I have already pointed out that no less than 97 per cent. of our loan money spent on roads has been expended in the country. Had the £65,000 been available, that amount of money would have been released for expenditure in other directions. In view of the percentage I have mentioned, it must be apparent to any thinking person that the country districts of this State must have been affected, to some extent, at any rate, by that fact.

I do not propose to say any more on that subject other than to impress upon the House that the Government is anxious to do the right thing, and considers that in view of all the circumstances there is no reason whatever why this proportion of traffic fees should not be used for the purpose of meeting interest charges on loan moneys expended on roads. It will not affect the amount available to the Commissioner of Main Roads by one pound; it will not affect the metropolitan local authorities by one pound, and it will not affect the country local authorities by one pound. I may tell country members that every year this Government has provided loan funds for the construction of roads in the country in addition to the Federal Aid Roads Funds made available. That fact is overlooked by some people who are so critical of this Bill.

The final point I wish to make is this: On previous occasions we have inserted a provision stipulating that these conditions would apply only so long as the Federal Aid Roads Funds were in existence, but this time the Bill is limited to a period of one year and it cannot possibly operate for another year, or for any longer period, unless this Chamber so agrees. Having in view all these facts, as well as the financial position of the State, and understanding the difficulties with which we are faced, I feel that if the House refuses to pass the Bill it will be doing a great disservice to the Government and will be taking an action for which I cannot for a moment think it has any justification. Mr. President, I leave the Bill to the House.

Question put.

Members: Divide!

The PRESIDENT: There was no voice before the Clerk began to read the Title of the Bill but, nevertheless, I shall divide the House.

Division resulted as follows:—

Ayes	12
Noes	11
Majority for	1

AYES.	
Hon. L. B. Bolton	Hon. E. M. Heenan
Hon. J. Cornell	Hon. J. G. Hislop
Hon. L. Craig	Hon. W. H. Kitson
Hon. J. M. Drew	Hon. J. M. Macfarlane
Hon. E. H. Gray	Hon. G. W. Miles
Hon. W. R. Hall	Hon. G. Fraser (*Teller.*)

NOES.	
Hon. C. F. Baxter	Hon. H. L. Roche
Hon. Sir Hal Colebatch	Hon. H. Seddon
Hon. E. H. H. Hall	Hon. A. Thomson
Hon. V. Hamersley	Hon. F. R. Welsh
Hon. J. J. Holmes	Hon. H. Tuckey
Hon. W. J. Mann	(*Teller.*)

PAIRS.	
AYES.	NOES.
Hon. T. Moore	Hon. G. B. Wood
Hon. C. B. Williams	Hon. H. S. W. Parker

Question thus passed.

Bill read a second time.

In Committee.

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

House adjourned at 9.22 p.m.

Legislative Assembly.

Tuesday, 2nd December, 1941.

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

QUESTION—STAMP ACT.

Duty on Transfer of Shares.

Mr. SHEARN asked the Treasurer: In view of the recommendation of the Royal

Commission on the Companies Bill, that the stamp duty payable on the transfer of shares should be reduced to an amount comparable with the average stamp duty payable in the other States of the Commonwealth, is it the intention of the Government to take action to give effect to this recommendation?

The TREASURER replied: Legislation dealing with this matter has already been introduced.

BILL—MARKETING OF EGGS REGULATION.

Report.

Report of Committee adopted.

Third Reading.

MR. CROSS (Canning) [4.34]: I move—

That the Bill be now read a third time.

On motion by Hon. C. G. Latham, debate adjourned.

BILL—LOTTERIES (CONTROL) ACT AMENDMENT.

Second Reading.

THE MINISTER FOR THE NORTH-WEST (Hon. A. A. M. Coverley—Kimberley) [4.35] in moving the second reading said: The Bill is very short and is really a continuance measure. Similar legislation has been passed by Parliament for the last eight years to enable the Lotteries Commission to continue operating for twelve-monthly periods. The object of the Bill is to allow the Commission to function for the ensuing 12 months. The measure was introduced in another place, which passed it and sent it to us for our concurrence. A report dealing with the operations of the Lotteries Commission has been on the Table of the House for some time. The matters relating to the legislation have been discussed for the past eight years. Members are fully aware of the object of the Bill and of the work of the Commission as disclosed in the annual report. There is no need for me to delay the House and repeat what is already before the members. I, therefore, move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Bill read a third time and *passed.*

BILL—FIRE BRIGADES ACT AMENDMENT.

Council's Message.

Message from the Council notifying that it insisted on its amendment to the Bill now considered.

In Committee.

Mr. Marshall in the Chair; the Minister for the North-West in charge of the Bill.

The CHAIRMAN: The amendment of the Council on which it insists is as follows—

Clause 2: Add the following proviso to the clause:—"Provided that for the purposes of this subsection the term 'Annual estimated expenditure' shall not include any moneys expended or proposed to be expended in relation to or arising from either directly or indirectly war or warlike operations."

The MINISTER FOR THE NORTH-WEST: After further considering the amendment insisted upon by the Legislative Council, I am still of the opinion that it is being placed in the wrong portion of the Bill. I have no desire to be dogmatic although I do not think it will have the effect the Council desires. The members of the Fire Brigades Board, however, consider they can carry on with their work even though the amendment be agreed to. I move—

That the amendment be no longer disagreed to.

Question put and passed; the Council's amendment agreed to.

Resolution reported, the report adopted and a message accordingly returned to the Council.

BILL—RIGHTS IN WATER AND IRRIGATION ACT AMENDMENT.

Council's Amendments.

Schedule of two amendments made by the Council now considered.

In Committee.

Mr. Marshall in the Chair; the Minister for Works in charge of the Bill.

No. 1. Clause 3: Delete the word "minor" in line 4:

The MINISTER FOR WORKS: Clause 3 provides that there shall be no need to go through the usual elaborate formulas before proceeding with certain minor works. The Council's second amendment provides that the cost of such works shall not exceed £500. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 2. Clause 3: Insert the words "the estimated cost of which shall not exceed five hundred pounds" after the word "works" in line 4:

The MINISTER FOR WORKS: Following upon the previous amendment, I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

Resolutions reported, the report adopted and a message accordingly returned to the Council.

BILL—PLANT DISEASES (REGISTRATION FEES).

Council's Amendment.

Amendment made by the Council now considered.

In Committee.

Mr. Marshall in the Chair; the Minister for Works (for the Minister for Agriculture) in charge of the Bill.

The CHAIRMAN: The Council's amendment is to delete Clause 5.

The MINISTER FOR WORKS: I move—

That the amendment be agreed to.

Clause 5 provides that the measure shall continue in operation for five years from the date of commencement thereof, and shall continue until otherwise determined by Parliament. The proposed deletion of the clause will make the measure more permanent, and I offer no objection to it.

Mr. HILL: I do not agree with the amendment. The idea is that the tax should be imposed for five years with a view to overcoming the fruit-fly pest. It is hoped that after the five years there will be no need for the registration fee.

Mr. WATTS: I hope the amendment will not be agreed to. Five years was the period agreed to by this Chamber in the belief that it would suffice if the fruitgrowers taxed themselves for that length of time, and that after a lapse of five years the matter would be brought before Parliament again if the tax was to be continued. The limitation to five years would necessarily bring the matter before Parliament again. If the Legislative Council has its way the tax will go on indefinitely without need for reconsideration by Parliament. There was opposition to the imposition of the tax, and much of the support for the proposal was due to the fact that the fruitgrowers were prepared to tax themselves. Further, I understand that the limitation to five years was made substantially at the request of the fruitgrowers.

The MINISTER FOR WORKS: I do not know that this matter is vital. Even if the clause remains, the inclusion in it of the words "until otherwise determined by Parliament" means that the tax would have to come before Parliament again. The period is not definitely limited now to five years. If at the end of that period there is no need for the tax, it will be repealed. That matter would be considered by the Government of the day, and I have the utmost confidence in the Parliament of five years hence.

Hon. C. G. LATHAM: Even though we limited the period to three years or one year, Parliament could make any alteration it chose. In view of the final clause of the Bill, should the Government in office at the end of five years not care to bring down a Bill the tax would become permanent. If a hardship was imposed on the fruitgrowers, or if there was not sufficient money available to do what was required, the subject could again be brought before Parliament.

The Premier: It would not make any difference whether this clause was left in or struck out.

Hon. C. G. LATHAM: The matter will still be in the hands of Parliament. I see no need to raise any objection.

Question put and passed; the Council's amendment agreed to.

Resolution reported, the report adopted and a message accordingly returned to the Council.

BILL—ADMINISTRATION ACT AMENDMENT (No. 2).

Second Reading.

Debate resumed from 27th November.

HON. C. G. LATHAM (York) [4.52]: I have looked through this Bill. In 1939, when an increase in the Death Duties occurred, the point was taken in this House that it was unfair to impose such an increase in the case of men who had gone oversea and were likely to lose their lives. The House agreed to the point taken, and in 1939 an amendment was inserted in the Bill then before the House. Evidently that amendment to the Act was not all that could be desired, and the measure now before us is designed to put that right. The Bill provides for those men who have gone oversea not to be charged Court fees for anything up to £1,000, half fees in the case of amounts over £1,000, and in the case of persons occupying towards the deceased the relationship set out in the second schedule to the Act, certain other reduced rates, namely one-quarter of the rates which would ordinarily be payable. I have no objection to the measure, which will probably make the position clearer than it was before.

I do not know who is responsible for setting up the laws as we find them at present, but had it not been for the help afforded me by the Clerk Assistant, I would never have found the section of the Act this Bill proposes to amend. There has been a consolidation of the Administration Act but there is no consolidation available in Parliament House, except the copy that was in the possession of the Clerk Assistant.

The Premier: Has that not been reprinted?

