, are they used? 5, If not, why not? 6, Is the fuel power used for any of the contracts, producer-gas? 7, If petrol is used in any of the contracts, what monthly ration is granted?

The PREMIER replied: 1, One. 2, Supply of firewood to No. 8 pumping station, Dedari. 3, Approximately 12 miles—24 miles the round trip. 4, No. 5, To use the railways would mean cartage to Woolgangie Siding seven miles, loading on trucks, railway journey of nine miles and unloading at pumping station siding, then carting from siding to boiler. 6, Not producer-gas at present, but negotiations are in hand with Tomasich for the installation of producer-gas on his trucks. 7, An average monthly ration of 190 gallons.

QUESTION—CHILD WELFARE ACT.

As to Maintenance Order Payments.

Mr. SEWARD asked the Minister for Labour: In cases where a maintenance order has been granted, and the child committed to one of the institutions mentioned in the Second Schedule of the Child Welfare Act—1, Is the whole amount of the order paid to the institution? 2, If not, how much is so paid? 3, To whom is the balance paid?

The MINISTER FOR LABOUR replied: 1, The amount collected on any such order is the amount which is paid to the institutions. 2, The usual per capita rate. 3, The relative concerned is not asked to pay on a maintenance order any amount over and above the per capita rate.

MOTION—STANDING ORDERS SUSPENSION.

THE PREMIER (Hon. J. C. Willcock—Geraldton) [4.35]: I move—

That during the remainder of the session the Standing Orders be suspended so far as to enable Bills to be introduced without notice and

to be passed through all their remaining stages on the same day, all Messages from the Legislative Council to be taken into consideration on the same day they are received, and to enable resolutions from the Committees of Supply and of Ways and Means to be reported and adopted on the same day on which they shall have passed those Committees.

This is the usual motion introduced towards the end of a session with a view to expediting business. None of what I might term the ordinary courtesies extended to members in regard to adjournment of debates or second and third reading stages being postponed for a day need necessarily be dispensed with. When the second reading debate has taken place, the third reading will be proceeded with immediately in order that the business may quickly be transmitted to the Legislative Council. Similarly, in regard to other stages through which Bills have to pass, there will be a speeding up.

Generally, motions for leave to introduce a measure and the first reading of a Bill are taken in two stages, but when the motion is passed the time will be reduced. Thus business will be done much quicker than if the ordinary formalities have to be complied with. Every consideration will be given to members. The motion is not introduced with a view to denying anyone the right to secure the adjournment of a debate but in order to expedite business. If we intend to finish the session in two or three weeks' time, it is to the advantage of the House to pass the motion so that measures may be dealt with more rapidly. When the motion is carried we shall be able, amongst other things, to have messages transmitted to and from the Council much more quickly and generally all the business will be expedited.

HON. C. G. LATHAM (York) [4.37]: I would like the Premier to give the House some information as to what Bills are likely to be introduced. There is still some time before the end of the session and there may be some very important Bills yet to be brought forward. I perceive that the usual measures of which notice is generally given towards the end of a session appear on the notice paper, but I understand other measures have yet to be introduced; they may be important from the Government's point of view, and the House should have plenty of time in which to consider them. I am glad to have the Premier's assurance that

members will be able to secure adjournments because sometimes members on the other side of the House—I think perhaps facetiously—have voted against adjournments and have discovered afterwards that they made a mistake. I hope such mistakes will not be made because they cannot be rectified. I want a complete understanding that we shall have an opportunity to discuss fully all Bills and other matters that are submitted to the House. If that assurance is given I shall raise no objection to the motion.

MR. McDONALD (West Perth) [4.38]: I have pleasure in concurring in the motion. Such a motion is usually introduced at this time of the year with a view to facilitating the business of the Government and ensuring that it is carried through with all proper despatch. It is one that preludes the end of this session and I have no doubt the Premier has given consideration to this aspect: That it is desirable that, as was the case last year, Parliament should be adjourned and not prorogued. It is to be hoped there will be no occasion for a special summoning of Parliament, but in these days it may be that the State Parliament will be called upon to play some important part if a situation arises in which our activities are necessary to support the operations of the National Government. I think, therefore, that what was done last year may be regarded as a good precedent, and no doubt the Premier will give consideration to following that procedure when the labours of the present session are ended.

THE PREMIER (Hon. J. C. Willecock—Geraldton—in reply) [4.40]: I think the major portion of the legislation for consideration this session has already been introduced.

Hon. C. G. Latham: I hope so.

The PREMIER: There may be one or two Bill yet to be brought forward, but they will not be of a type that will entail much discussion, and in respect of which Cabinet has not reached any decision. Decidedly there will be no heavy addition to the legislative programme. The Minister for Lands has already on the notice paper the two measures that are customarily introduced at the end of the session. I refer to the Reserves Bill and the Roads Closure Bill. The Minister for Forests will place before the House the usual motion for the revocation of forest

areas. As members are aware, these particular matters are always left until the last days of the session in order that roads, reserves, or forest areas to be dealt with may be included under the respective headings. Seeing that Parliament will be in recess for six months, it is desirable to clear up such matters where possible.

I can assure members that there is little legislation of any importance yet to be placed before them. A Bill to deal with certain amendments to the Workers' Homes Act is receiving some consideration, but if it is introduced I do not think members will find much in it with which to disagree. That deals with the points raised by the Leader of the Opposition. As to the phase stressed by the Leader of the National Party, the course he indicated has been the usual procedure for the last two years. Parliament has not been prorogued until necessary. I would remind the House that under the Constitution Act, this Parliament expires on the last day of January, after which date it cannot be called together again.

Between the 31st January and the conclusion of the general elections, no Parliament can be called together. I hope that in the short intervening period, no necessity will arise for Parliament to assemble. Should a crisis arise, an election could take place in a very few days or weeks, and then Parliament could be assembled to do what was necessary. I hope nothing of that sort will occur. In any case, I know both the Leader of the Opposition and the Leader of the National Party would be willing to co-operate to the fullest extent to get the elections over quickly so that a meeting of the new Parliament could be convened promptly to deal with such matters as might require urgent attention.

Question put and passed.

ASSENT TO BILL.

Message from the Lieut.-Governor received and read notifying assent to the Profit-earning Prevention Act Amendment Bill.

BILL—PLANT DISEASES (REGISTRATION FEES).

Read a third time and transmitted to the Council.

BILL—FACTORIES AND SHOPS ACT AMENDMENT.

Report, etc.

Report of Committee adopted.

Bill read a third time and transmitted to the Council.

BILL—LICENSING (PROVISIONAL CERTIFICATE).

Second Reading.

THE MINISTER FOR JUSTICE (Hon. E. Nulsen—Kanowna) [4.45] in moving the second reading said: The Bill is short and its object is to extend the time for making applications under Section 62 of the Licensing Act in respect of provisional certificates granted by the Licensing Court during wartime. The necessity for the Bill has arisen owing to difficulties experienced in the administration of the Licensing Act, and on account of the regulations under the National Security Act which impose a restriction on expenditure. This has made difficult compliance with the Licensing Act requirements respecting provisional certificates.

Quite a lot of work attaches to the securing of a provisional certificate for an hotel. First of all a block of land must be acquired, a petition drawn up and plans and specifications of the proposed premises submitted to the Licensing Court, and it is necessary to go through quite a rigmarole to comply with the various regulations. After all that is done, a certificate may be granted or it may be refused. If refused, there is no further trouble. Even if granted, in view of war conditions and the requirements under the National Security Act, all that is necessary in connection with provisional certificates cannot be accomplished. That arises from the fact that under the conditions attached to a provisional certificate, the hotel building must be completed and an application for a publican's general license applied for within 12 months. A provisional license may be obtained, and perhaps £20,000 may be required for the erection of the proposed hotel. Under the National Security Regulations, a maximum expenditure of £5,000 is allowed, and therefore the construction of the hotel cannot be completed within the period stipulated in the Licensing Act.

The Bill makes provision to protect provisional licenses during the duration of the war and for 12 months afterwards. Mem-

bers will appreciate the position and will recognise that in the circumstances the procedure under the National Security Act is harsh where the erection of hotel premises is concerned. Already there has been one instance of a provisional certificate having been granted and those concerned to date have spent over £2,500. They have the necessary funds to go on with the work, but under the National Security Act and its regulations they cannot spend more than £5,000. The effect is that the money spent to date goes for naught unless the Bill becomes an Act. Of course, this legislation will not apply to that one instance alone but will have general application to those who lodge such applications before or after the Bill becomes an Act.

Hon. N. Keenan: Before the 5th December.

The MINISTER FOR JUSTICE: That is when the Act will become operative. The reason for fixing that date is that the regulations under the National Security Act were gazetted on the 5th December, 1940. This type of legislation is not unusual. I believe that in the depression days of 1931 provision was made for the protection of any persons who had had granted to them a provisional certificate. The circumstances, however, were somewhat different. In those days the money could not be found. In the instance to which I have referred the money can be found, but under the National Security Regulations the people concerned are not permitted to spend more than £5,000, so I am informed. Members will understand our reason for bringing down this Bill.

Mr. Thorn: Can they spend £5,000?

The MINISTER FOR JUSTICE: According to the information given to me, they can do so.

The Premier: The amount is now reduced to £3,000.

The MINISTER FOR JUSTICE: That makes my case better, but I understood the amount was £5,000. It may be recalled that the member for North-East Fremantle (Mr. Tonkin) brought down a small Bill dealing with the Adelphi Hotel. In that case the people concerned could not complete the buildings before the expiration of 12 months, in accordance with the Licensing Act. That measure was passed without any opposition. The people now concerned made application in good faith for a license, and have the money with which to carry out the

contract, but owing to the unforeseen circumstances of a reduction in the amount involved being made under the National Security Regulations to—I am now informed—£3,000, they cannot continue with the work. It seems fitting, therefore, that an opportunity should be afforded to them to carry out their intentions. The object of the Bill is to protect those people and others similarly placed for the duration of the war and for 12 months thereafter. I move—

That the Bill be now read a second time.

On motion by Mr. Seward, debate adjourned.

LOAN ESTIMATES, 1941-42.

In Committee.

Resumed from the 18th November. Mr. Marshall in the Chair.

Vote—Departmental, £83,000. (Partly considered.)

Mr. PATRICK (Greenough) [4.54]: There is no doubt that the growing public debt of the State should be a matter of considerable concern to members. I suppose if loan funds performed their legitimate function their expenditure should result in increased population and employment. Our present trouble seems to be that we are continuing to borrow money while our population remains practically stationary. The effect of that is that additional taxation is required, and this makes it very difficult for us to establish new industries. If our taxation continues to grow and our population to remain stationary, firms are not likely to come here to establish new undertakings.

I suppose our two main industries at present are mining and agriculture. We have been told on many occasions by members opposite—I think a reference is also made to the matter in the Lieut.-Governor's Speech—that mining is our most prosperous industry. As a fact mining reached its peak so far as employment was concerned in 1938, whilst it reached its peak in production in 1939. From the look of things this year the industry will show a decline in production of at least 10 per cent.

The Minister for Mines: The highest production was in 1940.

Mr. PATRICK: The peak year was 1939. I have the figures here prepared in the form of tables.

The Premier: The peak was in 1940. I received a letter only today on that subject.

The Minister for Mines: I am talking about the tons of ore.

Mr. PATRICK: That is not so important. I am talking about the production of gold. I have a table prepared from the records of the department for the information of the Minister for Mines. The figures are most interesting. The matter is one that should be brought under the notice of the Federal Government. I used to think that the tax on gold was a legitimate one, but I am now convinced that it is nothing of the kind. My figures go back to 1905, because that was the peak year of gold mining so far as the employment of men was concerned. In that year there were treated 2,643,423 tons of ore, for a yield per ton of 13.92dwts. The number of men employed was 16,832, the greatest number ever employed in the industry. The output per man in tonnage of ore was 157 tons, and the dividends paid amounted to £2,167,640. Further figures are as follows:—

Year.	Tons of Ore Treated.	Yield per Ton.	Men Employed.	Tonnage per Man.	Dividends Paid.
		dwts.			£
1930	645,344	13.00	4,284	150	31,250
1938	3,759,120	6.24	15,365	249	1,103,244
1939	4,095,257	5.92	15,216	273	1,377,111
1940	4,291,709	5.55	14,593	298	1,059,938

There is a big reduction in the number of men employed in the industry today. It may be said that that is due to men being taken away for war purposes. To a large extent that is true. The fact remains that the peak period, so far as the number of men employed in the industry is concerned, was in 1938, before the war. The output of gold in 1905, the year of the peak of employment in the old days, was 1,840,656 ozs., valued at £7,818,612. In 1938, the output was 1,172,950 ozs., valued at £10,363,323. In 1939 the output was 1,214,238 ozs., valued at £11,842,964. In 1941 the output was 1,191,481 ozs., valued at £12,696,503. The year 1939 was, therefore, the peak of production, but there was a drop in 1940.

The Minister for Mines: In ounces of gold?

Mr. PATRICK: Yes, representing the profit.

The Minister for Mines: The mines were treating a lower grade of ore.

Mr. PATRICK: That was the profit to the industry. There will probably be a

reduction this year of at least 10 per cent. in output of gold. It will, therefore, be seen that the industry, so far as employment is concerned, has declined since 1938; yet the production of ore since 1939 has increased. No doubt that is a very creditable performance. We have a greater value in Australian currency; but, from the investor's point of view, there are lower dividends. In the old days, at the peak production, the dividends amounted to £2,167,000. Although production has increased by nearly a million sterling, dividends are still falling away.

One feature about the industry is that it is much more efficient than it was in 1905, when only 157 tons of ore was handled per man. Last year the tonnage handled per man was 298. That is a wonderful performance. As I said, since 1938 the number of men employed in the industry has decreased. One need not be surprised at that, because there were then a large number of "wild cats" which, although they yielded no gold, installed machinery and employed men. In addition, one or two fairly substantial mines closed down altogether. That is a view of the situation from the standpoint of mining, which is one of our main industries.

