

Legislative Council.

Thursday, 9th September, 1943.

	PAGE
Questions: Goldminers' diseases, as to tuberculosis and silicosis	414
Potash, as to local production and sale	414
Bills: Companies, 2R.	414
Trade Unions Act Amendment, 2R.	420
Pensioners (Rates Exemption) Act Amendment, 2R., Com., report	421
Financial Emergency Act Amendment, 2R., Com., report	421
Public Service Appeal Board Act Amendment, 2R.	422
Farmers' Debts Adjustment Act Amendment, 2R.	422
Main Roads Act (Funds Appropriation), 2R., Com., report	423

The PRESIDENT took the Chair at 5 p.m., and read prayers.

QUESTIONS (2).

GOLDMINERS' DISEASES.

As to Tuberculosis and Silicosis.

Hon. H. SEDDON asked the Chief Secretary: 1, In connection with the annual examination of men engaged in the gold-mining industry, how many men have been found to be suffering from tuberculosis only, and how many suffering from T.B. plus silicosis? 2, How many men in each class have been discovered during each of the past five years?

The CHIEF SECRETARY replied: 1, Tuberculosis only (to the 30th June, 1943), 157; tuberculosis plus silicosis (to the 30th June, 1943), 611. 2, Tuberculosis (only)—1938, 3; 1939, 2; 1940, 4; 1941, 7; 1942, 3; 1943 (to the 30th June), 3. Tuberculosis, plus silicosis—1938, 9; 1939, 11; 1940, 4; 1941, nil; 1942, 2; 1943 (to the 30th June), 1.

POTASH.

As to Local Production and Sale.

Hon. H. SEDDON asked the Chief Secretary: How many tons of potash have been—(a) produced; and (b) sold, from the Campion plant?

The CHIEF SECRETARY replied: The plant is now nearing completion and it is anticipated that production will commence early in October.

BILL—COMPANIES.

Second Reading.

THE CHIEF SECRETARY [5.6] in moving the second reading said: Apart from the Criminal Code, I doubt if a more com-

prehensive measure than this Bill, or one which so materially affects all sections of the community, has ever previously been introduced to this House. The present Companies Act consists of the main original Companies Act which was passed in 1893 and which, with the exception of the provisions relating to foreign companies and no-liability companies, was virtually a copy of the Imperial Companies Act of 1862, with the addition of some of the provisions of the Imperial Companies Acts of 1867, 1877 and 1880. The Companies Act, 1893, has since been altered by numerous amending Acts, but those amendments were not of a substantial nature and were intended merely to correct weaknesses in the Act of 1893 rather than bring the company laws up to date.

Since the introduction of the Imperial Acts between 1862 and 1880, company formation has developed very considerably in England; and although amendments to the Act were made from time to time and radical changes were effected in 1900 and 1908, it became increasingly evident that some comprehensive measure was necessary for the better control of companies and, so far as possible, the protection of the public from that small section which, although keeping within the law, unfortunately enriches itself by the exploitation of others. Some of the best men available in England applied themselves to the drafting of new laws for the management of companies and the protection of the public, and in 1929 the present Imperial Act relating to companies was passed.

Happenings in this State during recent years, particularly in connection with the operation of so-called investment companies and the flotation of mining ventures, have definitely indicated that the present State laws are inadequate to deal with the new conditions, and that some form of controlling legislation is necessary. The provisions of the Imperial Companies Act of 1929 have already been generally adopted by other self-governing Dominions of the British Empire and by other States of the Commonwealth; and the Bill now presented was drafted to bring the law of this State as nearly as possible into uniformity, not only with the corresponding law of Great Britain, but also with those of the various States of Australia—having due regard to certain matters which are peculiar to this State—and also,

so far as possible, to give effect to the recommendations of the Select Committee as submitted in November, 1939.

The Bill was introduced in another place in 1940, and after the debate on the second reading, a Joint Select Committee was appointed to examine its proposals, consisting of the Minister for Justice (Hon. E. Nulsen) and Messrs. A. V. R. Abbott, A. J. Rodoreda and A. F. Watts from the Legislative Assembly, and the Hons. L. Craig, G. Fraser, H. Seddon and A. Thomson representing this Chamber.

The Joint Select Committee held 24 meetings, and was eventually converted into an honorary Royal Commission in June, 1941, and was empowered—

1. To examine, enquire into, consider and report generally upon the provisions of the Bill for an Act to consolidate and amend the law relating to companies and for other purposes now before the Legislative Assembly in the Parliament of Western Australia.

2. To do other such acts, matters and things in relation to the said Bill as you might or could do as a Joint Select Committee of the Legislative Assembly and the Legislative Council of the Parliament of Western Australia pursuant to the resolutions thereof referring the said Bill to you as such Select Committee.