Hon. C. G. LATHAM: No. When I came to look for Section 98 the highest section I could find was Section 75, and it took me two hours to discover the right one. I telephoned to the Treasury and received some assistance from that source, seeing that a Treasury official sent me up a copy of the Act. At any time we may be called upon to consider amendments to this legislation, and we ought to be in the position to obtain copies of it. I do not know why we have omitted to have this done. I also made application to the officials in another place, where up-to-date copies of the laws are kept. In the case of the Legislative Assembly the same facilities are not forthcoming. I hope something will be done to improve the position to which I have referred, in order to save the hours of research work that have to be done at present. It was through the alertness of our own officials that I was finally able to discover the section in question. I am not opposed to the Bill, which puts the whole matter in a simpler and better form than that in which it hitherto appeared.

HON. N. KEENAN (Nedlands) [4.55]: I should like the Premier to tell the House why it is necessary to embody in proposed Section 98A these words—

> "Deceased person" means a person who at the time of his death was a member of the naval, military or air forces of His Majesty the King and engaged on active service in connection with any war being waged between the Commonwealth of Australia and any other power, and whose death is the direct result of such person being engaged on such active service as aforesaid.

What is the meaning of the word "direct"? Does it mean "immediate"?

Hon. C. G. Latham: The Crown Law authorities always like to put in a few extra words.

Hon. N. KEENAN: The word must have some meaning, and I should like to know what it is. If as a result of his active service oversea, a soldier dies, he should come within the purview of this amending Bill. There should be no question of his service oversea being the direct cause of his death. Suppose a man went oversea on active service, and had some disability which was not a sufficient bar to prevent him from going on active service! Suppose also that gradually the effect of his active service was to increase that disability, and that the soldier then died, not as a result of the disability, but as a result of a combination of circumstances that increased the severity of the disability, and might have subsequently been connected with his death. I should like to see the word "direct" struck out, and the proposed new section left so that it concerned the person whose death was the result of his being engaged on active service oversea.

MR. McDONALD: (West Perth) [4.58]: I do not know whether this Bill has been framed on the lines of legislation passed in other States, but I am a little concerned as to what it will cover. The relative part of the measure says that the expression "de-

ceased person" means a person who at the time of his death was a member of the naval, military or air forces of His Majesty the King engaged on active service. The term "active service" strangely enough is a term which seems not clearly to be understood. Is it intended to cover a man who may be in the militia for the duration of the war? Suppose a person in the militia at the Northam Camp died as the result of an accident, not necessarily due to enemy action!

Hon. C. G. Latham: Such as a bomb explosion.

Mr. McDONALD: Yes, or an accident on the range, or due to the capsize of a Bren gun-carrier. There is some doubt as to whether such a man will be covered by this legislation. There is also the point raised by the member for Nedlands (Hon. N. Keenan) as to the death of the person being the direct result of his being engaged on active service. Suppose a man died oversea as a result of illness at the time he was a member of our expeditionary forces! It may be difficult to say that that death occurred whilst the person was on active service. He may have died through diphtheria.

Hon. C. G. Latham: But would that not be directly as the result of his being on active service?

Mr. McDONALD: It would not be the direct result of his being on active service, but it might result from his being in a foreign country on active service. It might be said that his death in such circumstances was not the result of his being on active service. The point may be a fine one to argue.

Hon. C. G. Latham: We could take out the word "direct."

Mr. McDONALD: Would it still cover the man who had joined the A.I.F. and had not left the State, but had died as the result of an accident? Suppose such a man had died of pneumonia, and not an accident? It is not an easy question, because some civilians may die as a result of enemy action, if the enemy ever gets to this country, as in the case of England. They could not expect, I presume, to receive the benefits of a reduced rate.

The Premier: Clause 3 states that they must be members of the naval, military or air forces.

Mr. McDONALD: Yes, but I am working on the English parallel. We say that every man who is a member of the naval, military or air forces, who dies as a direct result of active service, shall receive the benefit of reduced rates. In some cases that would not be unreasonable. The matter is not altogether clear. Do we intend to give these benefits only to those oversea?

The Premier: Unless the war comes here.

Mr. McDONALD: If we intend to give the benefits only to those who go oversea, or to those who die as a result of the war coming to Australia, would we not make the point clearer if we said that those who are to be entitled to the reduced rates must be members of the forces who met their deaths through enemy action?

The Premier: No.

Mr. McDONALD: Is it intended to cover those who may meet their deaths by accident?

The Premier: In certain circumstances, yes.

Hon. N. Keenan: Supposing a transport came into Fremantle harbour, and a man fell overboard and was drowned?

The Premier: Let us discuss this matter in Committee.

Mr. McDONALD: I am in favour of the Bill, and I support the second reading. In reading the Bill I was not able to make up my mind with any degree of satisfaction, exactly the people who would be covered, and those who would not. I raise this matter now so that the Premier may give consideration to it, and when the Committee stage is reached the issues involved might be made clear to members.

THE PREMIER (Hon. J. C. Willcock—Geraldton—in reply) [5.4]: It is contemplated that the administration of this Act will be on the same lines as that which transpired during the last war. This Bill, I understand, follows the Commonwealth legislation dealing with similar matter. During the last war a general line of procedure was laid down. The Supreme Court rules were amended in the same manner as they have been this time, but no legislation was introduced on that occasion because that line of action worked out satisfactorily. In some cases it may be said that a man is not entitled to any consideration, inasmuch as he may have been A.W.L. during which time he may have got into some scrape, accident, riot, or quarrel with civilians resulting in his death. A man might ask for his discharge, and be discharged while he is still

oversea. We give the privilege to the estate of any soldier who goes oversea and dies as a direct result of active service. After the last war hundreds of fellows said, "Can I get my discharge in Great Britain as I have a job"? I know people who went to the South African war and never came back.

Mr. McDonald: They would be clearly outside the scope of the Act because they are not members of the forces.

The PREMIER: It could be argued that they met their deaths as a result of the war. The way the matter was administered in the last war was this, that if somebody went oversea and, as a result of his service oversea with the military or naval forces he lost his life, and his estate came to be administered in this State, then it was brought within the purview of the regulation made at that time, which is similar to the proposals contained in this measure.

Under the Defence Act, in certain circumstances, dependants cannot get an allotment even though the soldier is oversea. If something happens to the soldier outside of his duties no allotment is made available. We would, in those circumstances, follow the procedure adopted by the Repatriation Department regarding pensions.

Hon. N. Keenan: That is very harsh.

The PREMIER: No. If a person served oversea and rendered good service, and lost his life or the use of a limb, it would be harsh if the Repatriation Department gave his dependants no consideration in the matter of pensions, but I understand the Pensions Act has been administered in a generous way, although some people might not think so. Today, 20 years after the last war, when we have reached the stage when these people, who can be called "burnt out" soldiers, and who can not trace any wound or ill effect as a direct result of active service oversea, and being considered and granted pensions.

Mr. Doney: It is not terribly easy to get them now.

The PREMIER: No, but procedure is laid down whereby consideration can be given to those people, and in many instances pensions have been granted. They are granted in the case of persons ineligible to receive the old-age pension.

This measure follows the procedure adopted at the time of the last war, and achieved eminently satisfactory results. There were no complaints; there were no arguments or litigation. Those who were entitled to be considered were considered, and received a rebate. This Bill will be administered in the same way.

If a soldier deserts, or goes A.W.L. for a week or a fortnight and is under no control or discipline from his superior officers, and gets mixed up in some brawl resulting in his death, his estate would not be entitled to the benefits of this measure. There may be circumstances which would warrant his being favourably considered, or, on the other hand, there may be circumstances which would deny him the rights contained in this Bill. The illustration I have just given is only one of several possible contingencies which might arise. The phraseology covers the position of a man who is under the command and control of his superior officers. When such a man, as a direct result of being sent oversea, and because he is under complete discipline and has to do everything he is told, contracts a disease, or suffers an accident, he comes within the purview of this measure. If, however, he takes himself away from authority and that protection which all members of the army are supposed to receive, and exposes himself to undue risk resulting in his death, it is doubtful whether he would be entitled to the rights contained in this Bill. The word "direct" sets the matter out concisely and precisely.

Hon. C. G. Latham: It leaves room for argument.

The PREMIER: There appears to be a general concensus of opinion in the House that the Bill will pass the second reading, so I do not now propose to delay it further.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Marshall in the Chair; the Premier in charge of the Bill.

Clauses 1 and 2—agreed to.

Clause 3—New section:

Hon. C. G. LATHAM: If the wording of Section 4 of the Commonwealth Estate Duties Assessment Act had been adopted, the Committee would have been satisfied. Any person who joined the forces and went oversea and died on active service, provided the injury was not self-inflicted, would be considered to have died as a direct association with the defence forces.

The Premier: Suppose he were A.W.L. for six months!

Hon. C. G. LATHAM: Then it would not be as a direct result of active service. The Premier said the right would not exist in the case of a man dying from disease or the result of an illness. Many infectious diseases are contracted by soldiers oversea. I remember a number of men dying from mumps.

The Premier: Pneumonic influenza killed some hundreds.

Hon. C. G. LATHAM: Yes. Most of those fellows died after the Armistice. Such cases might be regarded as not the direct results of active service. The point should be cleared up. The Federal Act is much clearer than is this Bill. It is a question of the interpretation of the law, and once the measure is passed we shall have no more say on that. The Premier should give the matter further consideration. I cannot understand why the word "direct" has been included.

The Minister for Mines: Would an airman training in Canada be considered to be on active service?

Hon. C. G. LATHAM: I should say so, but if he went joy-riding while on leave, I question whether death in those circumstances would be the direct result of active service. The desire is to relieve beneficiaries of duties when a soldier dies on active service. Expensive litigation is the last thing we want.

Mr. McDONALD: The amendment to the Commonwealth Act is wider and will include cases which this Bill will not include. An aviator training in Canada might be considered to be on active service, he having left the State and being en route to the seat of war, but what about a trainee killed at Cunderdin? The Premier should consider the advisability of adopting the wording of the Commonwealth Act. It would be of great advantage if our legislation was framed in similar terms. Then when a man died and his estate was dealt with, the duty would be assessed on the same principle under both Commonwealth and State Acts. All concerned would know the principles on which the authorities would act, and much vexation and difficulty would be avoided.