The agricultural industry today is in a rather depressed condition; but, as I said here the other night—and I have been fortified by other opinions expressed since—we shall have a big market for our agricultural produce immediately the war ends. There is no doubt our surpluses will then be disposed of. I think it was Mr. Greenwood, one of the British Ministers, who the other day pointed out the necessity for accumulating surpluses of primary products so that they might be distributed to European countries after the war. The Secretary to the American Treasury—I cannot recall his name—

The Premier: Mr. Morgenthau.

Mr. PATRICK: —was pointing out the other day—I think only this week—that the United States would have to increase its production of foodstuffs considerably, as these would all be required after the war. Denmark and Holland, which were great dairying countries, have had their cattle practically confiscated and the markets which were open to them will, after the war, be available to Australia.

At the same time, we must provide new avenues of employment. These will probably

be in secondary industries. One thing we must be careful about is that we do not establish secondary industries now which will not be economic after the war. One or two industries which we have established will not have much chance of survival after the war. If, as the Minister said the other night, we could induce a big company like the Broken Hill Proprietary to invest a couple of million pounds in establishing an iron and steel industry here, that would be worth while. Touching on that matter, there seems to be what I might term some rather stupid criticism in Australia of certain companies. It seems to be a crime in the minds of some people for an Australian company to make a success of its undertaking.

Hundreds of companies formed in Australia, in which no doubt some members have had an interest, have proved a failure; but when we get an outstanding success it does seem to me rather stupid to criticise the company adversely. Of course, if such a company tended to obtain a monopoly, I would, in common with other members, try to curb its operations. While criticism is indulged in as regards some companies, strangely enough we do not hear much criticism of chain-store companies. I have an interesting cutting from the "West Australian" of four years ago which I think is worth inserting in "Hansard." It shows the enormous increase in the value of the shares of one Australian chain-store company. The particulars are as follows:—

	Shares.
If a person in 1927 had taken up at £1 each	100
In 1928 he would have obtained three shares for one share, or	300
	<hr/> 400
In 1931, he would have obtained again one share for each share held, or	400
	<hr/> 800
In 1934, he would have obtained three shares for two shares, or	1,200
	<hr/> 2,000
In 1936, he would have obtained again one share for each share held, or	2,000
	<hr/> 4,000
In 1937, each £1 share was divided into four shares of 5s. each, making	16,000
In 1938, he would have obtained one share for each five shares held, or	3,200
	<hr/> 19,200
Making a total shareholding of	
The market value of the shares was then 27s. 3d. each, making a total value of £26,160.	

The Premier: The company paid dividends as well.

Mr. PATRICK: Yes. A person who bought 100 shares in that company in 1927 at £1 each and held them until 1938, would have had the value of his holding increased to £26,160.

Hon. N. Keenan: I do not think that is correct, because the shares were issued for cash.

Mr. PATRICK: It is correct according to a statement that appeared in the "West Australian." I think the hon. member will find that I am right, as additional shares were issued. Yet it would make no difference to the Commonwealth if that company closed down tomorrow. It should not be considered a crime, however, for an Australian company, engaged in manufacturing, to make a success of its business.

I was pleased that the Leader of the Opposition recently alluded to the question of centralisation. Members are at last waking up to its evils. The position is, in fact, a reproach to our statesmanship. Only one State of the Commonwealth, Queensland, tackled this question in the early days. That State forced development into large country towns, even although it was costly to do so. That is why Queensland has large towns, such as Townsville in the north. I was amazed to see there the very fine offices of the general manager of the Northern Railways. Queensland has evidently carried its decentralisation policy into railway management. Our trouble here is that the people are flocking into the city.

We are rapidly reaching the stage when there will be a demand—like that made by the member for Canning—for additional schools in the city. That problem, in my opinion, should be tackled at once; it should be put in the forefront of our post-war programme. No doubt these people will, when the war ends, have to get back to the country. This position has been realised in our smallest State, Victoria, where recently a meeting of 50 shire councillors requested immediate action to stop the drift of population to the city. The matter was taken up at a recent conference of the Victorian A.L.P. held in Melbourne. The newspaper report is as follows:—

Senator Keane described as "an outrageous muddle" the centralisation by the Federal Government of munition establishments in Melbourne, Adelaide and Newcastle. Creation of

a Victorian Ministry of Decentralisation was urged by the State Deputy Labour Leader (Mr. Cremean).

Senator Keane said that, in spending £5,000,000 on munition works at Adelaide, the Government had failed to realise the importance of spreading armament works over the country. Such centralisation was a danger, as Maribyrnong would not be a "meal for an evening's bombing."

Because of the centralisation of munitions industries, country people were crowding into Melbourne, and causing housing shortage.

Mr. Cremean said there had been too much talk about decentralisation and not enough action. Centralisation had created a number of major problems for Victoria. Melbourne had 55 per cent. of the population of the State.

Even a small State like Victoria is becoming alarmed about centralisation.

The Minister for Labour: What is the solution of that problem?

Mr. PATRICK: That is rather difficult. One solution is to try to make country conditions as agreeable as are those in the city. When the Minister for Labour first entered this Chamber he, as a private member, had from time to time a notice of motion on the notice paper relating to the establishment of railway workshops at Northam. Probably that is one way in which he would solve the problem. If he will look at our old notice papers, he will find those notices of motion. The Minister shakes his head, but I have an extremely good memory.

The Minister for Labour: I never moved a motion of that sort.

Mr. PATRICK: Then the Minister asked a question every session to this effect: Will not the Minister for Railways consider the establishment of railway workshops at Northam?

The Minister for Labour: It would be a very good idea.

Mr. PATRICK: Yes. Even today in Western Australia we are attempting to centralise the whole of the wool appraisal and storage in the metropolitan area. During the 1914-18 war, as the Premier knows, all the northern wool was appraised at Geraldton. Albany was also an appraisal centre.

Hon. W. D. Johnson: That is all changed on account of the scarcity of ships.

Mr. PATRICK: I do not know whether the member for Guildford-Midland is taking up a parochial attitude, or that the position has changed at all. It is dangerous to store all our wool in one centre during wartime.

I am of course aware of the stand taken by the wool brokers. Their contention is that as the sales were held at Fremantle before the war, Fremantle should be the only appraisal centre in the State. Nevertheless, there was no difficulty about appraising wool at Geraldton during the 1914-18 war; the sheds are still there, together with the necessary plant. Appraisements could be made there now just as they were previously.

Hon. W. D. Johnson: It has been pointed out that after the wool is appraised at Albany, it must be brought to Fremantle for shipment.

Mr. PATRICK: Queensland incurred heavy costs in abolishing centralisation. Even if increased cost were incurred through appraising wool at Geraldton and Albany, that would be compensated for by the decentralisation that would follow. Munition works are being established outside the city, but only a little distance away. Why should not they have been established at an industrial centre like Collie, where cheap electric power is available? This crowding of the population into the cities is having a disastrous effect upon Australia. We have ample land available—millions of square miles, so why should we try to crowd everything into the metropolitan area?

The Premier: We have only one million square miles.

Mr. PATRICK: Is that all?

The Premier: Hardly that.

Mr. PATRICK: There is the larger question of crowding work into two or three States. That leads me to a question which has become an issue in the Eastern States—that of unification. If we are unable to get a fair deal now, I do not know how we will get on with Melbourne and Sydney practically controlling the affairs of the Commonwealth. I have read some of the speeches of the leading Federal politicians of both parties. One man in particular said that the intention of the founders of the Constitution was that eventually Australia should be ruled by one Government. That is absolutely incorrect. I was pretty young at the time—

Mr. Doney: You still are.

Mr. PATRICK: —but I remember the Federal Convention at Sydney and Adelaide. I read the speeches of the members of that Convention, and they deliberately adopted the United States' system because they considered it the best system for a

country of wide spaces like Australia. They adopted it with one notable exception.

When the Menzies Government appointed committees to travel all over Australia to inquire into different aspects—on the unanimous advice of both sides of the House—it said it was adopting the United States' model. That is not correct. There is a reason for it. In the U.S.A. the administration is outside of Congress altogether. The President appoints his own Ministers, who do not introduce Bills before Congress. The President has his "Leader" in Congress—I think that is what he is called. A lot of political manoeuvring in the Federal sphere would have been prevented had that system been adopted in Australia. It has had rather interesting results in America, because even before the war was commenced the President moved to include two leading men of the opposing party—Senator Knox and another Senator—in his Government.

While I am opposed to unification, there is the necessity for the reduction of the cost of the State Governments. As I have stated before in this Chamber there should be a reduction both in the number of members and the number of Ministers. Another question, also introduced by the Minister for Labour on one occasion, was that of holding the election of both Houses on the same date. It will be a wicked waste of public money to hold two elections next year within a month or two of each other when they could both be held on the same date, with the same set of officers and at the one cost.

Mr. Cross: The people do not want any election at all!

Mr. PATRICK: If we take the Federal sphere, it will be seen that even though a new member is elected to the Senate, eight months may elapse before he takes his seat. It would be ridiculous to compare the cost of Federal elections held on two separate days.

We have heard a lot about the new order which will take place after this war. Where a new order is required is in the agricultural industries. We do not want Hitler's idea which seems to be this, that he would have a highly industrialised Germany with high standards of living, and the rest of Europe given to agriculture with a low standard of living. He was going to allow England a population

of about 16,000,000 to be engaged in agriculture. Australia has been developing somewhat that way. Last session I urged that we should study the economics of agriculture and since then the University discussed this matter at a meeting at which Professor Currie, the Vice-Chancellor, said, amongst other things—

Farming was a depressed industry. Equality of opportunity was a cardinal principle in democratic countries, but farmers did not enjoy that equality with urban dwellers; they were an under-privileged class In an under-privileged community there was a danger of poor-white trash developing as in America. If we left people on farms producing at a loss, we should at least extend social services to them and give them equality of opportunity with city people.

The Minister is asking what can be done about it. That is one of the things we might do. Dr. Evatt, speaking in Sydney recently, said that one cause for concern was the fast lowering of the standards of the farmer. This is largely due to higher costs. The last time I spoke in this Chamber, the member for Mt. Magnet, who has had some agricultural experience, interjected something about prices now being as high as prior to the last war. At any rate that is how I understood his interjection. I have taken out the figures for the five years previous to the commencement of the last war, which was as far back as I could go. These are f.o.b. prices. All our prices are quoted on what is termed a 4d. freight basis, as f.o.r. at ports. The statistician in this case quoted f.o.b. The prices were as follows:—1910, 4s. 0½d.; 1911, 3s. 5½d.; 1912, 3s. 11¾d.; 1913, 3s. 8¾d.; 1914, 3s. 8¾d. These prices are somewhat comparable to those received last year.

The Premier: We were importing wheat and paying 13s. a bushel.

Mr. PATRICK: When?

The Premier: After 1914.

Mr. PATRICK: I have taken the figures up to 1914 to show what the prices were before the boom. The average for those five years was 3s. 9¼d. Last year the price, on a 4d. freight basis, in this State was 3s. 0½d. This year, to date, it is 3s. 1½d. Another small dividend may be paid. While the prices today are somewhat comparable with those of 1915, the costs are now practically double. That is the fly in the ointment; that is the reason why the standards of farmers have depreciated. I contend

now, as I did the year I entered Parliament, that a bushel of wheat or a lb. of wool should purchase the same essential commodities as in 1913. That is now practically Roosevelt's new deal. He used practically the same words. Instead of saying, "a bushel of wheat," he said "a lb. of wheat." That is what he called his new deal.

Mr. Doney: A lb. of wheat?

Mr. PATRICK: A bushel of wheat or a lb. of wool should purchase the same essential commodities as in 1913. Farming, to be put on a sound basis, should be capitalised according to its productive capacity and present prices, and so give a reasonable standard of living. A considerable amount of money has been spent—mostly Federal money—on rural relief. But that has not touched the main problem. Today farm finance is still based on 5s. a bushel for wheat, and 2s., or more, per lb. for wool. In 1915, as the Premier said, we shipped no wheat but had to import, not only wheat, but maize and other products with which to feed stock all over Australia. But in the 15 years, 1916-1930, the average price for wheat f.o.b. was 5s. 6d. a bushel. The lowest price, 4s. 8d., was received in 1917, and the highest price was 7s. 4d. in 1921.

It was then we had the good times, and Governments, both Federal and State, all over Australia, borrowed to their capacities. They borrowed on the strength, no doubt, of a continuation of those prices. Financial institutions lent to farmers as though those prices would continue forever. The manager of one bank in my town was out in the country all the time trying to induce farmers to increase their overdrafts, while his officer sat in the bank. They do not do that these days! When the slump came we had to find a considerable amount of money to keep the farming industry going. That did not occur only in this State. Some people think that those large amounts owing on the farming industry are peculiar to Western Australia, but I have here a newspaper cutting giving some extracts from the report of the Auditor General of Victoria. That is one of the oldest States, and a small compact State, where farming was established years before it was established in this State, and when costs were much lower. He said that the deficit on closer settlement was £1,192,399, bringing the total to £34,562,875.

That refers only to closer settlement. There are other types of farming on which

that State owes a lot of money. If we compare our population with that of Victoria, we find we have not done as badly as they have. He goes on to say—and this will interest the Minister for Works—that the arrears in payments for country water supply and drainage were £617,059. Victoria is a compact and highly industrialised State, and these statements are interesting. He continues and says that, since its inception, unemployment relief in Victoria has cost £32,318,421, of which £12,714,435 came from loans and £18,850,358 from taxes. The Commonwealth Government contributed £449,495. Even in the case of the money spent on unemployment we compare more than favourably with Victoria, which brings me to this point, that even in a highly industrialised State such as Victoria, when the slump came the cost for unemployment relief was just as high, and probably higher, per capita than in this State. The chief reason for that was that the export industries collapsed and the buying power of those industries declined. In addition to secondary industries, the buying power of primary industries must be restored.