3. To consider and make a recommendation in relation to the amendment of the provisions of the said Bill, the deletion therefrom of any of the said provisions, or the insertion therein of any further provisions, which in the opinion of the Commission are justified or warranted by any of the enquiries and investigations made under paragraphs 1 and 2 hereof.

The Royal Commission held two meetings and a report was presented to the Lieut.-Governor on the 29th July, 1941. This report, which is very extensive, was printed and is available to members. The most significant fact disclosed in the preamble to this report is that open invitations were extended to all persons interested to come before the Commission, give evidence and express opinions as to the provisions of the Bill, its alterations and its improvement. Seventeen witnesses, comprising individuals or representatives of interests vitally concerned with company law, voluntarily attended; and the evidence forms a substantial portion of the Commission's printed report. The legal representative of the Associated Banks, an officer of the Chamber of Commerce, members of the Law Society and representatives of the co-operative movement, the insurance companies, the Stock Exchange, the accountancy profession and the Chamber of Manu-

factures were numbered amongst the witnesses.

The local Registrar of Companies gave evidence; and we were particularly fortunate in being able to obtain the views of Mr. A. G. H. Briskham, the Registrar of Companies in South Australia. Mr. Briskham happened to be in Western Australia at the time, and his visit was most opportune as our Bill is more closely modelled on the South Australian Act than on any other legislation. As a result of the deliberations and the voluminous and meticulous report of the Royal Commission, the original Bill was altered considerably. It was then debated clause by clause in another place, and underwent a further close scrutiny. In particular, the wide legal knowledge and practical experience of two leading King's Counsel in the persons of the member for Nedlands (Hon. N. Keenan) and the member for West Perth (Mr. McDonald) proved of further assistance, and many alterations and additions were made. The Bill finally comes before this House with the following attributes:—

1. It is the latest measure of its kind to be introduced into an Australian Parliament. The knowledge and experience of the centuries is behind it, and, as its marginal notes indicate, its provisions have been selected from the best available modern statutes.

2. It is truly a non-party measure, and the history as I have just given it indicates that, from its original drafting, the appointment of a Joint Select Committee, the attention paid to the recommendations of the Royal Commission and the impartial attitude adopted by the Government in another place, this is a Bill which is truly introduced for the benefit and assistance of the commercial world, for the trading and investing public, and for the community in general.

The more immediate precedent followed is the Companies Act, 1934-1935, of South Australia, which in form, arrangement and subject-matter closely satisfies the requirements of this State. It is very desirable that company legislation throughout the Commonwealth be as uniform as possible; and should the present Bill become law this State will, so far as the fundamental law relating to companies is concerned, be very much in line with Victoria, South Australia, New South Wales and Queensland. It is not claimed that the provisions contained in this Bill will meet the State's requirements for all time, and it is recognised that this legislation should keep pace with the growth of commercial and business practices.

With very few exceptions all of the provisions of the present Companies Act, 1893-1938, have been incorporated in the Bill, necessarily in some cases in a modified or amended form; and, in addition, some 200 new clauses have been introduced, the more important of these dealing with investment companies, share dealers, method of issuing prospectuses, the handling of application moneys paid prior to allotment of shares, holding companies, payment of commission and discount on flotation, the registration and qualifications of auditors and liquidators, and the registration of mortgages and other charges and securities given by companies.

The Bill has been divided into 16 parts which, in some cases, are subdivided into divisions, and it would, of course, be quite impossible to survey in detail all the provisions of such a comprehensive measure. It is not my intention, therefore, to deal with those provisions which already exist in our State Companies Act and have been imported into this Bill, but I will endeavour to explain as briefly as possible the most important alterations and additions to the existing legislation.

Part II—Clauses 12 to 45—deals with all matters incidental to the incorporation and the registration of companies, the outstanding new provisions being those which will control proprietary companies. A proprietary company is one which, by its memorandum or articles, restricts the right to transfer its shares, limits the number of its members to twenty-one—with the exception of shares held by employees—prohibits any invitation to the public to subscribe for shares, debentures, etc., and prohibits the receiving of deposits except from its members. In every case the word “proprietary” must form part of the name of the company. The advantage of these companies is that they are free from many of the restrictions of public companies. Provision is made for proprietary companies to change to public companies and vice versa, should such be desired. A revised set of articles as per Table “A” has been incorporated for companies limited by shares, and new articles have been included in Table “B” for the use of no-liability companies. An important feature is that covered by Clause 35 which, read in conjunction with the Third Schedule, provides a set of powers which every company will be deemed to have unless modified

by the memorandum or articles. The inclusion of this schedule will make it unnecessary for all the powers of a company to be recited at length in its memorandum.