Hon. N. KEENAN: I direct attention to the doubtful meaning of the term "active service."

The Premier: Once a man has taken the oath to serve at the war, he is on active service.

Hon. N. KEENAN: Are militiamen on active service?

The Premier: If the war spread to Australia, they would be.

Hon. N. KEENAN: "Active service" means service under conditions where one's life is endangered by enemy action.

The Premier: Some men enlist to serve with the A.I.F. abroad, but militiamen were trained when there was no war and consequently the legislation would not apply to them while there was no war.

Hon. N. KEENAN: How does the Premier extract that meaning from this provision of the Bill?

The Premier: I am speaking of the possibility of the war spreading to Australia and of militiamen taking part in it.

Hon. N. KEENAN: The Premier suggests that the term means when a man is more or less face to face with the enemy.

The Premier: No, when a man is on his way to the war, when he comes under the control of a commanding officer.

Hon. N. KEENAN: Is not a militiaman on his way to the war?

The Minister for Mines: How would he be?

Hon. N. KEENAN: Why not? If we define "active service" as liability to serve in dangerous contact with the enemy, then if an enemy came here, it would be active service. Such a man would be as much on active service as a man in the R.A.A.F. in Canada. "Active service" can be defined by inserting the Commonwealth definition, which was taken from the British Army regulations. The Premier at the moment could not define what "active service" means.

The Premier: I have an idea.

Hon. N. KEENAN: I rose to suggest that the clause be postponed for further consideration. There are two points involved, the meaning of "active service" and why the word "direct" should be retained. Many men who were gassed in the 1914-18 war did not experience severe effects until later and, when they were medically examined, it was found that the lungs had been touched before they enlisted, and the authorities refused to recognise that the gassing was the cause of their condition.

The Minister for Mines: That cannot happen this time. We were not X-rayed. Now every man is X-rayed before he is accepted.

Hon. N. KEENAN: Does the Minister suggest that every man who has gone away has perfect lungs?

The Minister for Mines: The military authorities accept the responsibility.

Hon. N. KEENAN: If a man dies as a result of active service, it does not matter whether the result was direct or indirect. The retention of the word "direct" would cause contention and possibly lead to litigation.

The PREMIER: Militiamen occupy a position similar to that of six, 10 or 12 years ago, when men were called up for military training. They are not on active service; they are called up for military training, but as an additional precaution, the Commonwealth has decided to keep a certain number mobilised and ready. Some are mobilised and trained for active service abroad; some are mobilised under the compulsory provisions of the Defence Act to be ready to assist, if necessary, in the defence of Australia. The militiamen are no different now from what they were when compulsory training was the law of the land.

Mr. Doney: But you have just emphasised points of difference.

The PREMIER: The member for Nedlands wanted to know whether militiamen were on active service, and I said that in my opinion they were not. When a man takes the oath and agrees to serve abroad, if necessary, he is on active service, and so long as he was obeying the lawful commands of his officer his beneficiaries, in the event of his death, would be entitled to this relief. If he wilfully disobeyed the legal commands of his superior officers and thereby caused his own death, it is problematical whether he would be entitled either to a pension or to receive some rebate under this proposed legislation.

Mr. Seward: Where did you get that ruling about active service? In the last war a soldier was not on active service until he boarded a troopship.

Hon. C. G. Latham: He is not so today, unless he is at Darwin.

The PREMIER: I was asked for my opinion. I did not mean to convey that a definite ruling had been laid down by some particular authority. There is a distinct difference between militiamen and men serving oversea. A man might commit suicide owing to circumstances totally unconnected with the war; he may never have been near the war. During the 1914-18 war some of our men never got near the firing line, and London was not being bombed then as it has been during this war.

Hon. N. Keenan: But were they not on active service?

The PREMIER: Yes. A man may be absent without leave, get into a brawl and lose his life. Could it be said that he died as a direct result of his service? If the Committee so desires, I will look further into this matter. I will discuss it with the draftsman, with a view to getting a clearer definition. Personally, I do not think the provision is too drastic.

Hon. N. KEENAN: I find myself entirely in accord with the Premier as to the general idea that these words are meant to convey; that is to say, if a man who volunteered for service abroad did some act entirely outside the scope of his military duties and, as a result, met with his death, his estate should not reap the benefit proposed to be bestowed by this legislation. The difficulty is whether the word "direct" covers such a position. The Commonwealth legislation covers not only death while on active service, but death occurring within one year after the soldier returns. That is not provided for in this Bill.

The Premier: I do not think it is.

Hon. N. KEENAN: The Premier no doubt can define the word "direct" in a way that will meet with the approval of the Committee. He has suggested that what is meant is some act leading to the death of a soldier, which act was done pursuant to and in execution of his duty. Is not that so?

The Premier: Yes.

Hon. N. KEENAN: The word "direct" may include more than that or considerably less.

The Premier: I do not think so.

Hon. C. G. LATHAM: Two points should be cleared up. The first is the term "active service," which has not been defined in the Bill. It is defined in the Commonwealth Defence Act and in the Imperial Army Act. I am not sure how it could be applied here. We cannot override the Commonwealth's decision. There must be uniformity in the meaning of the words. There is always

doubt about this matter, and when there is doubt, legal expense is involved. There is also the word "direct." People who are prepared to test the position of the Treasury officials might lose, and folk may be put to a good deal of expense to obtain an interpretation. If a case was submitted to the court it might mean calling witnesses from goodness knows where. I agree with the Premier that it would be better to have one person benefit who was not entitled to do so than to have other people put to increased expense because the law has not been made clear. I would like the Premier to give consideration to this matter. I think we should see that "active service" has the same interpretation as is placed upon it in the Defence Act, because no man has been on active service in Western Australia at all. The only people on active service in Australia are those at Darwin, and men on naval vessels.

Mr. Withers: What about the R.A.A.F.?

Hon. C. G. LATHAM: They are not.

Mr. Styants: Yes, they are.

Hon. C. G. LATHAM: If men have been oversea they might be regarded as on active service, but those in training are not. We can easily ascertain the facts. I was clearly informed by the authorities that those in the training camps of the R.A.A.F. are not on active service. Every member of the A.I.F. who went abroad during the last war knows that he was not on active service until he boarded the transport, and I do not think that has been altered.

Mr. McDONALD: I suggest that my submission is the best and fairest one, and that is to use the same words as the Commonwealth uses. Then people will know where they are. The Commonwealth Act is rather more liberal and it seems to me difficult to justify differential treatment in a case of this kind by the Commonwealth and State. It is rather hard that a man should be entitled to this recognition of his services under the Commonwealth Act and possibly be denied it under the State Act. The Commonwealth Act seems to contain a reasonably fair statement of the grounds for rebate, and we would be well advised to use the same words.

Clause put and passed.

Clause 4, Title—agreed to.

Bill reported without amendment.

Report.

The PREMIER: I move—

That the Committee's report be adopted.

Mr. McDONALD: Do I take it that the Premier will investigate this matter?

The Premier: The hon. member may raise that point at the third reading stage.

Mr. McDONALD: I have not spoken on this matter for fun. I am not going to waste time speaking unless some attention is paid to my remarks. At present I regard the amendment as wholly unsatisfactory.

Question put and passed; report of Committee adopted.

Third Reading.

THE PREMIER (Hon. J. C. Willcock—Geraldton) [5.50]: I move—

That the Bill be now read a third time.

In response to the representations made by the member for West Perth (Mr. McDonald), I intend to look into the matter and, if necessary, will secure an interpretation of the words "active service" and "direct result." If, after consideration of the whole matter, an amendment appears to be necessary, we can take steps to have one made.

Mr. McDonald: I say it is necessary.

The PREMIER: The Government's instruction to the draftsman was to the effect that it agreed in principle to a rebate of 50 per cent. on soldiers' estates. The draftsman was asked to draw up a Bill accordingly, and he did so. I read it over once or twice, and it seemed to meet the situation. There is, however, something to be said for the contention submitted by the member for West Perth that when we are dealing with legislation which has to do with similar matters dealt with in Commonwealth measures, it is eminently desirable to secure uniformity. The only difference between this measure and the Commonwealth statute is that the Commonwealth Act covers a larger amount than that provided under the State Act. The principle providing for a rebate is the same in both instances, and it might reasonably be expected that the same phraseology should be employed in this measure which deals with the same purpose covered by an authority which goes to much further lengths in regard to a rebate than do we. All these things, like pensions, gratuities, preference to returned soldiers and other privileges and benefits,

will be decided in the first instance by the Commonwealth Government, which is in charge of war operations and therefore has most to do with such matters. Consequently, I think it is reasonable that we should follow as closely as we can the Commonwealth legislation, except with regard to the amount involved in this instance. If all the States followed Commonwealth legislation, except to make amendments in respect of what were considered weak points, there would be uniform legislation throughout Australia which would be to the advantage of the administration in all States. I do not insist on the third reading being carried now. If the hon. member desires to make some inquiries, the matter can stand over until tomorrow, when the Bill could be recommitted.

Hon. C. G. Latham: We cannot recommit it now.

The PREMIER: I have moved the third reading, but it has not been carried.

Hon. C. G. Latham: You have spoken.

The PREMIER: That does not matter. The third reading has not been agreed to. If the House desires to recommit the Bill on account of some point that has been raised in the course of debate, that course can be pursued.

Hon. C. G. Latham: I do not think so. It could have been if you had not spoken.

The PREMIER: What difference is made by my having spoken?

Hon. N. KEENAN: I move—

That the debate be adjourned.

I do not——

Mr. SPEAKER: The hon. member may not make a speech.

Motion put and passed; debate adjourned.

BILL—METROPOLITAN MARKET ACT AMENDMENT.

Returned from the Council with amendments.

BILL—DEATH DUTIES (TAXING) ACT AMENDMENT.

Second Reading.

Debate resumed from the 27th November.