I was interested, the other evening, to listen to the remarks of the member for Murchison. He said the farmer should not bother about export industries at all; that they were not worth bothering about. He broached what might be called a policy of narrow nationalism and self-sufficiency, which has been so much to the fore in recent years. He referred to the teachings of history. If he knows anything of them he will know that if history teaches anything it is this: The policy of narrow nationalism and self-sufficiency will not survive this war. At the historic meeting between President Roosevelt and Mr. Churchill one of the points decided was that there must be a removal of trade restrictions. That point was made the other day in the United States of America. In fact, the depression of 1930 was the direct result of this policy of nationalism. Members will recall that 50 per cent. of the world's shipping was then rusting in the harbours. I have friends in the Old Country who can speak of this. One was the chief engineer of a boat, and when his vessel reached harbour in Scotland, she was laid up, and he acted as caretaker of her for a couple of years because no work was offering for him.

I have heard mention of establishing the shipbuilding industry in this State when the war is over. If we are going to revert to this policy of self-sufficiency, what work will there be for shipping to do? If we give up the export trade, there will be no need for shipping. That was the trouble in the past. The world's trade declined by no less than two-thirds, and more than 50 per cent. of the world's shipping was lying rusting in ports. There was no international co-operation, and so the channels of trade dried up. This policy was, in a large measure, adopted by 50 nations. As a sample of it, we can take the duties imposed upon wheat. While our granaries were chock full of wheat as well as those of other producing countries, wheat-importing countries imposed duties, stated in Australian currency, as follows—

	Per Bushel.	
	s.	d.
Italy	9	2½
France	7	1
Germany	13	1½
Japan	1	8
Egypt	6	10
South Africa	2	0

I remind members that Egypt used to buy quite a lot of Australian wheat. The policy now and after the war should be to use the resources of the world to the best advantage. Wheat and other export commodities will be all right again provided international trade is resumed. There was no trouble about disposing of our primary products before the 1914-18 war; I have quoted some of the prices. One thing that will probably be necessary is that some of the larger commodities will have to be handled by Governments instead of by trading companies, as hitherto. There will probably have to be big barter arrangements between Governments, and the prices of commodities such as wheat may have to be stabilised. We all know the system in the olden days when there were violent fluctuations in the prices of primary products. Speculators used to store these products until a time of scarcity arrived, and then market them at probably two or three times the price. It would pay the consumers of the world if the price of an essential commodity like wheat were stabilised so that they would know what they had to pay for it from year to year. This is one of the things that will be necessary; surpluses of products will have to be stored by Governments during bountiful

years, thus eliminating the speculator from trading.

I think the free flow of international trade would solve most of our export problems. In fact, I go so far as to say that we cannot maintain the standard of living of the whole of our people after the war without some form of international co-operation. We should broaden our outlook; we have always been an insular people. We should realise that our prosperity and perhaps security depend upon the improvement in conditions in and the development of other countries as well as our own. Modern forms of transport have made the world a very much smaller place, and there is no doubt that a narrow nationalist policy is an invitation to a war policy. To put it bluntly, as Mr. Cordell Hull said—and he is a man who for years has been attempting to remove the restrictions on trade—"Nations should throw away their flame-throwers and swop goods."

MR. BOYLE (Avon) [5.35]: The Loan Estimates for 1941-42 are less in volume than those of the previous year by about £200,000. The increase for railways is about £240,000, which I presume is for additional rolling stock and general care of the system. The railways today are carrying a greater volume of traffic, especially passengers, than they have ever carried, and consequently the extra expenditure of a sum of £240,000 is a step in the right direction. Incidentally, of course, the sooner this money is expended the better it will be. The overcrowding of Diesels out of Perth at the week-end has reached a stage verging on the scandalous. This is a means of transport that I favour—it is a very fine efficient and up-to-date means—but the conditions obtaining on the Diesels, particularly at the beginning and end of the week, are not a credit to the department. The Minister should make an effort to cope with that difficulty, even if it means running some steam trains.

Last Friday I had occasion to join the Diesel and some of the passengers were actually standing. This does not matter so much for men, but women and children should be given greater consideration. I presume some of the £240,000 will be used for extending this very fine form of railway transportation. The Government is in a rather fortunate position in regard to the

Loan Estimates this year because the necessity for providing relief work has largely disappeared in this State, as indeed all over Australia. I noticed a statement by the Assistant Minister for Labour to the effect that the youngest relief worker today is 53 years of age.

The Premier: He was referring to single men.

Mr. BOYLE: This means, then, that the single-man factor has largely disappeared, which is very desirable and something we are all glad to see. The vote for roads and bridges has decreased from £390,000 to £133,000, a drop of £260,000, which of course is symptomatic of the lower expenditure in that avenue. For one reason, there is not the need for it, and the man power, of course, is being put to better employment. We know that the construction of the East-West-road absorbed a number of men. This is a very fine work. The men who will be taken off that road will be readily absorbed in other ways.

I observe from Press reports that the Minister for Lands is in the Eastern States attending an important conference arranged between the Commonwealth and State Governments. I wish him all possible success in the work he is undertaking. I really think it is the most important conference that has ever been held by those authorities. In many ways it is more important than usual. For instance, the conference will consider the institution of a rural mortgage banking system for Australia.

The Premier: They are not getting on too well with the discussion.

Mr. BOYLE: No, it is not a light problem, but the difficulties should not prove insuperable. The trouble is that Federal and State authorities have largely closed their eyes and ears to the representations that have been made over the past 10 or 11 years, and consequently the position has snowballed, until today it is unfortunately much worse than it was a decade ago, notwithstanding the fact that we have a stabilised arrangement for wheat and wool. Still, we have not overtaken the difficulties between the prices today and those that ruled over a period of years, particularly between 1920 and 1930.

Hon. W. D. Johnson: Farmers did get rural relief from Federal funds.

Mr. Patrick: South Australia has had a State mortgage bank for years.

Mr. BOYLE: The Federal Minister, in speaking of the conference the other day, voiced the Premier's anticipation when he said, "It is still a structure of which little more than the foundations have been laid." We admit that this is so, and in a way I am glad that little more than the foundations have been laid if there was any intention of providing a mortgage banking system on the basis that was originally proposed. One of the features, as expressed by the then Federal Treasurer, Mr. Casey, was adherence to sound banking principles. In my opinion, we want to get away from these alleged sound banking principles as far as we can. It is a blind allegiance to and acceptance of the omnipotence of what is termed orthodox practice that has got us into our present mess.

Hon. W. D. Johnson: We all want to work on sound banking principles, but you and I want to interpret what they are.

Mr. BOYLE: No, I do not want to interpret them, but I claim a right to be guided by past experience. If those so-called sound banking principles have been the means of landing us in the present mess, it would take a Daniel to interpret them correctly. But there are other things to guide us. The member for Guildford-Midland and I may be veritable paragons of knowledge, but I remind the Committee that a most important commission presented a report in 1935—I refer to the Commonwealth Royal Commission on wheat, flour and bread. I have always regarded the report of that commission as one of the finest ever furnished by any body of men. It took 18 months to compile and cost Australia £40,000. It was worth the money, but the trouble is we have not acted upon the recommendations. Those are the basic points on which I urge action.

Yet we have the Minister, Mr. Scully, telling the conference that the mortgage bank is still a structure of which little more than the foundations have been laid. That is a striking commentary on the work of that fine commission which reported in 1935. The report received Australia-wide commendation, the conclusions being those of men foremost in their respective spheres. There was not one farmer on the Royal Commission, so it could not be that the mortgagor was putting up a special case. On the commission was Professor Wadham and men of his type. I

can quote it with safety today, and I may say that I would not venture to bestow such praise on even the member for Guildford-Midland. But these are the men—

Hon. W. D. Johnson: I have no objection to putting anything down provided I interpret what I put down.

Mr. BOYLE: I have not attempted to interpret anything. I have merely laid down the law according to Moses—the Moses of the Royal Commission. I hope the conference will lay a foundation that will be a long way from our so-called orthodox system of banking and mortgage. What is that system as it applies to the agriculturists of Western Australia and Australia? Nothing but an overdraft system! That is all—the haphazard overdraft system which is subject to recall upon demand.

Hon. W. D. Johnson: And the stock and station mortgage.

Mr. BOYLE: The stock and station mortgage was only introduced by the associated banks as a reply to the Agricultural Bank Act of 1934. When the associated banks realised that the Government of the day had set up Section 51 of that measure, they set up the stock and station mortgage, Clause 9 of which is just as drastic. What the Agricultural Bank missed on the roundabouts the associated banks picked up on the whirligigs. So the position arose that the agricultural industry of Western Australia today is either hopelessly indebted to the Government through the instrumentality of the Agricultural Bank or equally hopelessly indebted to the associated banks.

Mr. Abbott: Then you do not know the South-West!

Mr. BOYLE: I do know the South-West. I know that the South-West has had the biggest writing-down in respect of group settlement granted to any agricultural section in Australia.

Hon. W. D. Johnson: Hear, hear!

Mr. Withers: But it has had a come-back since.

Mr. BOYLE: The South-West is a wonderful district, but it owes much of its success today to the discovery of subterranean clover and fodder grasses.

Hon. W. D. Johnson: And to writing-down!

Mr. BOYLE: Tremendous writing-down.

Mr. Abbott: Ten or fifteen pounds per acre is not writing-down. It is writing-up.

Mr. BOYLE: As regards the position of the group settlements today, the last report of the Agricultural Bank shows that the Manjimup group settlement has 212 vacant holdings. I am not decrying the progress of the South-West, but it is no use saying that the State has gained everything from that success. The State has not. The State has lost millions of pounds in the South-West—more, proportionately, than it has lost in the wheat belt; and there has been heavier writing-down in the South-West than in the wheat belt, proportionately to the numbers engaged. I do not want to have it go abroad that I am antagonistic to the South-West, or fail to appreciate the wonderful progress made there. I was in the South-West in my younger days, when one could have bought any of that land for 10s. per acre.

Hon. W. D. Johnson: And less.

Mr. BOYLE: And less. It is a great tribute to the land settlement which has taken place in the South-West that today it seems likely to rival Victoria. I trust it will. The progress made there is truly remarkable, but I will not have it said that that progress has been costless to the State. Group settlement moneys have been lavished on the South-West; and the same remark applies to Greenbushes. I saw those lands before group settlements were established there. The initial mistakes were something shocking, but out of all that has come good, and I hope the progress of the South-West will continue.

The South-West has had one great advantage. It came into the stabilised butter scheme. If there had been a stabilised wheat scheme in 1930 the wheat areas today would be in a far better position. In regard to mortgage banking, a Federal Minister declares that little more than a foundation has been built up after six years. It is very hard to stand here and repeat that a Federal Minister says only the foundation of the structure is in. The Royal Commission of 1935 has stated—

Hon. W. D. Johnson: The Royal Commission and rural relief.

Mr. BOYLE: I am dealing with the debt structure.

Hon. W. D. Johnson: Rural relief follows the debt structure.

Mr. BOYLE: No system of rural mortgage banking alone can be successful, in my opinion; and that opinion is based on 12 years' close study of the position. Rural

mortgage banking must be preceded by substantial writing-down of the secured debts of the farmer. The House knows that from these benches we have repeatedly put up the compulsory writing-down of secured debts. We were not successful in obtaining that writing-down.

The Premier: There has been a lot of writing-down. Don't worry about that!

Mr. BOYLE: Through the Agricultural Bank, yes; but I am not referring to that. The Bills introduced from this side of the Chamber did not refer to the Agricultural Bank. They had reference to the bank mortgagee and the insurance company mortgagee, and the Premier must know that more money is owed by Western Australian agriculturists to non-governmental institutions than to the Agricultural Bank. According to the report of the Royal Commission, in Western Australia close on £9,000,000 was owed by 3,500 farmers to the associated banks. In the wheat areas the Agricultural Bank is not owed anything like £8,000,000 or £9,000,000.

The Premier: Not now!

Mr. BOYLE: And it never was! So that the efforts that we made had nothing to do with the Agricultural Bank. I admit the use of Section 65 of the Agricultural Bank Act Amendment Act, the good that has done to 12 per cent. of the settlers. Those are the figures, according to the Agricultural Bank report. Only 12 per cent. of Agricultural Bank settlers in the wheat area ever benefited by writing-down. Another feature is that the Commonwealth Bank should have through its mortgage department full control—full and sole control—if it is to be successful. Use can be made of State instrumentalities; I have never objected to that. I do object, however, to any system that would allow any bank, whether State or private, to be arbiter in its own cause. I do object to any institution to which money is owed being able to declare how much shall be written off and how much shall be left in that regard.

The Premier: We are getting into the "New Order," all right!

The Minister for Works: It should be left to the debtor.

Mr. BOYLE: That, I suppose, would be perfection, because the writing-down would be of such a nature that there would be no debt left. I have never advocated that. What the Country Party has advocated for

a number of years is the fitting of the burden to the capacity of the farm to carry it. That is common sense. A few nights ago the member for Nedlands said that in 1920-1930 money had more value than it has today. That is a point we all admit.

Mr. Watts: It is axiomatic.

Mr. BOYLE: The member for Nedlands, of course, was not speaking on the same subject as I am speaking on now; but members must realise that in those years the price of wool was from 1s. 6d. to 2s. per lb., and the price of wheat was 5s. per bushel on the average; in 1921 wheat reached the phenomenal price of 9s. 2d. at the siding. The debts we are interested in today were contracted when wheat was 5s. per bushel and wool possibly 2s. per lb., and Agricultural Bank interest was as high as 7 per cent., the overdraft rate being 8 per cent.

The Minister for Works: And many of the settlers could not make the business pay with wheat at 5s. and wool at 2s.