Part III—Clauses 46 to 98—dealing with share capital and debentures is obviously of paramount importance to the investing public and particular attention has been paid to preparation and issue of prospectuses which are often the only guide to the investors. The present law does not enable any control to be exercised in this regard, but Part A of Clause 47 of the Bill sets out in detail the information which must appear on every prospectus, and Part B of the same clause stipulates the reports that are to accompany the prospectus. Part A also makes provision for determining the manner in which the minimum subscription is to be ascertained. This should enable investors to avoid being misled into subscribing to under-capitalised ventures. Every prospectus, properly signed by every person named therein as director or proposed director, must now be filed with the Registrar of Companies before the date of its publication. This provision should prevent the unauthorised use of the names of prominent citizens in prospectuses issued to the public.

Provision is also made in Clause 52 for all application moneys paid in respect of shares or debentures offered to the public and paid prior to allotment, to be held by the company or, in the case of an intended company, by the persons named in the prospectus, upon trust for the applicant until allotment. This provision will protect the public in the event of a company going into liquidation prior to an allotment as, until an allotment is made, the application moneys will remain the property of the applicants. Provision is made in Clause 57 for controlling the payment of commissions and discounts as consideration for subscribing or agreeing to subscribe for any shares in a company, or procuring subscriptions for shares. Any sums paid by way of commission, or allowed by way of discount, or so much thereof as has not been written off, must be stated in every balance sheet until the whole amount has been written off. The object is, of course, to prevent bribes and secret commissions being taken.

Part IV.—Clauses 99 to 161—concerns management and administration. Lack of proper management and control of the in-

ternal affairs of a company can, and often does, prove detrimental to the shareholders. An effort has been made, therefore, to include some provision which will result in better management and administration generally and enable the shareholders to be more readily apprised of the manner in which the undertaking is being conducted. The Bill provides that no company with a share capital and having issued a prospectus shall commence business or exercise any borrowing powers unless—

- (a) Shares held subject to the payment of the whole amount thereof in cash have been allotted to an amount not less in the whole than the minimum subscription.
- (b) Every director of the company has paid to the company out of his own moneys on each of the shares taken or contracted to be taken by him and for which he is liable to pay in cash, a proportion equal to the proportion payable on application and allotment on the shares offered for public subscription.
- (c) A statutory declaration that the above has been complied with has been filed with the Registrar.

A certified copy of the balance sheet must now accompany every annual return filed with the Registrar. If the balance sheet is in a foreign language, an English translation must be attached. Every company must hold a general meeting once a year. Provision is made for every company limited by shares to hold its first statutory meeting within four months from the date at which the company is entitled to commence business. At least fourteen days before the statutory meeting the directors must furnish each member of the company with a report of the preliminary activities of the company.

It has often been found in practice that company accounts are not properly kept and often do not disclose the true financial position of the concern. Clause 125 makes it obligatory for a director to provide for the keeping of proper accounts and Clause 126 provides for the presentation of a profit and loss account to the company in general meeting not later than 15 months after the incorporation of the company, and annually thereafter. The Bill also provides in Clause 129 that "holding companies" must attach to their balance sheets a statement showing the profits and losses of any subsidiary company and to

what extent provision has been made to cover losses.

Clauses 137 to 139 deal with the auditing of accounts. At present there is no statutory obligation for any company to have its accounts audited, the only provision in regard thereto being such as is contained in the articles. The Bill will make compulsory an annual audit by properly qualified auditors who have been approved by the court for registration and, if thought desirable, the court may order a bond to be entered into before registration is effected.

In Part V.—Clauses 162 to 171—non-liability companies are dealt with. The provisions under this part of the Bill are practically the same as those in the present Companies Act, the chief additions being:—

(a) Every company must, within twenty-one days after the 31st March in each year, file with the Registrar a return containing the information in regard to shares issued, share capital, forfeited shares, commission paid or discount allowed in respect of shares or debentures, indebtedness of the company in respect of mortgages, charges, etc., and such other information as is detailed in Clause 163.

(b) Wages due up to a period of four weeks may be recovered from the directors who are personally jointly and severally liable therefor. Such payments made by directors may be recovered from the company.

Part VI.—Clauses 172 to 176—deals with co-operative companies for which no new provisions have been made. The Bill merely retains certain provisions in the present Act which require to be preserved and which otherwise would cease to operate by reason of the repeal of the present Act.

Part VII.—Clauses 177 to 301—covers the winding-up of companies. The present Act provides for the winding-up of companies under an order of the court and for voluntary winding-up of companies without recourse to the court. In addition, the Bill provides for winding-up of companies under the supervision of the court; also under the Bill voluntary winding-up may occur at the instance of the members of a company or at the instance of the creditors of the company. In the one case it is called "a members' voluntary winding-up" and in the other "a creditors' voluntary winding-up." Perhaps the most important new provision under this section of the measure and one which will largely protect the interests of creditors is contained in Clause 236 which requires a "declaration of solvency" to be filed by the directors before a "members'

voluntary winding-up" can be proceeded with. The declaration must be to the effect that a full enquiry has been made into the affairs of the company as a result of which the directors are of the opinion that the company will be able to pay its debts in full within a period of twelve months from the commencement of the winding-up. In the event of the debts not being payable in full, the onus is on the persons making the declaration to satisfy the court that there was proper justification for the opinion formed.