HON. C. G. LATHAM (York) [5.57]: This is complementary to the legislation we have been discussing. The Bill proposes amendments to the First, Second and Third Schedules which deal respectively with the rates of duty payable on the final balance of the estate of a deceased person; duties payable in respect of any settlement; and duties payable in respect of other non-testamentary dispositions. I do not offer any objection to the measure.

HON. N. KEENAN (Nedlands) [5.58]: I support the second reading, but I direct attention to the peculiar verbiage. In this House we are used to receiving in these days Bills that are drawn up in peculiar English, but this one is very peculiar indeed, because it presupposes that a man may make a settlement or dispose of his property after his death, which would be rather difficult, even for a draftsman. I am in full accord with the measure, but in Committee I propose to ask the Premier to correct the English.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Marshall in the Chair; the Premier in charge of the Bill.

Clauses 1, 2—agreed to.

Clause 3—Amendment of Second Schedule:

Hon. N. KEENAN: I again draw the Premier's attention to the drafting of the proposed new proviso to the Second Schedule. It refers to a property "disposed of by any settlement or settlements made by a person who at the time of his death subsequently was a member of the naval, military or air forces," etc. The word "subsequently" should be struck out, as it is meaningless. The man must have made the settlement prior to his death, because he could not have done so subsequently. That is merely commonsense. I move an amendment—

That in lines 3 and 4 of the proposed new proviso the word "subsequently" be struck out.

The PREMIER: I know what the draftsman means and why he wishes the word "subsequently" retained. The man may have made a settlement and subsequently become a member of one or other of the forces on active service. The object is to provide that the settlement he makes shall become effective on his subsequent death and the rate set out shall then apply to his estate.

Hon. N. Keenan: Leave out the word "subsequently" and read the provision.

The PREMIER: I know what the hon. member has in mind and recognise that the clause would read better without the inclusion of that word, but I have indicated the reason why the draftsman included it in the proviso.

Hon. N. KEENAN: If it is desired to retain the word, I would point out to the Premier that it should be included after the word "who" in the third line of the new proviso.

The Premier: Then move to amend the proviso accordingly.

The CHAIRMAN: The member for Nedlands will first have to withdraw the amendment he has already moved.

Hon. N. KEENAN: I ask leave to withdraw my amendment.

Amendment, by leave, withdrawn.

Hon. N. KEENAN: I move an amendment—

That in line 3 of the proposed new proviso after the word "who" the word "subsequently" be inserted.

Amendment put and passed.

Hon. N. KEENAN: I move an amendment—

That in lines 3 and 4 of the proposed new proviso the word "subsequently" be struck out.

Amendment put and passed.

Hon. C. G. LATHAM: I hope the Premier will look into the effect of the words "whose death is the direct result of such person being engaged on such active service."

The Premier: Move to report progress and I will look into that matter.

Hon. C. G. LATHAM: We should make provision to meet the position of men who may return from active service and then perhaps a year or more later develop some complaint that will be the direct result of war injuries. Others may be in hospital for 12 months. There are in the military hospitals at present men who were injured in the 1914-18 war. This measure should not be passed to apply during a period of 12 months only. Perhaps we could pass the clause if the Premier will look into these matters.

The Premier: I will do so.

Clause, as amended, agreed to.

Clause 4—Amendment of Third Schedule:

Hon. N. KEENAN: Similar amendments to those already agreed to in Clause 3 will be required in this clause.

On motions by Hon. N. Keenan, clause amended by inserting the word "subsequently" after the word "who" in line 5 of the proposed new proviso, and by striking out the word "subsequently" in line 6.

Clause, as amended, agreed to.

Clause 5, Title—agreed to.

Bill reported with amendments, and the report adopted.

BILL—CHARCOAL INDUSTRY.

Second Reading—Defeated.

Debate resumed from the 27th November.

MR. WATTS (Katanning) [6.11]: While the underlying objective of the Bill may be necessary, I must admit that the measure as drawn seems to me most unsatisfactory. I have rarely met with a more cumbersome method of endeavouring, as the Minister alleges is the principal intention of the Bill, to improve the quality of charcoal that is to be available for sale. I am somewhat astonished that a Bill which embodied what may be described as the principal clause and nothing else, did not satisfy the Minister rather than a measure such as we have before us. The principal clause seeks to prevent the sale, packing or disposal of charcoal unless it is up to some specified quality and marking. I think that is all to which the Minister could reasonably ask this House to agree. The unfortunate part is that if one were to seek to amend the Bill to leave in that clause and such other complementary provisions as were required, it would, broadly speaking, be necessary to introduce a new measure.

Although I have not the slightest objection, and indeed am anxious to ensure that the quality of charcoal available for motor vehicles shall be satisfactory, I feel that the measure is so cumbersome and unnecessarily long in its provisions—I claim it contains provisions that, in my opinion, are entirely unnecessary, while at the same time it does not embody other provisions that I consider to be necessary—that I find myself unable to support the second reading. The definition of "charcoal" is itself unsatisfactory

—without dealing at the moment with any other part of the Bill. The Minister was asked by way of interjection in the course of his speech whether the charcoal supplies of a blacksmith would be outside the provisions of the Bill, and the Minister expressed the view that he thought they would be outside its provisions. In view of the definition embodied in the measure, that expression of the Minister's view was just so much sheer nonsense, because the definition in the measure shows that it refers to charcoal available for any purpose, quite apart from its use in motor vehicles.

Mr. Marshall: Motor vehicles are not mentioned in the Bill.

Mr. WATTS: Exactly. That is what I am indicating. The only class of charcoal we should legislate for is that which is used in motor vehicles as a substitute for petrol. The definition of "charcoal" in the Bill does not give any indication that it refers to that class of charcoal, and I want to know what the Minister went on when he endeavoured to suggest in reply to the interjection I referred to earlier, that a blacksmith's charcoal supply would be exempted under the measure, because it is quite obvious to me that nothing of the sort would be the position. There is charcoal used for cooling purposes which will also come under the purview of this measure if it becomes an Act.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. WATTS: If we are going to assent to a Bill of this kind, it is essential that the definition of charcoal in the Bill should be varied, so that inferior parts of charcoal, quite suitable for other requirements, might be made use of, and without the restriction that the Bill seeks to impose. I find some astonishing proposals in the measure. One of them is that when the Minister has come to the conclusion that a registration shall be cancelled or refused, there is no appeal from his decision. I do not think that feature is likely to meet with the approval of this House, because it seems to me that we should follow the practice adopted in almost all other cases of the kind, and give to some authority other than the licensing authority the right to consider whether an application rejected by the licensing authority was properly rejected or not. Then we find that a penalty is proposed of £100 and £2 per day for every day after the complaint that a charcoal manufacturer or charcoal dealer carried on business without having become registered. I consider a penalty of that nature in circumstances such as these to be entirely unwarranted. Broadly speaking, I can find nothing in the Bill likely to encourage the manufacture of charcoal on the large and increasing scale which I contend will soon be necessary.

So long as hostilities continue, one would have imagined that instead of seeking, as I contend this Bill does, to restrict the output of charcoal, it would have been our objective to encourage its output and its use. I said at the beginning that I thought the main clause of the Bill, that which seeks to regulate the type and condition of charcoal that can be offered for sale, would have been a part of the Bill that would have been spared to receive my blessing; but now I question if even that much of the Bill is really required. I believe that much of the regulation and control of industries such as this has been doubtfully of use to the industries and doubtfully of use to consumers. I believe that the manufacturer of charcoal and vendors of charcoal, in common with other people manufacturing and vending articles for sale, will soon be found out by the customers if their product is not up to the standard which suits the convenience and the necessities of the particular customer at the time. I imagine it would not be very long before the fact that A produced extremely bad charcoal would be known quite sufficiently to prevent the purchase by consumers of charcoal made by that person. On the other hand, B's charcoal would soon get a reputation for being of good or excellent quality, and we should find, as we find in other industries, that the product would be in great demand.

It seems to me that the main point for registration, if it is to be introduced at all at present, is that the consumer should be able to know whose product he is buying; and that works itself down merely to a question of branding the product with the name of its manufacturer, and taking steps to ensure that no other charcoal is so branded. Beyond that I question whether at present legislation is going to prove of any assistance to those engaged in the production of charcoal, a job which requires a great deal of hard work and not one which, so far as I know, gives the producer any very substantial return. I consider that the measure

is not one that in its present form ought to receive the approval of the House, and for that and the other reasons stated by me I oppose the second reading.

MR. MARSHALL (Murchison) [7.36]: When listening to the Minister's introduction of the Bill I came to the conclusion that the measure might be highly necessary in order to protect motorists finding themselves obliged to instal gas producer units for the purpose of developing the necessary power, petrol being unavailable. I think members will agree that the whole of the Minister's speech implied that that was the object of the Bill, implied that it was highly desirable to have some control over the production of charcoal for the purpose of ensuring that users of gas producer units on motors would be supplied with the very best type and quality of charcoal for their use. No one could possibly oppose such an objective. I am prepared to support legislation that has for its purpose that objective. But there is nothing at all in the Bill which gives that guarantee, outside the fact that for all charcoal, no matter for what purpose it is to be used, production, distribution and sale must be controlled.

That is the object of the Bill, and I take strong exception to it. Here again we find a measure that may have some application to certain districts. It may be essential and quite applicable to the metropolitan area, where the danger of fire has also to be taken into account. High quality of charcoal with little ash substance and so forth all tend to afford that safety which we consider should obtain at all times. Here we are faced with a Bill which is to have application throughout the whole of Western Australia, immediately it is assented to.

Mr. Boyle: Districts can be exempted under the measure.

Mr. MARSHALL: Yes, districts can be.

Mr. Watts: How do districts know that they will be exempted?

Mr. MARSHALL: This Bill does not contain the provision usually found in such measures, that the Act shall take effect in various parts of the State by Proclamation rather than receive State-wide application, and then have it declared, "We are segregating this part of the State, and then that part, as we find necessary." We always do find Ministers introducing Bills of this character, and the defining of the area over which the measure will be applicable is done by Proclamation, first this portion and then that portion. But here there is to be a State-wide application from the start. The Bill does provide that those now engaged in the burning of charcoal shall have one month in which to apply for registration. If they remain quiet they are protected for that period and can carry on. I point out to the Minister, however, that I do not know why the term "charcoal manufacturer" is used, because "charcoal burner" is the name that has been applied to charcoal producers so far. However, if the desire is to give them some social status by calling them charcoal manufacturers, well and good! Still, you and I, Mr. Speaker, have always known these men as charcoal burners.