Mr. BOYLE: The Minister overlooks the fact that the years I have mentioned were largely the developmental period of Western Australia. Between 1920 and 1930 the number of wheatgrowers doubled, rising from 5,000 to slightly over 10,000. Therefore it is obvious that the money referred to by the Minister went largely into development here. The Australian Wheat Board, I consider, has done a good job in getting the price of wheat stabilised, even at 3s. That is not a payable price by any means; but it may be a price which, with fair average yields, will see the farmer temporarily through his troubles. But we want something more than that. We want a stabilised mortgage, together with a stabilised income from these particular items. If the Minister for Lands can return to this Chamber with something accomplished in that regard, I shall be very happy.

There is another matter that will soon be largely in front of us here—the production of power alcohol from wheat. The member for Mt. Magnet, I am glad to say, has taken a great interest in that subject; but I should be very sorry to see the establishment in Western Australia of a power alcohol plant at a cost of £340,000 to extract 99.7 per cent. alcohol. That is the anhydrous type of alcohol. I have urged in this Chamber that it would be far better to establish smaller plants in the wheat areas. The plant I have

referred to cannot be placed outside the metropolitan area for the simple reason that the metropolitan area is the only area in Western Australia where 1,200,000 gallons of water can be supplied daily, and where there is a system of sewerage that can be provided only by a city having not less than 100,000 inhabitants. It would be far better to have smaller plants throughout the wheat-belts of Western Australia, and they need not and must not be anhydrous, which means the extraction of practically all the water from the alcohol. The plant I had an opportunity to inspect in South Australia produced just the ordinary 95 per cent. alcohol, and required 60,000 gallons of water per day for the production of 4,000 gallons of power alcohol. That power alcohol is made from flour, and in country areas the resultant bran and pollard could be used for the feeding of stock.

A little time ago I wrote an article for the country Press, in the course of which I stated —

The ordinary power alcohol will not mix with petrol, but an ingenious mixing device has been patented. This is known as the Dunster Mixing Valve. A power alcohol plant is fitted behind the dashboard of the vehicle. The cost fitted is £6, and a mixture of 33 per cent. of alcohol gives better results than straight petrol. The result is stronger fuel than the ordinary petrol we get today.

"Smith's Weekly" of the 8th November stated—and of course I do not suggest that the paper borrowed my article—certain facts bearing on this question. The subject is important to Western Australia and its wheat industry, and also to the Western Australian Government, because the mixture of anhydrous power alcohol is permitted only up to 15 per cent. Only 15 per cent. must be added to get it to mix with ordinary petrol, and by the use of the Dunster mixing valve we can get 30 per cent. use of power alcohol. Today we are paying 2d. a gallon more in Western Australia for petrol than we paid before in order to support power alcohol plants in the Eastern States.

Mr. Cross: And the petrol has a 20 per cent. lower octane value than has power alcohol.

Mr. BOYLE: Possibly it has. "Smith's Weekly" says—

It has now been demonstrated to the satisfaction of experts that when "wet" alcohol and petrol are mixed in proper proportions and delivered to the carburettor in the form of an

emulsion, a most effective gassification is obtained, and power output from the engine is all that could be desired. This discovery may go a long way towards solving the petrol shortage problem. Inventor is R. W. Dunster, industrial chemist and petroleum expert of wide experience and high reputation, a member of headquarters staff, Melbourne, of the Alba Petroleum Company of Australia. Operation of his fuel mixer is based on—

1. When "wet" alcohol and petrol are mixed in proportions ranging up to 30 per cent. of alcohol and mixture agitated, alcohol remains suspended in mixture for several minutes.

2. When mixture is heated to 85 degrees F. or more alcohol forms a stable blend with the petrol and will not separate from it.

3. When separation of alcohol does take place only a portion of alcohol comes out in solution, remainder stays as blend with petrol.

"The mixing gadget" it is pointed out by "Smith's," "makes possible use of alcohol containing five per cent. of water."

The importance to this State of these facts is this: No use has been made of the £340,000 allotted to Western Australia for a power alcohol plant which I contend must be established at Fremantle, and which will be highly uneconomic even after the war because only 15 per cent. of that alcohol could be used with petrol. Here we have a cheaper plant which would consume five times as much wheat. Five of these plants could be erected for £60,000 each and could be placed in the wheat belt of Western Australia. They would use from 30 to 33 per cent. power alcohol and would consume about 4,000,000 bushels of wheat a year, which would be a great advantage to this State. I do not minimise the economic deficiencies because this alcohol will cost anything from 2s. to 2s. 9d. a gallon and it will be the responsibility of this Government or the Federal Government or both Governments combined to see that the ordinary petrol when it comes back on the market is loaded to carry these plants.

But let us take the benefit of the smaller plant, a proven plant. "Smith's" has investigated it and I saw it working in South Australia. It is a considerably simplified plant. To get that five per cent. of water out of alcohol is a difficult process. Why not stick to the simplified processes that are already giving results? The South Australian company was selling 3,000 gallons of fuel made from grapes to taxi cabs and could not meet the growing demand. It is engaged in erecting a plant at Nuriootpa in

South Australia, and in my opinion the Government of Western Australia would be well advised to take some action if only to inspect or inquire into this matter in order to ensure that no mistakes are made when plants are established in Western Australia which will be a charge on the people.

The proposed power alcohol plant is estimated to cost at least £340,000, whereas these other plants can be erected for £50,000 each and, as Mr. Allen, the managing director of the company in South Australia told me, even if we allow 20 per cent. on the £50,000, or one-fifth, the plants could still be erected for £60,000 each. I am of the opinion that mistakes can be made and I was very pleased to observe that the new Federal Minister, Mr. Beasley, is very hesitant. Mr. Beasley is reported to have said that the outlook for the erection of these plants is not bright. According to yesterday's "West Australian" he said, "It was hoped that Western Australia would share when the distilleries were erected." The Minister is only "hoping." I trust he will continue to hope, but I am sure that Mr. Beasley now has the same doubts that are in my mind and I imagine that that hoping will become hope deferred. That will not make my heart sick, because with the £340,000 plant we should use only 800,000 bushels of wheat, which is not much, whereas if we had five of these smaller plants placed where the wheat is grown we could use up to 4,000,000 bushels a year and the farmer would be given 3s. 6d. a bushel for his wheat, which is something to be desired.

Mr. Thorn: What is the production of power alcohol?

Mr. BOYLE: Two point three gallons of power alcohol are produced from a bushel of wheat.

Mr. Rodoreda: What is the cost?

Mr. BOYLE: According to the committee that investigated the matter the cost is 2s. per gallon at the distillery. The by-product, dried mash, would be sold for £6 per ton, thus reducing the original price by 3d. a gallon.

Mr. Cross: The member for Mt. Magnet made an interesting speech on the matter during the Address-in-reply.

Mr. BOYLE: He did, and I hope he will make a more up-to-date speech now, because he based his remarks—and his speech was a very fine contribution—on the report of the Federal committee. That report was

furnished on the 16th July, but the committee did not investigate other than the anhydrous alcohol position. Its basic viewpoint was the production of power alcohol that would mix with petrol. That was its main line of inquiry, but the Dunster mixing valve obviates that. Ninety-five per cent. power alcohol can be used.

I wish now to draw attention to the establishment of war industries in country districts in Western Australia. I have heard the Premier refer to the fact that we are to have £640,000 worth of war contracts. I notice that £250,000 is to be spent in the manufacture of Bren gun carrier parts. Those whose constituencies lie some distance from the city are aware that an exodus is taking place from the country areas to the city, not only in Western Australia, but throughout the Commonwealth. The country is becoming de-populated. There are many reasons for that. One of the main reasons is the enlistment of soldiers whose wives and families or other relatives who are dependent on their allotments, are going to the cities. In order to counteract that exodus, when I was in the Eastern States at the end of May I saw Senator McBride who was then Minister for Munitions, and I am grateful that as a result of that interview we have had a war munitions annexe established at Merredin. I hope that in six weeks' time there will be an injection into the economic life of that town of £500 a week from the manufacture of Bren gun carrier wheels. We hear much about the shortage of manpower, but there was no difficulty in getting skilled men for the annexe at Merredin.

Trainees from the Technical College are permitted under the National Security Regulations, and by arrangement with the unions, to enter those works and I expect that we shall soon have 30 men working three shifts a day with 12-hour shifts on Saturdays and Sundays. That will be a great assistance to the war effort. No fewer than 28,000 Bren gun carrier wheels are required, and it is intended to apportion the work amongst garages in the country which have lathes. When I suggested that to Senator McBride he would not agree to the idea, but I find that the Canadian system has been adopted. In Canada there are farms with lathes that are turning out war munitions. Fifty a day can be manufactured in Morrison's works at Merredin, on six days a week, at two guineas each. The department

places the castings from Hadfields right into the works and, when the wheels are cast, they become the property of the Defence Department.

Finance is available for anyone that wants it. There has been talk about a mortgage bank, but finance is there for anyone in the country with a lathe. I have heard the member for Kalgoorlie speak about lack of equipment, and we know that what he says is right; but if we can turn every country town where there are lathes into a stream of war supplies we shall be doing a great job, and will succeed in keeping people in the country who should be there. In South Australia the exodus of the population is so bad that the Government has instituted a system of providing free transport for families to country towns. Already 30 families have availed themselves of the offer. Seventy per cent. of the population of South Australia is in Adelaide, but solid brick buildings are being erected in the country, in which munitions are to be manufactured. Those who represent country constituencies here know that the shutters are up in many places, that there are hotels that are not paying rents. I have heard the Premier say—and I have agreed with him and still do—that we need a balanced economy, but we shall not get it through building up the cities at the expense of the country. Perth will become the same as cities in the Eastern States. Given an opportunity, we shall have here the spectacle of 70 per cent. of our population being in the metropolitan area and 30 per cent. outside, including the goldfields. I commend to the Treasurer an investigation of the possibility of getting people out of the city by giving them free transport to country centres.

The Premier: We have been doing that for years.

Mr. BOYLE: Transporting people free of charge?

Sitting suspended from 6.15 to 7.30 p.m.

Mr. BOYLE: Before the tea adjournment I was referring to the bad state of country districts occasioned particularly by the war. I mentioned one town—Bruce Rock—but it is in no worse condition than are other wheatbelt towns.

Mr. J. H. Smith: Or any other country towns.

Mr. BOYLE: That is so. Nor is that position peculiar to Western Australia. The

Victorian Government has set up a Ministry for Decentralisation. A Minister has now been appointed. The position is so bad that the population of Melbourne has increased, in three years, from 750,000 to over 1,000,000. The country has correspondingly decreased. Such towns as Geelong, Ballarat and Bendigo show decreases. Geelong, which in normal times is a thriving centre a little over 40 miles from Melbourne, has decreased by over 4,000 since the war. The Government of this State would be well advised to set up a ministry for decentralisation. It is not the policy of this Government to centralise, any more than it is the policy of any other Government in Australia, but economic circumstances are such that people are drawn to the city.

War industries are set up almost exclusively in cities which is why, tonight, I stress the importance of setting up a war munitions annexe at Merredin. One will also be set up at Kellerberrin. Other districts are interested in this matter. Katanning has a war industries committee, and Albany a zone development committee, which is practically the same thing. The Government should consider creating a ministry for decentralisation by giving one of the existing Ministers an addition to his portfolio. The South Australian principle could be followed. That Government has set up a free transport system from Adelaide to the country districts. The Premier said the Government of Western Australia has been doing that for a long time. I am glad to know that. I would like him to give me the approach to the department handling it.

The Premier: Any man going to a job in the country can get a rail pass.

Mr. BOYLE: The Premier has missed my point. He refers to employment. Many soldiers' wives and children who are now in the city would welcome a chance to move to country towns where the surroundings for the children are infinitely more healthy and better in every way than the crowded accommodation of the city.

Mr. Sampson: Could not the Minister for Health take it up?

Mr. BOYLE: I did not refer to employment. I know the Government has been giving passes to men for the reason given by the Premier. I referred to the, not hundreds, but thousands of soldiers' dependants in Western Australia. In my district alone there are close on 500 enlistments of men,

and a good many are married. Immediately a husband leaves, and in some cases before, his family pulls up its sticks and comes to Perth. We should counteract that.

The Premier: Would they want to go back?

Mr. BOYLE: I think they would. After discussing the question with people who have been three months in Perth I am satisfied that many desire to return, but they have not the money to pay for transport and shift their furniture. A soldier's allotment is not sufficient to enable his dependants to move about the country. There is any amount of house accommodation in country towns where people would not pay the rents they have paid for inferior accommodation in the city. The schools in the main country towns are well officered, and many are suffering a serious decrease in attendance. They could be built up. The Government should regard this matter seriously. If the South Australian Government is shifting soldiers' dependants back to country towns, and the Government of Victoria considers the situation so alarming that it has set up a Ministry for Decentralisation, the Government of Western Australia would be well advised to give the matter some attention.

Mr. Sampson: That is a splendid suggestion.

Mr. BOYLE: I would like to express my appreciation to the Minister for Works for carrying out a recent job in my area, that is the Totadgin water supply. I do not desire to detract from an officer who has retired from the Government service, Mr. Tindale, a very able officer, but in Mr. Dumas we have a man who will not consider putting in temporary or small schemes which have some other ultimate use. When I asked for this water supply scheme it was granted by the Government, but Mr. Dumas, when he took over, decided that these extensions from the main must be put in with a view to linking up with future large developments of water supplies. Instead of this scheme being established with a small diameter pipe it is being laid with a 6-inch main tapering to 4-inch. That is very different from the old system of finishing with a 1-inch main, which usually became so corroded that it delivered no water at all. Even at the risk of having my appreciation included in the next weekly notes of Mr. Davies, the Secretary Trades Hall—

The Minister for Mines: You will get your name in the paper that way.