The Bill provides that no person other than a registered liquidator shall be appointed liquidator of a company whether such company is wound up by the court or under supervision of the court or voluntarily, except—

(a) in the case of a members' voluntary winding-up for reconstruction;

(b) where the court is satisfied that it is expedient or desirable to appoint some other person.

Liquidators must be registered in the same manner as auditors, namely, by an order of the court, and in regard to their conduct as liquidators will be under the supervision of the court and liable to have their registration cancelled for misconduct.

There is provision on application being made by the liquidator for the court to order all property of whatsoever description belonging to the company to be vested in the liquidator by his official name. An important provision embodied in Clause 207 is that which will compel a liquidator to lodge with the Registrar not less than once a year an account in triplicate of his receipts and payments. The Registrar shall cause such account to be audited by a registered auditor and a copy of every account so audited, or a summary thereof, must be forwarded by post to every creditor and contributory. Provision is also made in Clauses 299 and 300 for any money representing unclaimed or undistributed assets of the company to be paid into court under the provisions of Section 46 of the Trustee Act.

Part VIII.—Clauses 302 to 308—deals with the winding up of unregistered companies on the same basis as now provided in the present Companies Act.

Part IX.—Clauses 309 to 311—defines the application of the Act to companies registered under former Acts.

Part X.—Clauses 312 to 327—authorises the registration of companies not formed under the Act. The provisions are the same as those now contained in the present Companies Act.

Part XI.—Clauses 328 to 361—deals with "foreign companies." Generally the provisions are the same as those contained in the present Companies Act.

Part XII.—Clauses 362 to 365—concerns receivers and managers. No person other than a registered liquidator can be appointed a receiver or manager unless the court or the Registrar of Companies considers the appointment of some other person expedient or desirable. Provision is also made for the filing of accounts and the court is empowered to fix the remuneration of the receiver.

Part XIII.—Clauses 366 to 379—deals with restrictions on the sale of shares and offers of shares for sale. It is common knowledge that the practice of selling shares in Western Australia by companies not registered in the State has worked very much to the disadvantage of many local residents. Generally the sellers are agents working on a commission basis whose only desire is to obtain a signature to a contract for the sale of shares and, although the buyer may discover later that the company is one of straw, legal action can and has been taken for the recovery of the balance due under the contract, plus costs of the case. The persons approached are often those of small means with little, if any, business experience, who are easily gulled by misrepresentation and fall a ready prey to the wily salesman. Under this Bill—Clause 366—it will be illegal for any person to issue, advertise, circulate or distribute in Western Australia any prospectus offering for subscription shares in a company incorporated or to be incorporated outside Western Australia, unless a copy of the prospectus certified by the chairman and two other directors of the company has first been filed with the Registrar of Companies and certain other provisions have been complied with. It will also be unlawful for a form of application to be issued to any person in this State unless it is accompanied by a prospectus which complies with the requirements of the Act.

The only exception is where a form of application is issued to existing members of a company in connection with a bona fide invitation to a person to enter into an underwriting agreement with respect to shares.

Share hawking from house to house or from place to place was prohibited by the Companies Act Amendment Act, 1938, which was assented to on the 31st January, 1939. The provisions of that Act, in an amended and more definite form, are incorporated in this Bill. An important new provision is that which makes it unlawful for any person to make an offer in writing to any member of the public—not being a person whose ordinary business is to deal in shares—of any shares for purchase unless the offer is made by or through an authorised share dealer, namely, members of the Perth Stock Exchange or other recognised stock exchanges, or their recognised representatives.

These provisions are intended to render possible the exercise of a proper control of the persons who shall engage in the sale of shares and so ensure that only reputable and reliable persons shall engage in that business. At the same time, the provisions which permit persons to be exempted from the restrictive provisions of the Bill will enable those restrictive provisions to be relaxed in the case of persons not entitled to registration as a matter of form but whose reputability justifies their being allowed to carry on the sale of shares.

Part XIV.—Clauses 380 to 390—relates to investment companies. I do not feel it necessary to explain at length the reason for the introduction of this part of the Bill. The activities of a certain investment company operating in Western Australia formed the subject of an investigation by a Select Committee of the Legislative Assembly in 1939, and the report of that committee gave some indication of the manner in which the unsuspecting public can be misguided and persuaded to invest money in unsound ventures. Cases have occurred where investors disposed of holdings in sound propositions and even gilt edge securities, for the sole purpose of placing their money in an investment company which might hold out prospects of a greater return on the investment, but which had left them sadly lamenting.