Charcoal burners are to have a month in which to register, but here again we find that this is fairly a taxing measure. Charcoal burners will have to be registered and pay fees. They get all the legal protection involved in charcoal production under the Bill. I consider that occasionally we are far too premature as regards legislation of this kind. Assume that the Bill becomes law—for the sake of illustration—and we go into recess! We shall not meet again until next July; then there will be the Address-in-reply to dispose of, with other procedure, before legislation can be considered. Assume that the war ceases—we all hope it will—almost immediately upon our going into recess, and that petrol becomes available again. Then all these gas producer units would be discarded, but the unfortunate charcoal burners would still be under this law. No matter for what purpose they are burning charcoal, the Bill provides that all the charcoal burners who burn ostensibly to supply the market for gas producer units, are to become registered. There are many purposes for which charcoal can be used and is being used throughout the State, other than gas producer units attached to motor vehicles. We have small suction gas plants driving stationary engines and charcoal is their fuel. All smithies and foundries using charcoal use a much inferior charcoal without any injurious effect, for the purposes I have enunciated.

Mr. Sampson: That is a different class of charcoal.

Mr. MARSHALL: I cannot hear the hon. member.

Mr. SPEAKER: Will the hon. member address the Chair?

Mr. MARSHALL: I want to know from the Minister whether he expects charcoal burners who supply, say, the Wiluna mines with large quantities of charcoal for many purposes incidental to the carrying on of the industry, to supply only this high grade of material. The Bill provides that no other charcoal can be sold except that of high grade, and we do not yet know what the effect of the regulations will be. The inference to be drawn is that only charcoal of high grade can be sold by anyone to anyone.

Mr. Boyle: At a high price, too!

Mr. MARSHALL: That is probably the corollary to the provisions contained in the Bill, which would seem to make it obligatory upon the burner to charge a high rate for the resultant high quality of charcoal. The Wiluna mines use a big quantity of charcoal for purposes other than the generation of power. There are small mines as well as big mines also using charcoal. Prospectors use it, too, and it is used in small gas producer units. For all these purposes, however, suppliers of charcoal, the burners, have to be registered, and they must produce charcoal of high grade. It is impossible that they should do so.

The Premier: No, it is not.

Mr. MARSHALL: It is impossible in the remote parts of the State for burners to reach the standard of quality expected of them by this Bill. Whilst the position may be all right in the case of those particular units to which the Minister referred in introducing this Bill, I feel that the measure is altogether too drastic to warrant me in giving my support to it. Charcoal is used for other purposes than those to which I have referred. We are altogether too fond of registrations. Everything that happens we desire to register and control. Everything points towards centralisation, to giving monopolies and trust combines full power to control one industry or another. That is what will happen in this case. Apart from all those things the provisions of the Bill will be very inconvenient for people far removed from the city. They cannot possibly secure the necessary material with which to erect furnaces in some parts of the State for the production of charcoal of high grade. The improvised method of sinking a pit in the surface of the ground, smothering the wood and burning it in order to get charcoal, is the only one people in the back country can adopt. I do not know that they could get the materials to provide the type of burner that will produce the charcoal required by the Minister. They could not possibly do it. It would not pay most of the charcoal producers to make the attempt to do so, and in the instances to which I have referred the high grade of charcoal would not be required. If the Minister attempts to achieve the object set out in his Bill he will inflict great hardship upon many people. They will be expected to produce a high grade of charcoal for all purposes, even for the manufacture of coolers that are used extensively in the Murchison and the North-West. Even in such instances a high quality of charcoal would have to be used, because producers will only be licensed if they produce charcoal of that description.

All that is necessary is to bring down a Bill providing, not for the registration of charcoal burners or manufacturers, but one making it obligatory upon producers for that ever growing market, namely gas-producer units attached to motors, to manufacture charcoal of the required standard, making them label their containers, place their names upon them, and rendering them liable if they do not carry out their obligations. The containers could also be labelled as containing charcoal for gas-producer units. That would be a guarantee that the charcoal was according to the quality and specifications required by law. Nothing more than that is required. The name of the producer would be on the container as a guarantee of quality, and if the commodity was below standard he could be prosecuted. What more does the Minister want? Actually, however, the Minister wants all the charcoal burners to pay a registration fee so that there may be sufficient money in a fund to pay for the administration of the measure. I see no other clear purpose in the Bill beyond that. It is no use the Minister or any other member arguing that this Bill is the only way to ensure the production of high quality charcoal for gas-producer units. When the Minister is looking for legislation to do that which he desires, he should see that the Parliamentary Draftsman gives him a Bill containing only those things. This measure contains far more than that, but actually does not embody the principles which the Minister himself

enunciated. It aims at the production of only one class of charcoal, and for the sale of that class of charcoal for all purposes.

The Minister for Industrial Development: That is not right.

Mr. MARSHALL: It is right so far as the Bill is concerned.

The Minister for Industrial Development: No.

Mr. MARSHALL: I shall be delighted if in Committee I can find that any relief has been given in the direction I have indicated. The Minister must endeavour to get some insight into the inconvenience that will be caused to people in isolated centres far removed from that advice which can be obtained by people in the city.

Mr. Boyle: That is the point.

Mr. MARSHALL: Members may see for themselves all the obligations that are passed on the ordinary charcoal burner, many of whom are foreigners. I do not know whether foreigners are engaged in the industry in the southern part of the State, but I do know that those who follow this objectionable calling on the goldfields are usually foreigners.

The Premier: It is a hard life.

Mr. MARSHALL: Yes. They have to cut their own wood, work in the heat and dust and put up with many privations. It is a miserable life and the men concerned are isolated from the rest of the community, except when they take a load into some township. Those individuals will be called upon to keep books and send in returns. Under the regulations I suppose they will be called upon to declare the quality of charcoal they have produced, the quantity, and provide such other information as may be required by the officials. Imagine a man who can scarcely speak English being under an obligation to write it, to explain how much wood he has cut, and the quantity and quality of charcoal he has produced. That is not possible. All we are going to do is to make it impossible for these people to supply those industries far removed from the city that will be in need of charcoal. I do not like the Bill, nor do I think it is necessary. All that is required is a measure that will ensure that every producer of charcoal puts his name on the container, and guarantees the commodity as suitable for this, that, or the other purpose.

I have tried to find a way to amend the Bill to suit my views, but I cannot do so. Had I been able to do this I would have placed amendments on the notice paper. Only this morning I made another attempt to amend it, but failed again. I have no alternative but to vote against the second reading, as I hope other members will do. If we can do nothing else our action will serve as a suggestion to those who draft legislation that they should make sure we are given what the department and the Minister require rather than bring down a comprehensive measure of this kind that will cause grave inconvenience to people who are keeping the gentlemen concerned in a rosy position in the city.

MR. SAMPSON (Swan) [7.55]: I agree with many of the remarks of the member for Murchison (Mr. Marshall).

Mr. Marshall: Then they are all wrong.

Mr. SAMPSON: Some are correct. A Bill to ensure the production of the right class of charcoal for producer gas use is very greatly needed. Unfortunately the Bill before us fails utterly to provide what is required. I have always taken an interest in charcoal burning, and have in my hand a sample of a high grade charcoal which is useful for producer gas purposes.

The Minister for Industrial Development: From what wood is that made?

Mr. SAMPSON: I think it was made from jarrah. Those who carry on the industry of charcoal burning are by no means limited to foreigners. Many of our own people burn charcoal. I agree that it is a very unpleasant and badly paid job, one that calls for long hours of work both by day and by night. It has been suggested that the name of the burner should be placed on the charcoal container. That would be all right in the case of charcoal used for producer gas purposes. I claim, however, there is no need for that when the charcoal is used for many other purposes, such as for blacksmiths' requirements, the production of power by small electric plants, in connection with mining tool sharpening and many other manufacturing purposes. I am sorry the Minister for Mines is not present. It will be his duty to see that the Bill does not become law, because if it does it will mean an additional charge upon the cost of producing gold. Speaking truthfully I say my sympathy goes out to the Minister for Industrial

Development in that, without his knowledge, I am sure, someone has unloaded on him a Bill which can only be a burden upon the industry concerned. The measure bristles with difficulties. Every burner must be registered before he can continue with his industry. There are many people who do not regularly read the daily newspaper. They lead hard-driven lives.

The Premier: They do not even read the "Swan Express."

Mr. SAMPSON: If they did, the Government might overlook the fact that it is not a city publication, and restrict its advertising to the city journals. That, of course, would be regrettable. The Minister for Mines will, I hope, give serious attention to this Bill. We do not want to add to the cost of mining; it is already sufficiently costly. This would be a superfluous addition which could not do any good.

When charcoal is purchased for mining purposes, or to generate heat for the development of power, the bags or other containers need not bear the producer's name. A large truck, known as a GC truck, is usually employed for transporting charcoal, and 300 bags may be conveyed in one truck. Why should charcoal labour under the heavy burden suggested in this measure? The Bill appears to be another effort to discourage work in the country. It certainly could not be regarded as an effort to encourage the development of industry. I admit that, on the recommendation of the Minister from time to time, the Governor may by proclamation, exclude any part of the State defined in such proclamation, from the operations of the Act. It must, however, be proclaimed before it is excluded. A chief inspector is to be appointed, together with such other inspectors and officers as may be necessary to carry out the provisions of the Act. The only work required to be done is that necessary to ensure that a dependable quality of charcoal is available to those who use producer gas plants. It is certainly not required for anything else. This wretched measure may grow until it becomes as big a burden as the Plant Diseases Act, or some other Act, which imposes a special tax.