Mr. BOYLE: —I offer it for the work now carried out, which has been long overdue. It was not a hurried job, but has been waiting for about 18 months or two years. A commencement has been made and the 27 farmers on that main. I hope, will have no water troubles in the future. A terrific loss of water has occurred. It is estimated by the authorities that the faulty condition of that main caused a loss of 10,000,000 gallons of goldfields water supply water.

Progress reported.

BILL—POTATO GROWERS LICENSING.

Returned from the Council with amendments.

BILL—COMPANIES.

In Committee.

Resumed from the 11th November. Mr. Marshall in the Chair; the Minister for Justice in charge of the Bill.

The CHAIRMAN: Progress was reported after Clause 12 had been agreed to.

Clause 13—Memorandum of company limited by shares:

Hon. N. KEENAN: The clause deals with a company limited by shares, not being a no-liability company, and provision is made that the memorandum shall state, amongst other things—

(1) (c) the full names, addresses and occupations of the subscribers of the memorandum and whether each subscriber is over or under the age of 21 years.

Subclause 4 provides that no person under the age of 21 years shall subscribe to a memorandum. I move an amendment—

That in Subclause 1 (c) the words "and whether each subscriber is over or under the age of twenty-one years" be struck out.

I fail to appreciate the reason for including the words. If the provision was that the memorandum must state that each subscriber is 21 years or over, it might be mere redundancy, but in its present form it is absolute nonsense. Actually, a subscriber of 21 years, who would be a lawful subscriber, is not covered.

The MINISTER FOR JUSTICE: The provision has been well considered. The Registrar of Companies suggested the inclusion of the words to facilitate his work. A memorandum may not be signed by any-

one under the age of 21, and paragraph (e) will save work and expense.

Hon. N. Keenan: Suppose a subscriber was 21, what would happen?

The MINISTER FOR JUSTICE: That would be all right. If a subscriber was under 21, he would be liable to a penalty. The Registrar is a man of experience and knows what is necessary to facilitate the work.

Mr. Hughes: You do not suggest that the Registrar has had a lot of experience?

The MINISTER FOR JUSTICE: He has had experience. The paragraph is commonsense English. What is wrong with it?

Hon. N. Keenan: Oh, what is wrong!

The MINISTER FOR JUSTICE: If the subscriber is 21 years or over, he is entitled to sign, but if he is under that age and he signs, he is liable to a penalty.

The Premier: That is similar to the provision on the electoral enrolment card.

Hon. N. Keenan: That provides for 21 years or over: this does not.

The MINISTER FOR JUSTICE: I cannot accept the amendment. It will be no burden to show whether a subscriber is under or over 21 years of age.

Mr. RODOREDÁ: I find myself in agreement with the member for Nedlands provided no-one under 21 years of age is required to sign a memorandum—which in any case he is not legally qualified to do. Every one signing the memorandum should be required to state that he is not under 21 years, which he would have no hesitation in doing if the statement was correct. In the event of the words objected to being deleted, we should insert words that will not be redundant, such as "21 years or over."

Hon. N. KEENAN: The redundant words would not be objectionable, but what I cannot shove into the Minister's head—

The Minister for Justice: I object to that.

Hon. N. KEENAN: —is that 21 years of age is not either under or over 21 years, but is a perfectly legitimate age for signing a memorandum. The verbiage of the clause is ridiculous.

Mr. HUGHES: How will this clause help the Registrar to ascertain whether any particular subscriber is over 21 years?

The Premier: Because the subscriber has to declare.

Mr. HUGHES: Literally following the wording of the clause, the Registrar's statement would have to include that all the subscribers are over or under the age of 21 years. The subscriber, when applying for shares, should be called upon to state that he is over the age of 21 years. The words to be substituted should express that each subscriber is 21 years of age or over. Such words would place the onus on the subscriber. The marginal note refers to the English Act, Section 2. That is objectionable. I have the English Act before me, and I find there is no resemblance between its Section 2 and this clause. Section 2 of the English Act says nothing at all about a subscriber being required to have attained the age of 21 years and to state whether he is under or over 21 years. The suggestion of the marginal note is that the Bill adopts Section 2 of the English Act, which can result in no harm.

Hon. N. KEENAN: On looking at the Victorian statute, which I now have, I find again that the marginal reference in the Bill is misleading. I have now checked two of such references, both of which are wrong. The Victorian statute allows infants to sign the memorandum.

Hon. W. D. Johnson: That would not be a Ministerial blunder.

Hon. N. KEENAN: I have no objection to the amendment, but I would like the Minister to explain how these misleading references came to be inserted in the Bill.

Hon. W. D. Johnson: Surely you would not hold the Minister responsible for them?

Hon. N. KEENAN: I would.

The Premier: No.

Hon. N. KEENAN: Yes. He is in charge of the Bill. If I were in charge of it, what a roasting I would get from the Premier.

The Premier: No!

The CHAIRMAN: The hon. member had better get back to the amendment.

Hon. N. KEENAN: I have already intimated that I do not object to it.

The MINISTER FOR JUSTICE: Speaking as a layman, I can see nothing wrong with the amendment.

Hon. N. Keenan: Will you tell me about the references?

The MINISTER FOR JUSTICE: I did not hear what the hon. member was saying.

Hon. N. Keenan: Did not you hear my remarks about the references?

The MINISTER FOR JUSTICE: The references are merely an indication.

Hon. N. Keenan: An indication! Oh, dear! The Premier: We do not accept responsibility when the Parliamentary Draftsman makes an error.

Hon. N. Keenan: The Premier must not say that.

The MINISTER FOR JUSTICE: Because a few words do not suit the member for Nedlands, he kicks up a terrible fuss and asks all the questions in the world to satisfy his own curiosity and in order to ascertain whether the Minister knows what he is talking about.

Hon. N. Keenan: Do I?

The MINISTER FOR JUSTICE: To save time, I am prepared to accept the amendment.

Amendment put and passed.

Mr. HUGHES: I move an amendment—

That the following words be added at the end of paragraph (3) of Subclause 1:—"and that he is twenty-one years of age or over."

That places the onus on the subscriber of stating that he is 21 years of age or over.

Mr. Withers: Will it not be essential for the subscriber to put his address in the memorandum?

Mr. HUGHES: Yes.

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

Clause 14—Memorandum of a no liability company:

Hon. N. KEENAN: I move an amendment—

That in lines 2 to 4 of subparagraph (v) of paragraph (e) of Clause 1, the following words be struck out:—"and whether each subscriber is over or under the age of 21 years."

Amendment put and passed.

Mr. HUGHES: I move an amendment—

That there be added at the end of paragraph (e) of Subclause 1 the following words:—"and that he is 21 years of age or over."

Mr. SAMPSON: It seems to me that the proposed addendum is superfluous and I think the hon. member is mistaken in moving it. Even Homer nods!

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

Clause 15—Memorandum of company limited by guarantee:

Hon. N. KEENAN: I move an amendment—

That in paragraph (e) of Subclause 1 the words "and whether each subscriber is over or under the age of 21 years" be struck out.

This is the same amendment that was made to Clauses 13 and 14.

Amendment put and passed.

Mr. HUGHES: I move an amendment—

That the following words be added to paragraph (c) of Subclause 2:—"and that he is twenty-one years of age or over."

Amendment put and passed.

Mr. HUGHES: I now ask the Committee to strike out this clause altogether. If ever there was a trap for young players it is the guarantee. One of the difficulties about the company law has always been that somebody can go to a man with a glowing story about a concern that is going to make millions, and the great secret of his salesmanship is his assertion that all the prospective shareholder has to do is to sign on the dotted line and pay 2s. on application and 2s. on allotment. Although the shares are £1 shares, the salesman assures the prospective purchaser that he need never worry, that there will never be any call and that 4s. will be the limit of his liability. There is a consequent tendency on the part of some people to sign for shares they cannot afford to take. They are induced to purchase by the statement that after the application and allotment money has been paid the profits of the company will be so great that they will not have to pay the remaining 16s. If a man thinks he can get 200 shares and has only to pay £10 on application and £10 on allotment, there is a strong tendency for him to take them, and I know men who have been seriously embarrassed financially because they have succumbed to the lure of signing for a larger parcel of shares than they could afford to take.

Mr. McDonald: Would that not apply to any limited liability company?

Mr. HUGHES: Yes. That is the general position with companies, but the position of a company limited by guarantee is worse. In a company limited by guarantee a man does not put in any money at all. All he does is to sign an undertaking that if the company goes into liquidation he will contribute so much, and I think that is a trap that no Parliament should put before the people. This clause provides that a man does not even have to pay application money. Each member undertakes to contribute to the assets of the company in the event of its being wound up while he is a

member or within one year afterwards. This is setting a trap for people. If every citizen were thoroughly acquainted with the meaning of the words "a company limited by guarantee," and then entered such companies, he would know very well what he was doing.

Under this measure a person is told that he will not have to pay anything unless the company goes into liquidation and will then only contribute to its debts. He will be a member of the company and will have dividends while the company operates, and there will be no risk at all. We provide for a no liability company where there is no liability on the shares, a company with a limited liability and a company with an unlimited liability. Why do we need to add the words "a company limited by guarantee"? I have never heard of anyone in Western Australia asking for such a company. I would like to have a clause inserted in the Bill to provide that I at least should be prohibited from entering such a company. Unless there is some strong reason why we should make provision for this type of company we shall be doing a very wrong thing in making it possible for anybody to become a member of such a company. The Minister should agree to the clause being deleted. We have provision for limited liability companies, no liability companies, and unlimited companies. Why add this guarantee company?

THE MINISTER FOR JUSTICE: I am sorry the hon. member did not put his amendment on the notice paper, when better consideration could have been given to the deletion of this clause. The select committee considered the clause and agreed that it should be included. No matter what is done, the public cannot be completely protected.

Mr. Raphael: It is not the public the member for East Perth wants to protect, but himself.

THE MINISTER FOR JUSTICE: The guarantee company is already provided for in paragraph (b) of Clause 12.

Mr. Hughes: That does not prevent us from eliminating Clause 15.

THE MINISTER FOR JUSTICE: We have passed that clause and I see no reason to go back.

Mr. SAMPSON: I feel some sympathy for the member for East Perth because there does appear to be a lurking fear in his mind that some day, somewhere, somehow, some-

one will induce him to do something which today, in his more dependable moments, he knows would be wrong. So he has asked the Minister to approve the inclusion of his name in this clause. That is quite unusual.

The Minister for Mines: There is nothing like breaking new ground.

Mr. SAMPSON: That is so. If we can save the member for East Perth from later regrets, it might be worth doing. He certainly has put up a very attractive case, and he knows so much that it requires little imagination to feel that he would achieve remarkable success in selling shares if he tried.

The CHAIRMAN: The member for Swan must understand that the clause does not deal with the member for East Perth as a salesman.

Mr. SAMPSON: There has been a suggestion that his name be added.

The CHAIRMAN: I do not want the hon. member to deal with suggestions, but to discuss the matter before the Chair.

Mr. SAMPSON: The Minister is not agreeable to striking out the clause or to including the name of the member for East Perth, and especially excluding him from becoming a member of a guarantee company.

Hon. N. KEENAN: This Bill suffers from the lack of a second-reading debate. Had there been a second-reading debate we would have had the Minister's ideas on what classes of companies are suitable for Western Australia. For many years we were able to get along with three classes of companies—the no liability company for mining, the limited liability company for general business, and an unlimited company which was never heard of except on the statute-book.

The Minister for Justice: What about foreign companies?

Hon. N. KEENAN: They have registered here and traded with the leave and license of the State, as long as it had independent power, and now they can trade whether the States likes them or not, so long as they are registered by the Commonwealth. Any Victorian company can trade in Western Australia, but that is not the point. This class of company might be all right in a large commercial centre like Melbourne. In these companies the shareholders guarantee the amount of money written opposite their names when they sign the memorandum. In the case of the company go-

ing into liquidation, they would pay those amounts in addition to their liability as shareholders, should the money be required to meet debts of the companies.

Hon. W. D. JOHNSON: Suppose the shareholder has not the money?

Hon. N. KEENAN: He has to pay. Although some precedent exists in the Victorian legislation, it seems an extraordinary anomaly. Apparently such a company is a huge partnership. It is a new invention, and God knows what use it will be in Western Australia. Why are all these new types of companies to be foisted on the public of this State?

The Minister for Justice: Why do they have them in other States?

Hon. N. KEENAN: They do not.

The Minister for Mines: Yes, proprietary companies.

Hon. N. KEENAN: That is so. Proprietary companies are excellent institutions for certain purposes, but not purposes for which I have any admiration. They get all the protection of the company law with none of the disabilities. The Minister has given only one reason for the inclusion of this type of company, and that is that it is to be found somewhere else. If we had before us some book like Confucius and could find in it some valuable information about trading, it would not be a reason for adopting it. What we really want and have not got is a company law to suit Western Australia. The company provided for in this clause would not suit our State.

Hon. W. D. JOHNSON: I am not taking a great deal of interest in this Bill because I do not think it will reach finality. I am astonished to find that we are expanding the opportunity for company establishment simply because we find some other part of Australia has another form of company. I had not heard before of a company by guarantee. I have had some experience of ordinary guarantees because I was not long in Parliament before I had to pay two substantial guarantees, which necessitated mortgaging my Parliamentary salary for quite a long time. The worker is always looking for investments. S.P. bookmaking is an illustration. He will invest money in some way. Give him a short cut to get into a company on payment of a small deposit and he does not worry about the guarantee.

The Minister for Justice: I do not think he is less intelligent than anyone else.

Hon. W. D. JOHNSON: I know he is. Take a worker in an office. No person is illiterate; the State has provided opportunities for all to secure primary school education. But often the callings of the workers do not require them to continue their studies after leaving school.

The CHAIRMAN: Order! The hon. member is getting away from the question before the Chair.

Hon. W. D. JOHNSON: I am explaining—

The CHAIRMAN: The education of youth does not appear in this Bill.