It is not possible to legislate, nor would it be wise to attempt to legislate, to restrict individuals from exercising their own discretion as to the manner in which they shall deal with their own property, and many people who would be the first to complain when their savings disappear would probably be the first to oppose such legislation.

It is, however, desirable to legislate with a view to restricting the operations of unscrupulous persons whose only aim in life is to enrich themselves at the expense of others who, by the exercise of thrift, have managed to accumulate some little reserve. In submitting a comprehensive report on the activities of investment companies in Western Australia, the Select Committee made recommendations regarding suitable amendments to our State law and those recommendations have, so far as possible, been given effect to in the present Bill.

All the provisions of the Victorian Investment Companies Act, 1938, have been incorporated in the measure as being most suitable for the purpose. Briefly these are as follows:—

- (a) Borrowing restricted to 50 per cent. of the paid-up share capital of the company. Of the amount so borrowed any amount exceeding 25 per cent. of the paid-up capital must be covered by a debenture issue which cannot be redeemed—except at the option of the borrower—within five years, and cannot be issued as security for bank overdraft.
- (b) The investment of more than 10 per cent. of paid-up capital in any one company and the holding of more than 5 per cent. of the prescribed ordinary capital in any one company is prohibited.
- (c) Shares cannot be held in any other similar company.
- (d) Every balance sheet of an investment company must show separately the investments of the company—other than Government, municipal or other public debentures, stock or bonds, etc.—and the manner in which such investments have been valued.

Part XV.—Clauses 391 to 401—affects the office of Registrar of Companies and the question of administration. The new provisions make the Registrar responsible for taking all practical steps to see that the requirements of the Act are complied with and to that end he is empowered to appoint inspectors.

Part XVI.—Clauses 402 to 432—deals with miscellaneous matters. Clauses are inserted dealing more specifically with auditors and their qualifications. Rules of Court may be made for prescribed purposes and regulations may be promulgated. This part contains the conventional general provisions which are necessary to implement such a statute.

I think I have covered all the alterations and additions to the Companies Act as it exists at present. It will be recognised by the House, I think, that in a Bill containing 432 clauses and 13 schedules, there is quite a lot of matter which one can legitimately describe as somewhat technical for those people who are not associated with company law. I do not wish it to be thought that I am anything like an expert in this subject. At the same time, I have had the opportunity to give considerable study to the contents of the Bill, more particularly its new provisions, and I am distinctly hopeful that we shall be able without any undue delay to secure the passing of this important measure. As I pointed out before, this Bill has been scrutinised by all sections of the community interested in company law. It has been dealt with clause by clause in another place and, generally speaking, has perhaps had more attention than any other Bill placed before this Parliament for many years.

I recognise that there may be some members of the Chamber who do not agree with everything that is in this Bill. They may be anxious to secure amendments to one or another of the clauses. If that is the case, I ask that they will give me as much time as they can to consider those amendments by placing their proposals on the notice paper. If they follow that course, I shall deal with them to the best of my ability, and I am sure the Bill will then not take as long to pass through this Chamber as it took to emerge from another place.

In conclusion, I should like to express my appreciation of the care and attention given to this subject by the members of the Joint Select Committee. Members of this Chamber will appreciate that they had a big task in considering the necessary amendments. I feel that when the Bill becomes law in Western Australia we shall have a measure that will be not only modern and up-to-date, but of such a comprehensive nature that persons interested in company law here will be better served than they have ever been before so far as this legislation is concerned, and will at least be in as satisfactory a position as are people concerned in company law in some of the other States and countries. I move—

That the Bill be now read a second time.

On motion by Hon. L. B. Bolton, debate adjourned.

BILL—TRADE UNIONS ACT AMENDMENT.

Second Reading.

THE HONORARY MINISTER [5.45] in moving the second reading said: This is a simple measure by which it is proposed to amend Section 5 of the Trade Unions Act, 1902, and to add a new section. The Act provides for the regulation of trade unions and has not been amended since it was passed by Parliament 41 years ago. Section 5 reveals a most involved legal position. It sets out, amongst other things, that nothing therein shall enable any court to entertain any legal proceedings instituted with the object of directly enforcing or recovering damages for a breach of any agreement or for the payment by a member of any subscription or penalty to a trade union, or for the payment by a trade union of any benefit to a member. It further says that nothing in the section shall be deemed to constitute an agreement unlawful.

On the face of it, the first part of the section seems to make the collection of union subscriptions and the payment of benefits illegal. As, however, the second part clearly exempts such a collection from illegality, the true effect of this peculiar provision is that the collection of union subscriptions or the payment of benefits is lawful so long as court proceedings are not taken. In other words, a union can accept voluntary subscriptions from its members, but if it takes the matter to court, the agreement to pay the subscription is not illegal though it is unenforceable. In the same way a union may make provision for payment of benefits to its members, but no member could enforce payment by legal action.