It will limit those who carry on the work of charcoal manufacture, which, I presume, means charcoal burning. Such a person must first be registered. The member for Victoria Park (Mr. Raphael), would, perhaps, point out that, as compared with dentistry, there is no reason for the registration of charcoal burners. In the country from which I come charcoal was burnt by those men who had reached about the lowest stage of destitution.

The Minister for Mines: Then you were a charcoal burner.

Mr. SAMPSON: When work was most difficult to obtain, men, as a last resort, took to charcoal burning. It returned very low wages and the hours exceeded those worked by members of this House.

Mr. Warner: A very black outlook!

The Premier: There was not very much demand for charcoal.

Mr. SAMPSON: Charcoal is a very important product. It is required in the handling of iron ore and in a dozen different ways. It is not necessary that it should be in bags and the bags stamped. How is that to be done? Each bag is worth 6d.; has there to be a new bag used on each occasion or will there be, say, the "Panton" brand of charcoal in the "Willcock" bag? How is the presence of the name "Willcock" to be overcome, as would naturally be desired?

No justification for interference exists in the way this Bill proposes. The producer gas users do require a guarantee that they can purchase dependable charcoal. The class of charcoal used by a blacksmith is different from that used in a producer-gas plant, but it is none the worse because it is different. In the open fires of the blacksmith there would be a snap-crackle-pop effect which would not take place in the producer gas plant.

The Minister for Mines: You are thinking of Weeties.

Mr. SAMPSON: This measure will do no good. It adds to burdens already existing. It has been thought out late at night, I should say, by the Minister with a wet towel round his head. It will simply add to the difficulties of those who are already facing a most difficult situation. Any person who fails to apply for registration shall be guilty of an offence, and a penalty is provided for charcoal burners or manufacturers, who fail to register, of £100 plus £2 per day so long as this heinous offence continues. I do not wonder, Mr. Speaker, that you look surprised! I am prepared to see that you get a copy of this Bill. It hits the highlights! Such a Bill has not been heard of for a long time. From the point of view of ferocity, it is exceptional.

If members go to the Chidlow and Wooroloo districts in normal times they will find that charcoal burning is carried on. Something has to be done to drag a living from the country when it is impossible to make a living, say, from orchard work. Whilst I have not said very much in favour of the Bill, I will say again, I hope the Minister will not be entirely discouraged.

The Minister for Mines: He is broken-hearted already.

Mr. SAMPSON: I hope he will take this dreadful production and have it entirely recast, so that it will be of use to those who have producer gas plants. I say again —I cannot say it too often—that it is essential that that should be done. Now that the Minister for Mines is here, I say that I hope he will use his influence, perhaps, quietly, to prevent this Bill becoming law, because, if it is passed, the Department of Mines must inevitably suffer.

MR. BOYLE (Avon) [8.10]: The time is ripe for the consideration of some legislation to control the distribution and sale of charcoal, but the Minister's Bill is too drastic. It will have the effect, in my opinion, of preventing the result he wishes to achieve. Western Australia is easily the leading State in the Commonwealth in regard to the use of gas producer units as applied to motor vehicles. There are between 3,600 and 4,000 vehicles in this State fitted with gas producers, which is more than the number in use in all the Eastern States put together. On the basis of 2½ tons of charcoal per year per vehicle, between 9,000 and 10,000 tons will be required annually.

The main objective of the Minister is to protect the users of charcoal. That is a very laudable object, but I am afraid this measure will have the effect of putting out of business many charcoal burners who, as the member for Murchison (Mr. Marshall) said, have hardly yet reached the stage of being manufacturers. A charcoal burner operates in my district and sells his product to us, when we bring our own bags, at £2 10s. per ton. The average price in the city is 4s. a bag, equivalent to £8 per ton. If we take the middle price of £6 a ton, the return to the trade would be somewhere between £50,000 and £60,000 a year. Different timbers have been used. The member for Swan (Mr. Sampson) referred to jarrah. From my investigations, jarrah is one of the worst timbers from which to produce charcoal. A hardwood devoid of moisture is what is necessary. The best timber in this State is salmon gum.

Mr. Marshall: The best timber is mulga.

Mr. BOYLE: I have not been that far out. From my observations salmon gum is the best timber for all practical purposes. Whilst in the East I had opportunities of going into this matter with the authorities in Sydney, Melbourne and Adelaide. I found, in Sydney, that the Forestry Commission was in charge of a Western Australian University trained engineer named Randle. I was proud to learn that. He is handling the position satisfactorily in New South Wales. That State is seeking to set up plants, which will be mainly Government plants, to produce 10,000 tons of charcoal every year. The charcoal is recovered in steel kilns and the cost of the kiln is about £9. In Western Australia, however, the position will not be aided by drastic legislation of this sort. It has been rightly pointed out that only one month is allowed for registration and if any charcoal burner failed to register—and I take it this would apply to men in all districts—he would be liable to a fine of £100 and £2 per day for all subsequent days during which he persisted in manufacturing charcoal. No appeal is provided from the Ministerial decision. The charcoal burner will be infinitely worse off than are offenders under the Licensing Act, where the penalties are not nearly so drastic. Some of the goldfields hotels, if they had to meet a fine of £2 per day for a continuation of offences, would reach very big figures. There is no appeal from the Minister's decision. That would not be so objectionable as long as the present incumbent of the office remains; but suppose we had a Minister who was very hard and fast in his decisions! He could make it impossible for an industry of this sort to continue.

At present there is a good deal of profiteering in the charcoal business, and it is not as a rule the charcoal-burner who is getting the profits. In some parts of my electorate, charcoal purchased by farmers is running as high as £12 to £14 per ton delivered, thus defeating the whole object of using charcoal, and legislation of this kind will tend to increase the cost. As was mentioned previously, there will have to be a department, and I doubt not that

in the fullness of time there will be an under secretary for charcoal at a salary of £1,000 or £1,100 a year. Inspectors, too, will be on the job, and by that time there will be no charcoal industry left in the State. In Victoria, the sale of gas-producers was reduced to a minimum on account of the inability of private charcoal manufacturers to produce charcoal to meet the needs of gas-producers. I remember going to South Melbourne; I was there while two gas-producers were fitted—two out of 20 for a big sawmilling firm—and I regret to say that one driver practically sabotaged the job. He did not take kindly to the task of handling dirty charcoal.

The use of these vehicles should be encouraged by making it easy for consumers to get good charcoal. There is no need for the charcoal to be of bad quality. Grading is the point mainly to be observed. By burning in steel instead of clay containers, the formation of clinker can be avoided. I have prided myself that we in Western Australia have led in this direction. I pay a tribute to the Director of Industries who has been foremost in encouraging work of this sort, and I am loth to believe that he has encouraged the Minister to bring down this Bill. By the way, the Government has received a little bit of advice from the Auditor General. Apparently it has made available £1,500 in an endeavour to get the industry established. It is a great pity that the Government did not take up the industry in a larger way. In the course of my travels, I have found that it is a big job for private industry to tackle. I know of a kiln that was made by Mathers at Kellerberrin and was sent to Stoneville, and the cost was £300 or £400. That was a Governmental work. If the Government went further afield than the ranges, it could establish the industry on a far wider basis.

The Bill is of a type that one rarely sees introduced. The penalties are extraordinarily high, and there is only one clause that is of a constructive nature. Most of the provisions are of a penal nature, and I am quite sure they will not meet with a very cordial reception. Another fact the Minister might take into consideration is that the employers' liability rate is £15 15s. per cent. That is the State rate for charcoal-burning, and in itself is an absolute prohibition for a man who has two or three employees. He has to face one of the highest rates under the Employers' Liability Act—a rate equal to 12s. to 15s. per man per week. I do not know that charcoal-burning is any more dangerous than are operations in the timber industry, because a great deal of the timber used for charcoal-burning is fallen timber, and the danger involved in the burning of charcoal is not great. Only ordinary care is required.

I would much prefer to have supported the Government on a reasonable Bill. Where on earth this measure came from, I do not know. I found nothing like it in the Eastern States capitals that I visited; on the contrary, I found there a determined effort, particularly at Pennant Hills, out of Sydney, to establish the industry. We are confronted with a serious position in the matter of petrol, and it is a great pity that some concerted action was not taken by the State Governments to provide fuel for the use of gas-producer vehicles. I regret to have to oppose the Bill. If the Minister will bring down a measure of about one-third of the size and shorn of these drastic penalties, it will give the industry a chance to get established. There is plenty of scope for protecting the users of charcoal. Quite a lot of not very honourable work in the handling and retailing of charcoal is taking place, and I would not cavil if the Minister went after those who are engaged in these practices, but the only people that the Bill will seriously injure are those who are genuinely concerned in the manufacture of charcoal.

MR. TRIAT (Mt. Magnet) [8.23]: The Bill in its present form does not meet with my approval for several reasons. Charcoal has been used in Western Australia for years past, and I suppose this State leads all the States of the Commonwealth in the use of gas-producer plants. In mining districts charcoal is used for various purposes. It is used for suction gas plants, which require a special class of charcoal—one that does not contain too much tar. Then there is charcoal used for assay and blast furnaces, which needs to be a hard grade and generally contains a fair percentage of tar. There is the charcoal used by blacksmiths, a grade that does not produce sparks. Charcoal is used for precipitating gold from the

cyanide solution, and that again is another grade of charcoal. The Bill as framed could not meet the needs of users of the various grades of charcoal. The charcoal must be graded as to quality in order to meet the requirements of consumers. If this Bill will have the effect of preventing a manufacturer from burning a hard charcoal, it will result in much injury to the consumer requiring hard charcoal. A man who requires soft charcoal must have it. Perhaps the Minister will say that certain districts, and therefore these classes of charcoal, will be exempted from the provisions of the measure.

A big point to be borne in mind is that in my district there are many persons burning charcoal as a means of livelihood. As the member for Swan (Mr. Sampson) said, in years gone by the work of charcoal-burning was undertaken by workers who could not do other kinds of work. Now, however, things are different, and we even find one man who owns a station engaged in burning charcoal.