Hon. W. D. JOHNSON: Now I shall be compelled to speak at some length.

The CHAIRMAN: Order! The hon. member will resume his seat. When I ask him to confine himself to the subject matter under discussion, I wish him not to defy or threaten the Chair.

Hon. W. D. JOHNSON: I would not do so.

The CHAIRMAN: If the hon. member continues to do so, his contribution to the discussion will be cut very short.

Hon. W. D. JOHNSON: I was pointing out that a guarantee is the most dangerous form of business proposition. When one gives a guarantee, one requires some education and knowledge of business matters in order to ensure protection against something that might ultimately bring serious difficulties. The average worker has not had the kind of education to enable him to protect himself. This sort of guarantee is not specified. When the worker signs it, he has no idea what liability he is undertaking. Through lack of business experience or opportunity to study, he has no knowledge of the actual effect of the document he has signed on the dotted line. When a man has established a company and approached workers in order to get the shares placed or to get guarantees signed, the workers cannot protect themselves by getting the proposal examined by someone competent to give advice. Their available money is limited and is absorbed in payment of the deposit for joining the company and accepting the guarantee.

So long as we provide for these attractive opportunities and give them standing under the law, people will feel that they must be all right. Thus the worker has no oppor-

tunity to protect himself. We are putting temptation in his way, and it is this temptation I want to avoid. This is a definite temptation to a worker to go into some company when he is not clear about the extent of his liability. His education has not proceeded to a standard to enable him to judge. The State gives the workers education hoping that thereby they will be able to protect themselves, but unfortunately they do not always digest or retain the education. I hope the Minister will appreciate how dangerous it is to put temptation in the way of workers through a measure of this kind. The fact that provision is made in the Companies Act affords a basis or talking-point for the go-getter. We can imagine his saying, "This is part of the law of the land. Members of Parliament, men of knowledge, sound business men passed this law for your benefit. Why should not you be able to join a company?"

We hear the same old talk about betting; why should not a worker be able to bet? Because we want him to have an equal opportunity of investing in companies, we provide for guarantees and put temptation in his way. The workers pay as a rule about 90 per cent. of the liabilities associated with indefinite business propositions of this kind. The member for Nedlands says that we have got through in Western Australia up to date with three forms of companies. The early goldfields companies got along wonderfully well under the old company law. Litigation is going on today because of past weakness and carelessness. What does the guarantee here in view actually cover? If the liabilities exceed the capital of the company at the time of liquidation or winding-up, and if the guarantor was in the company when the liabilities were incurred, he can be called upon to make good his guarantee. But the worker has no opportunity to understand what the guarantee covers. That is brought home to him when the winding-up takes place.

The worker cannot meet the liability from his wages. Probably he has built up a home and assets for his family, but all the value of the home and the assets disappears in meeting his liability in connection with the company. It is this kind of clause that tempts the worker and keeps him poor. Our duty is so to frame laws that they will not lead the worker into temptation, as this

clause would do. The fact that companies of this kind exist in the Eastern States does not necessarily prove that they should be permitted to exist here. The worker has frequently suffered from investing in something that is not sound but is not illegal. I hope the Committee will delete the whole clause. There has been no public demand for companies of this kind. I may state that co-operative companies are the only companies in which I am interested. The select committee has recommended this clause, but not as the result of any public request. Therefore we should not say that we will adopt the clause because the select committee recommends it. Let me refer to the scandals arising out of the operations of land companies here.

The Premier: You take up a great deal of the time of the Chamber, and then go to the Eastern States and leave the matters you have brought up to the House.

Hon. W. D. JOHNSON: The clause is unwise and I shall not support it.

Mr. SAMPSON: The member for Guildford-Midland has given the Committee ample proof that he knows little or nothing about this matter. Companies limited by guarantee are useful, as anyone who has been in business knows. The member for Guildford-Midland said something about the co-operative movement, which has also proved useful.

Hon. W. D. Johnson: You can say it is a very humane movement, too.

Mr. SAMPSON: In some instances it has proved successful; in others, not so. In respect to the temptation which it would seem is always awaiting the worker, I venture the opinion that a worker is quite capable of determining whether a company is dependable or not.

The Minister for Justice: Of course he is!

Mr. SAMPSON: We should not adopt the suggestion of the member for East Perth, because he is the initiating arch-scoundrel in this matter.

The CHAIRMAN: Order! The hon. member must not reflect on another member in that fashion. He must withdraw his remark.

Mr. SAMPSON: I withdraw any suggestion that the hon. member is a scoundrel.

The CHAIRMAN: Order! The hon. member must withdraw unreservedly.

Mr. SAMPSON: I withdraw unreservedly. In my opinion, the clause should be retained.

[Mr. Withers took the Chair.]

Mr. TONKIN: I appeal to the Minister to reconsider his attitude towards this clause. He should not feel in duty bound to try to get every clause passed by the Committee. In view of what has been said about companies limited by guarantee and unlimited companies, and also in view of the fact that there is no great call anywhere for such facilities in this or in the other States, we would not inflict any hardship if this provision were struck out. The Bill contains adequate facilities for the formation of limited companies.

Mr. HUGHES: The Minister has said that the public cannot be protected. The public cannot be wholly safeguarded; but the basic principle of the Bill is to protect the public.

The Minister for Justice: We have done our best to do so.

Mr. HUGHES: I respectfully suggest that the Minister is, by this clause, setting a trap for the unsophisticated. The member for Swan said that guarantees were good, but I would like to know the motive power that would induce him to sign a guarantee.

Mr. Sampson: Well, you might fail.

Mr. HUGHES: I would. I have undertaken some Ned Kelly exploits in my time, but that is one I would not venture upon.

The CHAIRMAN: Order!

Mr. HUGHES: If we cannot wholly protect the public, we should not provide facilities that might prove dangerous to it. It is unfair to say that because a member did not push himself on the Royal Commission and pose as an expert—

The Minister for Justice: I am not saying that. I said you had the opportunity to give evidence.

Mr. HUGHES: What were we to do? Run along to the Royal Commission?

Hon. C. G. Latham: Certainly not!

Mr. HUGHES: Should we have said, "We are experts. Allow us to give evidence." The commission might have replied, "I am sorry. You have made a mistake; you are not experts." Where would we have been then? Those who did give evidence had an axe to grind.

The Minister for Justice: That is not true.

Mr. HUGHES: If members will read the evidence they will find that certain groups of people presented their viewpoint to their own advantage. I do not think they did anything wrong. If the sharebrokers carrying on the lawful business of sharebroking wanted certain amendments made to the Act in their interests, there was nothing wrong in their going to the select committee.

The Minister for Justice: They did not get everything they wanted.

The CHAIRMAN: I do not think that phase is under discussion.

Mr. HUGHES: The suggestion has been made that we could have gone to the select committee and aired our views, and as we missed our opportunity we have no right to do it here. I would like to know what people asked the select committee to include "a company limited by guarantee."

The Minister for Justice: No one objected.

Mr. HUGHES: I venture to say that of the 8,000 electors in East Perth over 7,000 do not know the meaning of the words "a company limited by guarantee."

The Minister for Justice: Seven thousand would not know anything about companies at all.

Mr. HUGHES: Although 7,000 know nothing, in the aggregate probably East Perth knows more about companies than any other electorate in the State because the member for Swan lives in East Perth. Surely everybody in Western Australia was not obliged to say, "I want to tell the select committee that I object to the Bill." It was the duty of the select committee to investigate this matter for itself.

The Minister for Justice: It did!

Mr. HUGHES: What I think happened was that the Companies Acts of all the States and the Imperial Act were secured, and each section was cut out with scissors and had to find a place in this Bill. There is no other explanation for this monumental piece of work, except that all the sections from the various measures were spread over the floor and then placed in this Bill, and if there were a piece left over, a place had to be found for it somewhere. It is almost impossible to find a section of any of the Acts which has not been stuck somewhere in this Bill. Then certain people in their

own interests appeared before the select committee and stated that certain matters should be included in the measure.

The Minister for Justice: Then this Bill is not an improvement on the old Act?

Mr. HUGHES: It is the reverse! The introduction of proprietary companies is definitely a retrograde step, and the introduction of the company limited by guarantee means the setting of a trap for people who do not thoroughly understand what they are doing. That is why I urge the Committee to vote out this clause. Unfortunately, the evidence is not indexed, and I would not like to say that it does not contain something in favour of a company limited by guarantee; but I have not found it and I would like some member of the select committee who is familiar with the evidence to assist us by giving us the page and reference and reading the evidence of those who urged the select committee to include this provision.

Hon. C. G. LATHAM: I support the remarks of the member for East Perth. It appears to me that the Bill attempts to provide for all companies that are likely to be formed. As the member for East Perth says, we must deal with the brainy individual who approaches unsophisticated people and persuades them to become associated with these companies, people who sign applications for shares and do not realise until there is a winding up that they have become responsible for the debts of the company.

The Minister for Justice: They are not responsible for the debts of the company.

Hon. C. G. LATHAM: Surely the Minister knows what a guarantee is.

The Minister for Justice: I do.

Hon. C. G. LATHAM: Unfortunately, I paid for my experience. In the limited liability company we know very well what our limit is, but in these other companies a man buys shares without knowing exactly what his liability is.

The Minister for Justice: He knows his liability.

Hon. C. G. LATHAM: He does not. The Minister may be a very shrewd man but I guarantee he does not read all the agreements he signs.

The Minister for Justice: I know what I am responsible for.

Hon. C. G. LATHAM: The Minister signs documents without having a full knowledge of their contents.

The Minister for Justice: No.

Hon. C. G. LATHAM: Then the Minister is an outstanding man. It is only the "go-getter" that will make use of this provision.

Hon. N. KEENAN: The Minister appears to be under an extraordinary misapprehension. The clause provides that each member of a company limited by guarantee undertakes to contribute to the assets of the company in the event of its being wound up while he is a member or within one year afterwards. It is a post mortem. This guarantee is hanging over his head.

The Minister for Justice: Only for the amount he guarantees.

Hon. N. KEENAN: Of course! It would not be for £1,000,000! The clause goes on to say that this contribution is for the payment of debts and liabilities of the company contracted before he ceases to be a member, and of the costs, charges and expenses of winding up and for adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding a specified amount. Something like 900 out of 1,000 men would say their liability would never occur. It could only happen on the liquidation of the company and if it had insufficient assets with which to pay its debts, and under other circumstances where such contribution became necessary because of contributory shares. The Minister says it is only a matter of form but it might, under certain circumstances, become very real.

The MINISTER FOR JUSTICE: I am not convinced after having listened to all the arguments. The only argument put up has been a reflection on the intellect of the people of this State. The workers of this country know what they are doing. It does not matter whether it is a guarantee company or any other type of company. A person who takes shares assumes a certain amount of responsibility and is liable for the full payment under those shares, with the exception of no liability companies.

Hon. C. G. Latham: What advantages has it?

The MINISTER FOR JUSTICE: I do not know. I do not profess to know much about company law, or to be a legal man.

Hon. N. Keenan: You are a business man.

The MINISTER FOR JUSTICE: Yes. I have been asked to make guarantees, but have not done so without first going into the circumstances. If a person wanted me to guarantee £20 or £30 I would sooner lend the money. Members had the opportunity

to come along to the select committee and help to make this a better Bill.

Hon. N. Keenan: Do you suggest a select committee is infallible?

The MINISTER FOR JUSTICE: No. I do not think even the member for Nedlands is infallible. He has made just as many mistakes as has anybody else.

Hon. N. Keenan: Probably more!

Mr. Hughes: He dug for gold and there was none there!

The MINISTER FOR JUSTICE: Nobody will be taken down in this State because of guarantee companies. I appeal to members to help us protect the people of this State. This Bill is an improvement on the present Act. If we are not to get away from what obtains at present, why did we appoint the select committee? Because this measure contains something new everyone seems to take exception. Yet no members came along to assist.

Hon. N. Keenan: You have said that 40 times!

The MINISTER FOR JUSTICE: And I would like to say it one hundred times! The member for Nedlands could easily have helped. I do not profess to know anything about company law.

Hon. N. Keenan: Why did you bring this Bill down? Why did you not give it to some legal man on your side?

The MINISTER FOR JUSTICE: We would probably never have got it through. It is owing to the loquacity of legal men that we are delayed. They are not always helpful in this Chamber, although they were on the select committee.

Mr. HUGHES: Had we attended before the select committee we would not have been asked what we thought of guarantee companies. The first witness before that committee was K. Hatfield, solicitor, whose evidence appears at pages 1-3 of the report. The select committee consisted of eight members, and not one of them asked him what he thought of guarantee companies.

The Minister for Justice: Did he not have a tongue? If he had any objections he could have stated them.

Mr. HUGHES: Was he expected to take this Bill with its enormous number of clauses—

The Minister for Justice: That is what most of the witnesses did.

Mr. HUGHES: —and go through it clause by clause, and explain what it meant and what he thought about it?

The Minister for Justice: That is what quite a number did.

Mr. HUGHES: Not one member of the committee asked Mr. Hatfield about guarantee companies. I assume his youth was against him. Then Thomas Frederick Davies, ex-Master of the Supreme Court and Registrar of Companies, and also a legal practitioner, gave evidence. He was not asked whether a guarantee company was necessary. Surely the committee could have said to him, "Did you ever have anyone inquiring about a guarantee company?"

The Minister for Justice: It was not in the old Act.

Mr. HUGHES: If that is so and somebody wanted to establish one, Mr. Davies was the man he probably would have approached. The next witness was Mr. A. C. Curlew, representing the Chamber of Manufactures, and no one asked him whether guarantee companies were necessary. Another witness was Mr. R. D. Forbes, a legal practitioner, and nobody asked him anything about guarantee companies. The present Registrar, Mr. G. J. Boylson, was examined and he was not asked. Not one of the eight members deigned to ask those witnesses whether guarantee companies were necessary. Obviously, the Royal Commission accepted the guarantee company out of the paste-pot and without consideration.