By this Bill we propose to rectify this obvious anomaly by giving trade unions the right to take court action to enforce payment of fines, fees, levies and dues which are payable by members, and to allow members of trade unions, if necessary, to enforce the payment of benefits owing by unions. The Bill will not have a very wide effect. There are 33 bodies or associations in Western Australia registered under the Trade Unions Act. Of this number 30 are also registered under the Industrial Arbitration Act. Thus three of them are registered under the Trade Unions Act alone. These comprise the Eastern Goldfields Tributifers' Association, the Railway Officers' Union and the W.A. Branch of the Electrical Trades Union of Australia.

Those unions which are registered under the Industrial Arbitration Act can sue for their dues and levies, etc. by virtue of the registration under that Act, but the three unions not registered under that Act are not enabled to do so. The Bill, therefore, covers the three organisations mentioned.

I feel that there will be no argument about or objection to the Bill, which briefly put, will bring trade unions registered under the Trade Unions Act of 1902 into line with the industrial unions registered under the Industrial Arbitration Act, and also bring the provisions of the former Act into line with modern legislation. I move—

That the Bill be now read a second time.

On motion by Hon. H. S. W. Parker, debate adjourned.

BILL—PENSIONERS (RATES EXEMPTION) ACT AMENDMENT.

Second Reading.

THE HONORARY MINISTER [5.50] in moving the second reading said: This small Bill was introduced in another place as the privilege Bill and, as the Title indicates, seeks to extend the provisions of the Pensioners (Rates Exemption) Act, 1922-38, to widows who are receiving pensions under the Widows' Pensions Act, 1942, which is a Commonwealth statute. The Pensioners (Rates Exemption) Act exempts from municipal and water rates, property owned and occupied by old-age pensioners, invalid pensioners and persons in receipt of Commonwealth service pensions under the Repatriation Act, and provides that the rates shall accumulate and be a charge against the proceeds of the sale of property on the death of the pensioner.

In 1942 the Commonwealth Parliament passed the Widows' Pensions Act, and some women who were receiving pensions under the State have elected to come under the Commonwealth scheme, by which they would receive a benefit of 5s. per week. By so doing they have automatically placed themselves outside the benefits of the State Act. The Bill, therefore, simply proposes to exempt these women from the payment of municipal and water rates, as it is recognised that without extending the privilege to them, an anomaly would be created. For the information of members I would state that approximately 1,500 pensioners are receiving exemption from the

payment of water rates, and the amount outstanding is approximately £30,000. A similar number would be receiving exemption from municipal and road board rates. I trust there will be no objection to the passing of the Bill. All municipalities and road boards have been communicated with on the matter and most of them have agreed to the proposed amendment. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

In Committee.

Bill passed through Committee without debate, reported without amendment and the report adopted.

BILL—FINANCIAL EMERGENCY ACT AMENDMENT.

Second Reading.

THE CHIEF SECRETARY [5.55] in moving the second reading said: This is another of the continuance Bills, familiar to members, by which it is proposed by two clauses to continue the operation of the Financial Emergency Act, 1934, as amended by the Financial Emergency Act Amendment Act, 1935, for a further period of twelve months till the 31st December, 1944. The Act deals specifically with the interest rates chargeable on mortgages in existence at the time of the introduction of the 1934 Financial Emergency Act, as varied by the 1935 amendment. The original legislation was passed in 1931, and re-enacted in 1934, and provided for a general reduction of 22½ per cent. in salaries, pensions, interest, etc. Most of the Act, however, was repealed by the 1935 amendment, and the only part now remaining is that dealing with mortgagors' interest. This part has been renewed each year by the passing of continuance Bills, and expires on the 31st December, 1943.

The existing Act provides that there shall be a reduction of 22½ per cent., or a reduction to 5 per cent., whichever is the greater, of interest which may be payable on all mortgages executed before the 31st December, 1931. A mortgagee has the right to appear before a commissioner appointed under the Act to make application that the original rate of interest provided under the mortgage shall apply. Authority is granted to the commissioner to declare what may

be a reasonable rate, consideration being given to the particular circumstances of the case and also to the existing financial and economic conditions.

Members will agree that the Bill requires no lengthy explanation, and that it is still desirable that the Act be continued for a further period of twelve months, it being hoped that when the war ends this and similar pieces of legislation will be allowed to go by the board, as circumstances permit, in the early post-war period. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

In Committee.

Bill passed through Committee without debate, reported without amendment and the report adopted.

BILL—PUBLIC SERVICE APPEAL BOARD ACT AMENDMENT.

Second Reading.