Mr. Sampson: Some station-owners are hard-pressed.

Mr. TRIAT: Yes, in my district there is a station-owner, a struggling man, who is burning charcoal, and this industry is taken up by other men in order to make a living. It is not fair that such men should be required to register and to brand their bags. In fact, to require them to register would be a hardship. If a man was burning a large quantity of charcoal, insistence on registration might be justifiable. I am of opinion that users of charcoal will very soon find out what class of charcoal suits them and will purchase that class. The Government would be well-advised to inquire whether charcoal could be used in a compressed form. I think it would be satisfactory so long as it did not contain earth dust. Then probably it could be handled without dirt. The Government should also inquire into the question of dealing with charcoal in bulk.

The penalty prescribed in the Bill would be an impossible one, because many charcoal burners would not burn £100 worth in 12 months. The fine suggested, £100 and £2 a day for every day the offence continues, simply for not registering, is ridiculous. I do not think the Minister wishes to penalise anyone in that way. The Bill, however, provides that a man must register within a certain period, and if the Bill came into operation in its present form, such a man would be penalised if he did not register.

I hope the Bill will not be passed as printed. If it is, I shall have to object to some of the clauses. Certain districts in the State should be exempted from the operation of the Act. In the Murchison and all that back country, there is no occasion to register these men, there is no occasion for them to pay the fee, and there is no occasion to require them to brand their charcoal. The effect of the Bill will be to drive a lot of the work of burning and distributing the charcoal to larger centres, and instead of a price of, say, £2 10s. at Merredin, the user will probably be required to pay the £2 10s. plus £3 10s. or £4 freight, bringing the price to £6 or £7 a ton. That would be the effect if we cut out the small burners. I trust the Minister will give the Bill further consideration and put it into shape to meet the requirements of various users.

MR. BERRY (Irwin-Moore) [8.28]: I am inclined to agree with the member for Avon (Mr. Boyle) that I would sooner support a charcoal industry Bill than turn it down. In some ways the action of the Minister is thoroughly laudable. There is no doubt that people using high-class engines in motor cars will not be satisfied with a low class of product in the way of charcoal.

Mr. Hughes: They have to be satisfied with a low class of petrol.

Mr. BERRY: Yes, there is no regulation to prevent that. My chief objection is that I consider the Bill to be premature. The industry is only just coming into being; it is quite a baby, and nothing very much has been done to encourage it in its progress along the rough road that has confronted it. Now, however, the Minister tells us the necessity has arisen to compel charcoal manufacturers to register. I have a feeling that the main object in life of some people is to look out for industries in being or starting, and require them to register. The fact that registration is obligatory means that a highly paid staff will be employed. Inspectors are to be engaged to go into this place and that place and peer into that nook and into that cranny. Those prospective employees would, in my opinion, be much better engaged today in the bush assisting to take off our harvest. The Minister must realise that the Bill is most unpopular. I think he also realises that what the people

want today is charcoal, not registration. If this Bill passes, if we threaten the charcoal producers—they are amateurs so far; the industry is young—with fines up to £100, we are going to drive them out of an industry which they are now learning and bringing up to the standard at which the Bill aims. If these producers are given an opportunity to learn the industry thoroughly, and we credit motorists with sufficient commonsense to distinguish between good and bad charcoal, the industry will find its own level. I am aware that there is a big difference between high-grade and low-grade charcoal, as has been pointed out by the member for Murchison (Mr. Marshall).

I had a lot to do with charcoal in Malaya. Some charcoal there was made from softwood and did not have the value of the charcoal made from mangroves in the swamps. Nothwithstanding that the price of softwood charcoal was half that of hardwood charcoal, the cost of burning the low-grade material was much greater. I go further and say that in that country my experience was that the high-grade material, at greater cost, was cheaper economically than was the low-grade material at half the cost. Those problems solved themselves. In that country the Government did not step in and say, "An industry is starting. We are going to control it, to register the producers; we are sending sleuth-hounds to look into the nooks and crannies," about which I spoke a moment ago. Instead, that Government said, "We will give these people a chance. If they do not produce the right article, people will not buy it." The same thing will happen here. The consumers themselves will have a say in the quality of the charcoal they buy.

The Bill should not pass in its present form. Paradoxically enough, I admit that its object—the provision of suitable charcoal—is a good one, provided the material is not made too expensive by the cumbersome method proposed by the Bill. As I think the member for Avon said, we shall eventually have a Minister for Charcoal and Petrol. The suggestion made by the member for Murchison (Mr. Marshall) is a good one. He assumes that the charcoal to be provided for the use of city people will be graded; but he suggests that miners and farmers should be allowed to continue as they have been doing. Many farmers make their own charcoal; apparently they will still be allowed to do so, but others will be forced to buy charcoal from outside concerns, and if they must buy charcoal of high calorific value to suit the engines of motor-vehicles then they certainly will be asked to pay more for it. I sincerely hope that every member in the Chamber, except the Minister, will vote against the measure.

MR. ABBOTT (North Perth) [8.35]: I doubt whether sufficient experience has been gained as yet to warrant such strict regulation of the manufacture of charcoal as the Bill provides for. If it passes in its present form, the price of charcoal must be increased considerably. I doubt whether it will be to the advantage of the motorist to have the price of charcoal increased; he should himself be allowed to judge what charcoal he should or should not use. In the purchase of most products the buyer is left to his own discretion; and the buying of charcoal is not so difficult that the purchaser should not be allowed to rely upon his own judgment as to its quality. The Bill, if passed, will undoubtedly limit the number of producers of charcoal. In turn, that means charcoal will be more difficult to obtain than it is at present. The appointment of inspectors is always a disadvantage; it certainly will mean expense to someone. Whether the Government intends to bear the expense or to pass it on to the industry, I do not know; but, in either case, I suggest the expense is unnecessary and inadvisable.

The Minister evidently considered the quality of charcoal as of tremendous importance, because of the penalty provided in the Bill; £2 per day for producing charcoal without a license. That is out of all proportion to the importance of the matter. If, in the opinion of the Minister, anyone impedes or does anything to defeat, delay, or embarrass any officer appointed under the Act, he may refuse or cancel the license of such person. And there is no appeal from the Minister! I have a great objection to the granting of powers of that nature. The Minister may delegate his powers. Certainly, there is an appeal to the Minister, but the Minister would be in a difficult position if he were to over-rule a technical adviser who may have tendered him advice. All sorts of information has to be furnished, not only information that may be required by regulation but any information the Minister himself thinks is necessary. In addition, the

Minister may require returns to be furnished. Surely that is unwarranted in this industry. The Minister may require any accounts to be furnished and may inspect the accounts of any manufacturer. That savours of the powers granted to the Taxation Department.

Altogether, the Bill is, in my opinion, objectionable. The most that is required is that a person vending charcoal for use in a gas producer should be required to brand the charcoal with certain information to enable the purchaser to judge of its quality. That is all that is needed. The licensing of producers and the appointment of inspectors are, I suggest, entirely unnecessary, because we are not dealing with a dangerous material, nor are we dealing with a material the quality of which is not reasonably capable of being judged by its appearance. The Minister could introduce a much simpler measure, merely providing that anyone vending charcoal, as suitable for use in gas producers, should be obliged to state on the container the nature and quality of the charcoal. For the reasons I have given, I shall oppose the second reading.

MR. DONEY (Williams - Narrogin) [8.43]: The Bill, I have no doubt, was introduced by the Minister with quite good intentions.

Hon. C. G. Latham: The way to Hell is paved with good intentions.

Mr. DONEY: The indications are, however, that it will not pass, and I hope, for the sake of the industry concerned, that it does not, because it is an entirely unnecessary piece of legislation and harsh and costly to what one can properly describe as a foolish degree. In course of time we may have factors which will indicate some need for the control envisaged by the Bill; but, very plainly in the opinion of members, that time has not yet arrived. With a vengeance, this may be described as cracking a nut with a sledge-hammer. The measure provides for fines of £100, a chief inspector, inspectors and officers, regulations and what-not, to keep from crime what one may describe as a hardworking and law-abiding industry. That is not fair by any means. I wonder what the Minister expects to achieve by legislation of this kind. He certainly cannot hope to cheapen the product, of which more and more is required every day.

This legislation will have as one of its first effects the lessening of the quantity of charcoal that may be placed upon the market. What is wanted is an adequate supply of cheap and high quality charcoal. The Minister is not going to achieve that; he is foolishly optimistic if he thinks so. It seems to me that he will—and this seems to be the general opinion—worry the poor charcoal burner out of business and drive people to the use of petrol which is not today available in the quantities required. Furthermore this legislation comes at a time when the industry, still in its infancy, requires stabilisation and encouragement and since the Bill does not provide for that, it savours of the ridiculous. The Minister says that for the past two years he has been endeavouring to give every possible encouragement to the industry. I do not know whether he regards this as a further encouragement. He may do so, but it is certainly a type of encouragement that neither the charcoal burner nor the users of his product are likely to appreciate.

He requires the charcoal burner to be able to extract the dust, to grade his product into I do not know how many grades, to determine the tar content, the ash content, the moisture content, the calorific values, and the volatiles content, and so forth. The Minister should know, the same as the rest of the House, that the charcoal burners have not graduated as qualified chemists or anything like that. He should realise that if the charcoal burner has to stand up to the requirements imposed on him by this legislation, he will need to be especially educated for his job and then it would be a case of goodbye to charcoal at a reasonable figure. It would almost appear as though the Minister is grieved to think there should be one product that can be secured at a low price, and is determined to do his level best to raise it to what he perhaps regards as a more reasonable level.

The Premier: There is another exaggeration!

Mr. DONEY: The Premier says it is an exaggeration, but for the moment I do not regard it in that light. There is sure to be quite a deal of second-grade charcoal in the huge amounts that, under the provisions of the Bill, are likely to be discarded and withheld from the market. Exactly how does the Minister expect the burners to rid themselves of that excess product? There is a

market for it, as indicated by the member for Murchison (Mr. Marshall) and other speakers, but the phrasing of the Bill would indicate that the Minister will be opposed to allowing it to go on the market for any purpose other than assisting in the running of motor vehicles. I join with other recent speakers in hoping that the measure will be defeated.