The Minister for Justice: Not without consideration.

Mr. HUGHES: I cannot understand the Minister's attitude. If we have a select committee on anything in future—

The Minister for Justice: If I had a grievance, I would attend and give evidence.

Mr. HUGHES: I have no grievance. I suppose 80 per cent. of the people in my district are not interested in companies. Unfortunately, they have no surplus money. Their only chance would be to invest in a guarantee company and meet the chickens when they came home to roost. All I suggest is that from my knowledge and experience of the Companies Act, and the signing of guarantees, this is a dangerous trap, and we should be the last people to put it in the way of anyone. Apparently if a select com-

mittee is appointed in future, each member of the Chamber, to preserve his rights, will have to attend and give evidence.

Mr. WATTS: The arguments of the member for East Perth have almost satisfied me that we should delete the reference to guarantee companies. He seems to have established that there might be some danger in them. People might be misled, and if one accepts that as a starting point, one has to inquire whether there is any particular reason why these companies should be allowed to exist or come into being. I know of no particular reason why they should. In spite of the observations of the member for East Perth, the main reason for including them was the need for uniformity. They were provided for in the other States, and it was impressed upon us that we should preserve uniformity, particularly in view of the possibility of the Commonwealth bringing down legislation. This need for uniformity was stressed by a number of witnesses. However, we have managed in the past without guarantee companies, and there is a possibility that some of the objections raised by the member for East Perth might be realised.

Members will appreciate that every witness could not be questioned on every clause of the Bill. Several weeks before any evidence was called, witnesses were requested to go carefully through the Bill and record their views. I remember receiving two brochures which dealt with practically every clause of importance and recorded views and comments on each of them. Not one of those witnesses raised any objection to the guarantee company. As it existed in the other States, we thought it could not be undesirable, and therefore included it in the Bill. It is of no use saying that these witnesses had no opportunity to express an opinion on this or any other question. They had ample opportunity to do so, and the most knowledgeable of them presented schedules of their objections clause by clause. None of them objected to guarantee companies, but many definitely recommended the proprietary company to which the member for East Perth is equally opposed.

Hon. C. G. LATHAM: I do not want the Minister to get the idea into his head that because a Bill has been referred to a select committee, members of this Committee cannot disagree with the select committee's

decisions. The select committee is the select committee of this Chamber. A select committee on a Bill gives members of the public who are interested an opportunity to put up their side of the case. Members of Parliament do not go before a select committee unless as representatives of organisations. This is the place where we discuss the Bill clause by clause. The Minister must realise that while we appreciate the work of this select committee, it is a select committee comprising only five out of a total membership of 50. The five might easily miss something that the other 45 members regard as of importance. It is the right of every member of this Committee of the whole House to rise and discuss clauses as often as he deems necessary. There must not be any hole-and-corner determination of four or five members settling a question. It is on that ground that I have objected to the decisions of conference managers. I hope this clause will be deleted.

Clause put and declared negatived.

The MINISTER FOR JUSTICE: I call for a division.

Mr. HUGHES: No one called "Aye." There were absolutely no ayes. There cannot be a division if there were no ayes.

The CHAIRMAN: There was not an aye called; definitely, not one! The clause is negatived.

Clause 16—Memorandum of unlimited company:

Hon. N. KEENAN: I move an amendment—

That in lines 3 to 5 of paragraph (d) of Subclause 1 the words "and whether each subscriber is over or under the age of twenty-one years" be struck out.

This amendment is consequential.

Amendment put and passed.

Mr. HUGHES: I move an amendment—

That the words "and that he is 21 years of age or over" be added to paragraph (c) of Subclause 2.

Amendment put and passed.

[Mr. Marshall resumed the Chair.]

Mr. TONKIN: In my opinion, no one today wants to form an unlimited liability company. A person forms a limited liability company so that he may know what he is about. There is no reason for continuing a provision which nobody wants.

The Minister for Justice: Somebody might want it.

Mr. TONKIN: If the experience of years has shown that there is no need for the provision, we should not include it in the Bill simply because eventually someone might want it. The development of the formation of companies has been wholly in the direction of a definite limit on the liability of the person who subscribes for shares. It was that principle which led to the great development of limited liability companies. Unlimited liability put a check on the number of companies based on that principle. The deletion of Clause 16 would be only logical. In an unlimited liability company each shareholder is liable for all claims against the company. If the previous clause was not a trap for the unwary, this clause certainly is. I suggest to the Minister that there is no reason why he should fight for its retention. Without it, the Bill provides adequate facilities for the formation of genuine limited companies. I would move that the clause be struck out.

The CHAIRMAN: I could not accept such an amendment.

Mr. TONKIN: Then I suggest that the Committee vote against the clause.

Hon. N. KEENAN: It will doubtless please the Minister to know that I am supporting him on this occasion.

The Minister for Justice: I shall sleep well tonight.

Hon. N. KEENAN: I do not think it possible that the clause would be a temptation to anybody to invest in a dangerous financial venture.

Mr. Tonkin: Have you ever heard of the formation of an unlimited company?

Hon. N. KEENAN: No.

Mr. Tonkin: Do you think you ever will?

Hon. N. KEENAN: No.

The MINISTER FOR JUSTICE: I am pleased the member for Nedlands is supporting me in respect of one clause at least. I am not altogether in favour of this one, although a similar provision is contained in our Companies Act. I shall not oppose the deletion of the clause.

Hon. W. D. JOHNSON: I support the member for North-East Fremantle, for the reasons outlined by the member for Nedlands.

Clause, as amended, put and a division taken with the following result:—

Ayes	..	..	..	..	24
Noes	..	..	..	..	11

Majority for 13

AYES.

Mr. Boyle	Mr. Rodoreda
Mr. Coverley	Mr. Sampson
Mr. Fox	Mr. Seward
Mr. W. Hegney	Mr. F. C. L. Smith
Mr. Hill	Mr. Styaats
Mr. Keenan	Mr. Triat
Mr. Leahy	Mr. Warner
Mr. McDonald	Mr. Watts
Mr. McLarty	Mr. Willcock
Mr. Millington	Mr. Willmott
Mr. Nulsen	Mr. Withers
Mr. Panton	Mr. Cross

(Teller.)

NOES.

Mr. Berry	Mr. Raphael
Mrs. Cardell-Oliver	Mr. Shearn
Mr. J. Hegney	Mr. Thorn
Mr. Hughes	Mr. Tonkin
Mr. Johnson	Mr. Doney
Mr. North	

(Teller.)

Clause, as amended, thus passed.

Clause 17—Signature, etc., of memorandum:

Mr. TONKIN: I move an amendment—

That in line 2 of paragraph (ii) after the word "witness" the words "not being a subscriber" be inserted.

This provision is in the South Australian Act though not in those words, but the New South Wales Act does contain the same words. In the formation of companies where the numbers are very limited—say half a dozen—the prime mover may induce some of his friends to subscribe for one share each and himself witness all their signatures. This provides an opportunity for hole-and-corner methods. If this provision that the signature of a subscriber must be attested by a person who is not a subscriber is inserted, it will necessitate bringing in an outsider and letting someone else know what is going on.

The MINISTER FOR JUSTICE: I have no objection to the amendment.

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

Clause 18—agreed to.

Clause 19—Mode of alteration of objects of company:

Hon. N. KEENAN: Will the Minister explain the meaning of a certain provision in this clause? If the explanation is satisfactory I do not want to proceed any further. Otherwise I intend to move to strike out the words "or body of persons" in paragraph (g) of Subclause 2. This clause deals

with the power to alter a memorandum of association so as to increase or change the objects of a company, and among other purposes for which an alteration of the memorandum may be made is the amalgamation with any other company "or body of persons." It is easily understandable how a company can amalgamate with another company, but I would like the Minister to explain how he imagines it is possible for a company to amalgamate with persons, with individuals.

The Minister for Justice: The words "or body of persons" appear to be redundant, and I have no objection to their deletion.

Hon. N. KEENAN: I do not want the Minister to rush things in any way. I do not wish the words to be struck out without consideration, though it appears to me difficult to understand how a company could amalgamate with an individual or a number of individuals. In suggesting the alteration I do not intend to reflect on the work of the select committee which was of a most excellent and meritorious character, or on the Minister for not being trained in the law. He was trained in a far more remunerative walk of life. I desire to acknowledge the work done by the select committee, but I would like the Minister to explain this point.

The MINISTER FOR JUSTICE: I think the words were put in here because they were found in other Acts. If the hon. member thinks they are not necessary I see no objection to their deletion, but I am not sufficiently versed in the law to make an explanation.

Mr. TONKIN: I am glad the Minister has agreed to the deletion of the words.

The CHAIRMAN: No amendment has yet been moved.

Hon. N. KEENAN: I move an amendment—

That in line 1 of paragraph (b) of Subclause 2, after the word "company," the words "or body of persons" be struck out.

Mr. TONKIN: The inclusion of those words would provide a loophole which the remainder of the provisions endeavours to cover. When a company registers its memorandum it thereby defines its objects, and it cannot carry on business beyond the scope of that memorandum, without being ultra vires, unless it has the special permission of the court, which the court will

not lightly grant. The conditions under which the court will allow a memorandum to be altered are definitely set out in the clause. If we agree that a company is permitted to amalgamate with any other company or body of persons, it allows a company formed for specific objects to do anything at all.

Mr. Watts: It is only by permission of the court.

Mr. TONKIN: Yes. That facility is provided. A case dealing with the Gippsland and Northern Co-operative Co. was decided in Melbourne. The company was originally incorporated for the purpose of co-operation between primary producers. The court refused to confirm an alteration providing for the company to be storekeepers. It thought that was contrary to the objects for which the company was formed. That was nothing more than an amalgamation of this particular business with other persons.

Mr. RODOREDÁ: Would you, Mr. Chairman, let us know what is the amendment being discussed?

The CHAIRMAN: The amendment is to delete the words "or any body of persons" in paragraph (g) of Subclause 2.

Mr. RODOREDÁ: I think the member for North-East Fremantle is under a misapprehension. He thinks the amendment is to delete the whole of paragraph (g).

Mr. Tonkin: Is it not?

Mr. RODOREDÁ: No, it is only to delete the last four words. I do not know whether I would be in order in moving to delete the whole of paragraph (g) now.

The CHAIRMAN: That cannot be done unless the amendment before the Chair is withdrawn.

Mr. TONKIN: When I rose to discuss this amendment first, you, Mr. Chairman, drew my attention to the fact that no amendment had been moved. Had the position remained there I would simply have moved for the deletion of the whole paragraph, but the member for Nedlands, to put the matter in order at the time, formally moved for the deletion of certain words. I admit I did not pay attention to the whole of his statement, as I thought he was moving to do what I intended. Had I known he did not do that I would have maintained my rights, as I was on my feet, and moved for the deletion of the paragraph.

Hon. N. KEENAN: In order to allow the member for North-East Fremantle to move

his amendment, I ask leave to withdraw mine.

Amendment, by leave, withdrawn.

Mr. TONKIN: I move an amendment—

That paragraph (g) of Subclause 2 be struck out.

Mr. McDONALD: I hope this amendment will not be carried. This paragraph says that a company may alter its memorandum for certain purposes. It cannot do that without first getting leave of the court. That is the safeguard to the public and to the shareholders. One of the purposes for altering a memorandum is to amalgamate with another company. It is a necessary provision.

Mr. Tonkin: Do you know any other Companies Act with this provision?

Mr. McDONALD: Yes, the English and the Victorian Acts. If this is struck out, amalgamations such as took place here between the Western Australian Bank and the Bank of New South Wales; the E.S. and A. Bank and the Royal Bank, and Goode Durrant and D. & W. Murray Limited, could not take place. Although they could not take place under our Companies Act, they are illustrations of amalgamations of companies which may be desirable in the interests of shareholders.

Mr. Hughes: Can a company amalgamate with other bodies of persons?

Mr. McDONALD: I am not talking of bodies of persons, but of an amalgamation with another company by leave of the court.

Mr. TONKIN: The member for West Perth does not appreciate the point I have made. Paragraph (d) provides for the court to agree to an alteration to a memorandum so that a company may combine with some other company in order to extend its business. Paragraph (g) would give any company carrying on business in a certain defined area and with definite objects the power to amalgamate with any company carrying on any sort of business. If it did that, then the restrictions in the memorandum would amount to nought. Why go to the trouble of setting out what a company may do if at some time later it might amalgamate with some other company or body of persons doing something entirely foreign? I referred to the Gippsland and Northern Co-operative Company's case in Victoria. If the paragraph is retained, there will be no point in defining the objects of a company in the memorandum. The paragraph will defeat

the objects of the clause and should be struck out.

Mr. McDONALD: I cannot agree with the member for North-East Fremantle. Paragraph (d) in effect, provides that, with the consent of the court, a company which, by its memorandum, is able to carry on three classes of business, may alter its memorandum to carry on a fourth class of business. That is quite different from paragraph (g) which gives power, subject to the court's consent, to amalgamate with another company. I would view with alarm the excision of that portion of paragraph (g) which would permit of a company, with the consent of the court, amalgamating with another company.

Mr. Tonkin: It says, "with any other company."

Mr. McDONALD: That is where the court comes in. On a petition being presented to the court desiring amalgamation, the normal procedure of the judge is to direct the calling of a meeting of shareholders of each company so that the matter may be put before them and their decision reported to him. He then satisfies himself that the amalgamation is desired by a proper majority and that no harm would be involved in the amalgamation.

Mr. WATTS: I agree with the member for West Perth that to strike out the whole of paragraph (g) would be bad. Paragraph (d) would not empower the court to do what is proposed by paragraph (g) but I would agree to the deletion of the words "or body of persons." I desire to have a ruling, Mr. Chairman. If the amendment to delete paragraph (g) is defeated, I take it that the words "or body of persons" must stand part of the clause.