THE CHIEF SECRETARY [6.0] in moving the second reading said: This Bill proposes to amend Section 3 of the Public Service Appeal Board Act, dealing with the constitution of the Public Service Appeal Board. The section sets out the personnel constituting the board for the hearing of appeals by civil servants and school teachers against their classifications in the service, and provides that the chairman of the board shall be a judge of the Supreme Court.

In the last few years, Supreme Court judges have been extremely busy, so much so that they have found it rather difficult to hear the number of cases, criminal and otherwise, which have come before them for trial. As a result, they have been unable to devote any time to the hearing of appeals in respect of classifications of certain civil servants and school teachers. Large numbers of these appeals are being held up, with consequent embarrassment to both the appellants and the Public Service Commissioner. Many of the officers concerned have possibly been prejudiced in respect of salary and position in the service because their appeals have not been heard and decided. To overcome the difficulty an approach was made to the Civil Service Association and the Teachers' Union with the suggestion that a stipendiary magistrate should act as

deputy chairman of the board, so that appeals could be heard forthwith, and thus overcome the existing embarrassing position. The Civil Service Association agreed to the proposal, but the Teachers' Union prefers that matters remain as they are, and advised that it would prefer appeals to stand over until such time as a judge could make his services available as chairman of the board.

The outstanding appeals of civil servants far outnumber those of teachers. The Bill therefore makes provision for the appointment of a stipendiary magistrate to act as chairman of the board if and whenever the chairman is for any reason unable to sit and requests a deputy to act in his place to deal only with those appeals lodged by civil servants, not by teachers. This will mean that the many appeals awaiting attention will be heard with reasonable despatch after the passing of this legislation, while the appeals lodged by teachers will have to await a hearing by a judge as provided for under the Act. A judge of the Supreme Court will still be able to act as chairman of the board for the purpose of hearing appeals by civil servants, but if he chooses to do so he may call upon a deputy to act in his place.

The amending legislation as it affects civil servants will be permanent and therefore it will not only be competent for a judge to authorise a deputy to act for him in the hearing of appeals already lodged, but also in appeals that may be lodged after the Bill has been passed. The measure has the approval of all parties concerned—the Government, the Public Service Commissioner and the Civil Service Association—and it is hoped that Parliament also will approve of it. I move—

That the Bill be now read a second time.

On motion by Hon. L. Craig, debate adjourned.

BILL—FARMERS' DEBTS ADJUSTMENT ACT AMENDMENT.

Second Reading.

THE CHIEF SECRETARY [6.5] in moving the second reading said: The object of the Bill is to continue the operation of the Farmers' Debts Adjustment Act to the 31st March, 1946. The parent Act was assented to on the 30th December, 1930, and was limited in its operation to the end of March, 1932. It has, however, been extended

from time to time and now operates to the end of March, 1944. A further extension is desirable, as, in addition to providing protection for farmers in financial difficulties, it embodies the machinery for applications for assistance from the Rural Relief Fund.

Applications for stay orders come under two sections. The first, Section 5, provides for the issue of a stay order and the appointment of a receiver to control the assets and proceeds from the sale of produce, etc. This section is now rarely used and at the present time there are only ten farmers operating under it. The second, Section 11, provides for the issue of a stay order without the appointment of a receiver, and authorises the farmer or a creditor to submit proposals for the adjustment of the debts. If, in the opinion of the Director, such proposals are impracticable or inequitable he can modify them. In practice, the Director's staff prepares the statements of assets and liabilities and drafts a proposal which it considers fair and reasonable. If it is accepted by the farmer and his creditors, the farmer applies to the trustees of the Rural Relief Fund for an advance to discharge the claims of the creditors concerned. Under this section of the Act, in conjunction with the Rural Relief Fund Act, 4,262 applications have been received, of which 3,703 were approved and advances made, 41 were withdrawn, 393 cancelled for various reasons, 110 rejected, and 15 remain to be adjusted.

Outside the applications dealt with under the sections mentioned, the Act has been the means of enabling very many amicable arrangements to be made between farmers and their creditors, and over the years it has been in force farmers in difficulties have come to recognise and appreciate the facilities available at the office of the Director to straighten out their affairs. The Rural Relief Fund Act is worked in conjunction with the Farmers' Debts Adjustment Act, and advances from the Rural Relief Fund to date total £1,260,874. The Commonwealth Government has advanced £1,283,000, and repayments to the fund by farmers and proceeds of sale of assets amount to £19,540. The balance in the fund at the present time is £41,866. The Commonwealth Act provided that this State was to receive £1,300,000 out of the first allocation of money to the States. There is, therefore,

£17,000 to come under this allocation and, in addition, the State is entitled to a pro rata share of a further £2,000,000 to be apportioned between the States in such a manner as the Federal Treasurer decides.