The CHAIRMAN: If the decision of the Committee is that the whole of the paragraph be retained, I cannot accept an amendment to delete the words "or body of persons."

Mr. WATTS: That would be most regrettable. I suggest that the member for North-East Fremantle withdraw his amendment and move first of all to delete the words "to amalgamate with any other company." If that is defeated, we can then move to strike out the words "or body of persons."

The CHAIRMAN: I can only put the amendment as moved unless the mover obtains leave to withdraw his amendment.

Mr. TONKIN: I feel strongly on the position I have taken up and am surprised at the reasoning of the member for West Perth and the member for Katanning. They want to delete the words "or body of persons." They have already told us that the court has the final say and will decide whether it is in accordance with the objects of the company to allow an alteration of the memorandum. If we give the court power to alter the memorandum to permit of amalgamation with another company, will the court be discriminating enough to safeguard a body of persons if there is provision to amalgamate with them?

Hon. N. Keenan: How could a company amalgamate with a body of persons?

Mr. TONKIN: By absorbing them.

The Premier: They would not be a body of persons.

Mr. TONKIN: It would be the same as amalgamating with another company; in the end there would be one company. If a partnership was carrying on a business in accordance with the memorandum of a company, there would be nothing to prevent the company buying out the partnership. Nor would there be anything to prevent a company that desired to amalgamate with another company carrying on the same kind of business doing the same thing. If we provide that the court shall agree to a request by a company to amalgamate with any other company or body of persons, I submit that it will defeat the whole object of the clause. The court would not lightly agree to an alteration of a memorandum. Good reason would have to be given and the court would have to be satisfied that the alteration was justified. That is why, when companies are formed, care is taken to make the memorandum cover almost every activity under the sun. If something was overlooked and permission could not be obtained to alter the memorandum in order to undertake another class of business, the company could get around it under paragraph (g) by amalgamating with another business. However, in view of the opinions expressed, I ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Mr. TONKIN: I move an amendment—

That in paragraph (g) of Subclause 2 the words "to amalgamate with any other company" be struck out.

Amendment put and negatived.

Hon. N. KEENAN: I move an amendment—

That in paragraph (g) of Subclause 2 the words "or body of persons" be struck out.

Mr. TONKIN: We should have a genuine reason for the striking-out of those words, as the amendment proposes a distinction between a company and a body of persons.

Mr. HUGHES: The Minister has impressed upon us time and again that the fact of some words appearing in some Act necessitates their inclusion in this Bill, for the sake of uniformity. The clause has apparently been taken from the English Act, almost verbatim. Is uniformity going by the board now?

The Premier: Yes.

Mr. RODORED: The objection raised by the member for Nedlands means that it would be almost impossible for a company to amalgamate with any other body of persons. If a company may amalgamate with another company, it should be permitted to purchase the business of any partnership or any body of persons.

The Premier: If a company purchases the assets of any body of persons it does not amalgamate with them.

Mr. RODORED: Why do the words "body of persons" appear in the English and New South Wales Act and other Acts? Why are the words inserted, and why should they be struck out? At the same time, I favour their deletion. The member for Nedlands should suggest words that might be inserted in their place.

Mr. TONKIN: I asked the member for Nedlands to give a reason why the words should be deleted. As he has not given a reason, I presume he has none.

Hon. N. Keenan: The member for Roebourne gave my reason.

Mr. TONKIN: How did the member for Roebourne know it?

Hon. N. Keenan: He heard it before.

Mr. TONKIN: The proceeding which has been described amounts to absorption. Two businesses combine or amalgamate, and that results in the absorption of one by the other and the setting-up of a new type of business with additional objects. I ask the member for Nedlands to give his reason again.

Mr. McDONALD: There may be a reason for these words, since they appear in the English Act. The English Act was arrived at after a special inquiry presided over by Sir Wilfred Greene, who is now a judge of

the High Court of England, and is one of the most important lawyers produced by Great Britain in the last generation. If he left the words in, I presume he left them in for a good reason. In reply to the member for North-East Fremantle I must say that in spite of Sir Wilfred Greene I do not see why the words are left there. The question is almost a theological one. We know that a company has neither a body to be kicked nor a soul to be damned, that it has perpetual succession and goes on forever, whereas I and any other person are natural persons. How any person could amalgamate with the Bank of New South Wales I do not see. A company is an artificial person; so is the Commissioner of Railways. For the life of me, in spite of Sir Wilfred Greene, I cannot see how an artificial person can amalgamate with a natural person. While I cannot advance any great reason for striking out the provision, I cannot advance any great reason why it should be retained.

Hon. N. KEENAN: It is due to the member for North-East Fremantle that I should reply to him. I can but advance the argument put forward by the member for West Perth. It is utterly impossible for an artificial person to amalgamate with a natural person. Similar legislation was fathered by Sir Wilfred Greene, an eminent English lawyer. He and I were once associated in a case before the Privy Council. I am therefore able to testify to the fact that he is an eminent lawyer, but even eminent lawyers make mistakes. If the member for Roebourne desires to preserve the right of a company to acquire the assets of some person or of a number of persons, he can suggest another subclause.

Mr. TONKIN: I disagree with the reason given by the member for Nedlands. "Company" means registered company, but there are unregistered companies—Williams & Co. and Johnson & Co.

Mr. Hughes: Those are firms.

Mr. TONKIN: This provision enables a registered company to amalgamate with an unregistered company. It is not a question of a company amalgamating with a natural person. If the words "or bodies of persons" are struck out then a company could not amalgamate with an unregistered company.

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

Clause 20—agreed to.

Clause 21—Application of Table A:

Hon. N. KEENAN: I move an amendment—

That Subclause 2 be struck out.

This subclause does not meet the requirements of a no liability company. Table B contains a provision under which a person who does not pay a call will be liable to seven per cent. on the amount of the call. Table A contains a provision in identical words. The provision in the present Act is generous; a person is allowed a maximum period of 28 days in which to pay a call before his share is forfeited. In the early days on the goldfields the practice was to fix a period of three days. The reason was that the moneys due in respect of calls were required to keep the mine working, and it would be absurd for a no liability company to allow a gambler—we were all gamblers in those days—to stand to win by having his shares preserved for a longer period of time. In 28 days a mine might prove to be a bonanza. In many cases a company will be formed and will be quite content to take the statutory articles. Under this provision, those statutory articles, ipso facto, come into force, and the position would be a dangerous one for a no liability company. Nobody would take a share in a no liability company with the possibility hanging over his head of paying interest even for the 28 days.

The Minister for Justice: That schedule could be adjusted.

Hon. N. KEENAN: That is true. Table B is not appropriate, but I do not propose to press the amendment if the Minister prefers to consider the matter when Table B is under consideration.

The Minister for Justice: I think that would be the better plan.

Hon. N. KEENAN: Then I will meet the Minister's wishes in the matter.

The CHAIRMAN: I do not know whether the member for Nedlands moved to delete Subclause 2.

Hon. N. KEENAN: I did, but I ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Mr. HUGHES: I move an amendment—
That Subclause 3 be struck out.

This applies to companies limited by guarantee, but there is no provision for such companies now.

Mr. RODOREDA: I desire a ruling on this matter. We have already passed by one reference in Clause 20 to companies limited by guarantee. Apart from that, I do not know whether the deletion of Clause 15 has entirely deleted any further reference to companies limited by guarantee. All we have struck out is what the memorandum of such companies shall contain. I think we still have an interpretation of companies limited by guarantee.

The Premier: There is no power to form them.

Mr. RODOREDA: If that is the Chairman's ruling, I take it that every reference to a company limited by guarantee will be consequentially deleted, and that could be left to the draftsman.

The CHAIRMAN: I rule that where an amendment is of a consequential character, it will be the responsibility of the officers of the House to see that it is deleted. I am not too sure, but I understand, that the Minister also has some power under a special Act to bring a Bill into conformity, but I would not rule that that is so. However, the officers will make any consequential amendments.

Mr. HUGHES: I take it that under your ruling the subclause I have moved to delete will be consequentially deleted, and there is no need for me to persist with the amendment. I missed Subclauses 4 and 5 in the previous clause.

The CHAIRMAN: There is no difficulty about the amendment being carried. If that is done, it will relieve the officers of the House of the responsibility.

Mr. HUGHES: Then I will not withdraw the amendment.

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

Clauses 22 and 23—agreed to.

Clause 24—Statutory form of memorandum and articles:

Mr. HUGHES: I move an amendment—

That paragraph (b) be struck out.

This refers to a company limited by guarantee.

Amendment put and passed.

On motion by Mr. Hughes, paragraph (c) consequentially deleted.

Mr. HUGHES: I move an amendment—

That in line 3 of paragraph (d) the capital letters "B" and "C" be struck out.

We do not need to retain the capital letters

"B" and "C," because they refer to the two paragraphs just deleted.

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

Clause 25—agreed to.

Clause 26—Effective registration:

Mr. HUGHES: I intend to move that in line 5 after the word "or" the words "a company limited by guarantee" be struck out.

The PREMIER: We are meticulously assisting the clerks with their jobs. Somebody ought to go through this Bill and take all these references out.

Mr. HUGHES: I do not want to pursue this amendment if the Premier thinks that is unnecessary.

Clause put and passed.

Clauses 27 and 28—agreed to.

Clause 29—Inspection of documents:

The MINISTER FOR JUSTICE: I suggest the Committee vote against this clause.

Clause put and negatived.

Clause 30—Name of company:

Hon. N. KEENAN: This clause prohibits the use of certain words, and one of the words prohibited is "trustee," except where a company, prior to the passing of this Act, has had the use of that word. Two trustee companies operate in Perth at present, and there will be more as time goes on. The member for Avon has told us that there are 10 in Victoria. If we prohibit the use of the word "trustee" future companies will be placed under an extraordinary handicap. I ask the Minister to consider that point.

The MINISTER FOR JUSTICE: It is subject to the consent of the Governor-in-Council. This provision is taken from other Acts. I know of no reason why that distinction should be made.

Mr. WATTS: There is no objection to the word "trustee" remaining in the Bill. The word can be used if the Governor signifies his consent in the "Government Gazette." I cannot believe that if a bona fide company is to be formed to carry out similar functions to those now carried out by the W.A. Trustee Co. and the Perpetual Trustee Co., the Governor would refuse his consent. For these reasons, the provision should remain as it is.

Hon. N. KEENAN: It is quite true that it is done by consent of the Governor-in-Council. There are other words beside "trustee" involved. The Governor-in-

Council should not be concerned with matters in business life unless they are of such a character that on very few occasions—on almost no occasions—would the use of particular words be allowed. The words "Royal" and "State" would not, I think, be allowed by the Governor-in-Council on any occasion. This is, no doubt, a good provision for all the other names suggested, but every company carrying on trustee business calls itself a trustee company.

Hon. C. G. Latham: Just as a banking company calls itself a bank.

Hon. N. KEENAN: Each of these companies carrying out this type of business in Australia calls itself a "trustee" company.

The Premier: All those people who did that class of business would receive permission, but other than trustee companies might call themselves trustees.

Hon. N. KEENAN: I have not heard of any such company calling itself a trustee company.

The Premier: Money-lending companies call themselves "trustee and mortgage loan companies."

Hon. N. KEENAN: In that case I will not press the objection.

Clause put and passed.

Progress reported.

House adjourned at 11.1 p.m.

Legislative Council.

Tuesday, 25th November, 1941.

	PAGE
Assent to Bill	2088
Questions: State hotels, as to number, cost, and revenue	2088
Railways holiday service, goldfields lines	2088
Bills: Land Drainage Act Amendment, 3a.	2088
Lotteries (Control) Act Amendment, 3a.	2088
Broom Tramway Extension, 3a., passed	2088
Rights in Water and Irrigation Act Amendment, 2a., Com.	2089
Factories and Shops Act Amendment, 2a.	2090
Main Roads Act (Funds Appropriation) (No. 2), 2a.	2100
Metropolitan Market Act Amendment, 2a., Com.	2102
Plant Diseases (Registration Fees), 2a., Com.	2111

The PRESIDENT took the Chair at 4.30 p.m., and read prayers.

ASSENT TO BILL.

Message from the Lieut.-Governor received and read notifying assent to the Profiteering Prevention Act Amendment Bill.

QUESTION—STATE HOTELS.

As to Number, Cost and Revenue.

Hon. J. J. HOLMES asked the Chief Secretary: 1, The number of State hotels? 2, Where situated? 3, Capital cost of each? 4, Net revenue from each for the year ended the 30th June, 1941?

The CHIEF SECRETARY replied: 1, Seven. 2, Bolgart, Bruce Rock, Corrigin, Dwellingup, Gwalia, Kwolyin, and Wongan Hills. 3, Total amount of capital invested in the State hotels to the 30th June, 1941, is £86,385 18s. 7d. 4, For trade reasons it is not deemed advisable for these figures to be made public, but they can be supplied to the hon. member himself.

QUESTION—RAILWAYS.

Holiday Service, Goldfields Lines.

Hon. H. SEDDON asked the Chief Secretary: In connection with the forthcoming holiday season will the Government make available one of the diesel electric coaches in order to provide a fast service between Kalgoorlie and Esperance, and on the Kalgoorlie-Leonora-Laverton section?

The CHIEF SECRETARY replied: The Railway Department has only six diesel rail cars and as they are fully occupied on other routes it is not possible to comply with the hon. member's suggestion.

BILLS (2)—THIRD READING.

- 1, Land Drainage Act Amendment.
Returned to the Assembly with amendments.
- 2, Lotteries (Control) Act Amendment.
Transmitted to the Assembly.

BILL—BROOME TRAMWAY EXTENSION.

Third Reading.

THE HONORARY MINISTER (Hon. E. H. Gray—West) [4.41]: I move—
That the Bill be now read a third time.