In view of the fact that funds are available for debt adjustment and because of the usefulness of the Farmers' Debts Adjustment Act, I trust there will be no objection to the extension of this legislation to the 31st March, 1946. I move—

That the Bill be now read a second time.

On motion by Hon. E. H. H. Hall, debate adjourned.

BILL—MAIN ROADS ACT (FUNDS APPROPRIATION).

Second Reading.

THE CHIEF SECRETARY [6.11] in moving the second reading said: This Bill seeks to authorise the payment of certain moneys to the Consolidated Revenue Fund instead of to the Main Roads Contribution Trust Account and the payment of certain moneys to the Main Roads Contribution Trust Account from the Main Roads Trust Account. The measure is identical with those passed in the last two sessions of Parliament. It deals with a subject familiar to all members, namely, the transferring to Consolidated Revenue of 22½ per cent. of the Metropolitan Traffic Trust Account funds previously payable to the Commissioner of Main Roads under section 33 of the Main Roads Act. The amount received by Consolidated Revenue by way of license fees from the metropolitan traffic area under the Acts was £30,199 in 1942, and £26,860 in 1943. It is estimated that of the money received on account of these fees £30,000 will be diverted to Consolidated Revenue by this Bill.

As previously, it is provided that an amount equivalent to that diverted to Consolidated Revenue by this measure shall be made available from petrol tax funds to the Commissioner of Main Roads for the purposes specified in Section 33 of the Main Roads Act, namely, the improvement, reconstruction, etc. of roads and bridges within the metropolitan traffic area. In the Commonwealth Grants Commission's reports it was definitely stated by the Commission that substantial amounts had been deducted from the grants assessed as payable to Western Australia because of the failure of the State to bring its road finances more into line with

those of the non-claimant States by applying some of its motor license revenue to payment of loan servicing charges on loan funds expended on roads.

As a result of the passing of the 1941 Act, no adjustment was made in the Commission's ninth report on account of road debt charges. The Commission advised that this decision was governed by special circumstances affecting road finance, including reduced Federal road grants, declining motor taxation and the action of the Government in using part of the license fees to meet the annual charges on the road debt. Thus the State revenue has gained not only the amounts diverted under the 1941 and 1942 Acts, but also a substantial amount by reason of the Commission's recommendation and without any loss or inconvenience being suffered by any local authority.

The sum of £3,443,985 was expended in Western Australia from Loan funds on roads as at the 30th June, 1943, the charges on Consolidated Revenue in this connection being £167,307. As I have said on previous occasions, the relatively small amount involved in the Bill will make no appreciable difference so far as the State's road programme in the country districts is concerned, and I trust that the approval given on the two previous occasions will again be forthcoming this session.

For the ten years ended the 30th June, 1940, of the total of £5,406,424 expended from the petrol tax on roads, 91 per cent. was expended in districts outside the metropolitan traffic area, and of the total—for the same period—of £1,113,660 expended from General Loan Funds on roads, 97 per cent. was spent in the country districts. The credit balance of the Main Roads Contribution Trust Account at the 30th June, 1943, is £118,500. No work was carried out from these funds during the year 1941-42. For the year 1942-43 just closed, £4000 was allocated for repairs to the Perth Causeway, expenditure to the 30th June last amounting to £743. Further authorisations against the Main Roads Contribution Trust Account Funds are—

	£
Axon-street bridge	3,000
Widening Perth-Armadale road ..	29,000
	<hr/>
	32,000

I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

In Committee.

Bill passed through Committee without debate, reported without amendment and the report adopted.

House adjourned at 6.20 p.m.

Legislative Assembly.

Thursday, 9th September, 1943.

	PAGE
Questions: Taxi-cars, as to licenses	424
Electricity supply, as to extensions, etc.	425
Coal, as to prices and economic value	426
Railway transport of goods, as to economising in coal	426
Horseshoes, as to shortage in country districts ..	427
Bills: Wood Distillation and Charcoal Iron and Steel Industry, 2a.	427
Public Authorities (Postponement of Elections) Act Amendment, Com., report	436
Public Authorities (Retirement of Members) Act Amendment, 2a., Com., report	436
Electoral (War time), as to instruction to Committee, Com.	437

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

QUESTIONS (5).

TAXI-CARS.

As to Licenses.

Mr. THORN asked the Premier: 1, Will he tell the House the number of taxi licenses in operation at the 31st December, 1940? 2, The number of additional taxi licenses granted since the 31st December, 1940? 3, The names and occupations of all persons now holding taxi licenses which were granted to them since the 31st December, 1940? 4, The number and names of returned soldiers who are included amongst the new taxi licenses issued since the 31st December, 1940? 5, Is he aware that no additional taxi licenses have been granted at Sydney and Melbourne during the past two years? 6, Does he not consider that if a similar policy had been adopted in this State such policy would have been in the interests of returned soldiers?