HON. C. G. LATHAM (York) [8.49]: I intend to vote against the Bill because I am strongly opposed to the Government introducing legislation and amending it by proclamation. If we are going to have this measure applied to certain portions of the State, then let those portions be defined in the Act. That is the proper thing to do. I think the Minister will agree that if the Bill reaches the Committee stage, he will exclude the provision dealing with the alteration of localities by proclamation. The second point—and probably one which is much more important—is this: We are today attempting to do all we can to induce people to use some kind of product other than petrol for propelling their cars. We do not want to make this product so expensive that they cannot afford to use it. To make this measure effective, there would have to be attached to all the charcoal burning places a laboratory; that is if the calorific value and the moisture content and so on are to be determined. There will have to be chemists.

The Premier: Does that have to be done in connection with a dairy?

Hon. C. G. LATHAM: The dairyman knows the cows he is milking. The member for Murchison's district provides far better charcoal than can be produced in moister climates. What is to be the standard—the Murchison timber charcoal or what? I am very concerned about the suggestion to impose these restrictions at present. The Minister—and I believe the Government—has in mind the launching of a very important industry in this State and that can only be achieved with the use of charcoal. I refer to the smelting of iron ore, and I believe the charcoal process will be the best that we can adopt for that purpose. By this legislation we will make charcoal so expensive that it would not pay anyone to start that industry.

The Premier: They do not use rotten stuff.

Hon. C. G. LATHAM: Who is talking about rotten stuff?

The Premier: The Bill excludes it.

Hon. C. G. LATHAM: Does it? It all depends! If we desire to help people using gas producer vehicles or machines we should say that charcoal shall be of a certain size—it can be graded through a grader—and should not contain more than a certain percentage of dust, but when we speak of calorific values and moisture content and so on we become highly technical..

The Premier: What about the moisture content of milk when a dairyman puts a pint of water in it?

Hon. C. G. LATHAM: He knows what he is doing. Charcoal is not going to be watered in order to get a better price.

The Premier: They know what is good charcoal.

The Minister for Industrial Development: A motor engine is fairly technical.

Hon. C. G. LATHAM: Yes, it is. I understand the Forests Department has kilns producing charcoal. Let the department set up a standard. This is quite a new industry, particularly to Western Australia. A little while ago charcoal was sold at a place I will not name for 1s. 6d. a bag. Today it is 5s. a bag, and if we impose these conditions it will be about 10s. a bag. I understand that about 50 or 60 miles are obtained to the bag, according to the make of the car.

The Minister for Industrial Development: According to the quality of the charcoal.

Hon. C. G. LATHAM: That may be so.

The Minister for Industrial Development: It is.

Hon. C. G. LATHAM: I will explain that in a moment. If we are going to get only 50 or 60 miles it will be fairly expensive when another half-a-crown is added to the cost. By interjection the Minister said that the mileage depended on the quality. We know that white gum or wandoo produces far better charcoal than does jarrah.

The Minister for Industrial Development: Do we?

Hon. C. G. LATHAM: Yes, we do. That has been determined. Let the Minister get the University professors to tell him. The Minister does not appear to have made very many inquiries.

The Minister for Industrial Development: He has.

Hon. C. G. LATHAM: Then he will know that wandoo charcoal has a far higher calorific content than has charcoal from jarrah. This is too new an industry for

us to rush in with this class of legislation. Let us give more consideration to it. I am not opposing the Bill because I want to oppose the Minister. I want to make sure we are not going to do an injustice to a new industry. I am determined that as far as possible Western Australian products shall be used in every way. But let us build up this industry slowly and gradually. I want to see more charcoal producers and I believe an engine will be built purposely for this class of gas instead of our having to import petrol. I am very desirous that that shall be so unless we can find a petrol flow of our own which, of course, would be very beneficial.

This industry is too new for us to pass this kind of legislation to control it. Let us use the services of technical advisers. Let us use the University and see at what price this class of charcoal can be produced and sold. The Minister has read a report that was tabled here. A certain committee appointed by the Federal Government intimated that we were dealing with charcoal production in a very small way. So we are, but we thought it would be profitable, that about 100,000 tons should be turned out each year. We may be able to do that in jarrah country, but if the wandoo charcoal is of higher quality and the mulga charcoal is still better—and I believe the mulga and jam charcoal are the best; the motorists tell me that is so——

The Premier: What about snakewood?

Hon. C. G. LATHAM: I do not know about snakewood. It is of no use the Premier trying to lead me off the track with sly jokes. I know mulga, gidgie and jam. I do not want the Minister's Bill to be defeated, because I know he will be disappointed, but I think he ought to withdraw the measure and give further consideration to it. Then, if he is lucky enough to be here after the next election, he could re-introduce the Bill with a far greater knowledge of the industry than he has at present. I was talking to the University people not long ago, and they told me they were only just testing out charcoal and they knew very little about it. There is not sufficient knowledge to enable us to legislate.

MR. RODOREDA (Roebourne) [8.54]: I think this is the right type of Bill to be introduced to control this industry provided it were submitted at a more opportune time. I agree with previous speakers that the time is not opportune but is too early. The conditions are much the same as those governing the Arbitration Court as to its declining to issue an award for an industry that is not permanent. We do not know how long this industry is going to last or to what magnitude it will grow, and on those grounds I am inclined to oppose the measure, though I shall not decide until I have heard the Minister in reply. He will have to submit very solid arguments to convince me. Most of the speakers have used the term "charcoal burner" very loosely. It has been used as applying both to the manufacturer and the dealer, and I submit that some of the arguments adduced in that respect do not carry much weight. I should envisage the procedure under this Bill to be that the charcoal manufacturer would be considered in the same relation to the charcoal industry as the bulk supplier is in regard to the petrol industry. Then we have the charcoal dealer, who would be in the same position as is the petrol service station now. He would buy from the manufacturer and retail to the public.

Hon. N. Keenan: What is a charcoal burner?

Mr. RODOREDA: The term is not defined, but those people I have mentioned would have to be registered under the Bill. The charcoal burner, however, would not be registered unless he wanted to sell to the public. The charcoal burner who sells to the Wiluna mines could still do so under the Bill provided that the mines got a license to manufacture. The charcoal burner could supply any grade to the manufacturer under the Bill. The manufacturer must do grading and see that the charcoal is up to standard. He must see about the calorific and ash content before selling to the public. That is the position under the Bill. I submit that the Wiluna mines or any person using charcoal in a big way could get a license as manufacturer and could accept any grade of charcoal from any burner. When we use the term "charcoal burner" we must know to whom we are referring.

Mr. Watts: How could the Wiluna mines be a manufacturer?

Mr. RODOREDA: They could apply for a license as a manufacturer.

Mr. Watts: They would not get one if they were not manufacturing.

Mr. RODOREDA: That is another point. The Minister has discretion to issue licenses.

Mr. Watts: He could not give the Wiluna mines one.

Mr. SPEAKER: Order!

Mr. RODOREDA: We must distinguish between the charcoal burner and the charcoal manufacturer. The member for Murchison (Mr. Marshall) suggested that the use of the term "charcoal manufacturer," was for the purpose of increasing the social status of the charcoal burners, but I think the object is vastly different from that. If the industry is to attain any magnitude then I think some such provision as that referred to is necessary. To date I consider there has been no such necessity. When the Bill is considered in Committee I intend, with the member for Pilbara (Mr. W. Hegney), to propose amendments the effect of which will be to exempt his constituency and that which I represent. I contend that the Bill should be made applicable only to charcoal for use in connection with gas producers attached to motor vehicles. I shall listen with interest to the Minister's reply to the debate before I decide how I shall vote in connection with the second reading of the Bill.

THE MINISTER FOR INDUSTRIAL DEVELOPMENT (Hon. A. R. G. Hawke—Northam—in reply) [9.2]: There has been a great barrage of criticism directed against the Bill. Reflections have been cast upon those responsible for working out its principles and those associated with the drafting of the measure. It has become rather a popular pastime in this House this session to kick the Parliamentary Draftsman all over the place. I suppose it is not extremely difficult to take a Bill, study it carefully and then severely criticise the draftsman who put the measure together.

Mr. Doney: The criticism has not been in respect of the draftsmanship but of the principles of the Bill.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I hope the member for Williams-Narrogin (Mr. Doney) will remain as patient as it is possible for him to do.

Mr. SPEAKER: Order!

The Premier: That would mean making the hon. member suffer unduly from strain!

The MINISTER FOR INDUSTRIAL DEVELOPMENT: It is not a difficult matter for a member to take hold of any Bill, pick out some part of it and criticise the draftsman respecting the wording of that provision. To take some other part and criticise it from the standpoint of some deficiency would also not be difficult. It may have an effect upon some of those who opposed the Bill to know that its principles were worked out by men expert in the construction and operation of gas producer units and experts in the production of charcoal, most of them having had practical experience in both spheres.

Hon. C. G. Latham: Not very long experience.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Yes, quite lengthy experience, covering the period during which the production of gas producer units and charcoal has been carried on in this State. I submit, therefore, that the opinions of such men are entitled to respect. It is not sufficient to attempt to discount their knowledge and practical experience by drawing the long bow in connection with some of the clauses.

Hon. C. G. Latham: I wish you would apply that reasoning to some of our agricultural legislation.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: It is not sufficient to suggest that all sorts of terrible developments will take place if the Bill becomes an Act of Parliament. Many statements were made during the debate which have no foundation in fact. During my speech in reply, I propose to deal with some of the objections raised. I hope that if I am able to meet the main objections reasonably, those who have threatened to vote the Bill out at the second reading stage will think better of their expressed intention, and assist to take the Bill into Committee in order that clauses that may be objectionable to a majority of members may be altered to meet their wishes.

It should be realised that the Bill deals with an entirely new industry and mainly with the production of charcoal for use in motor vehicles. Because the Bill does deal with what is in the main a new industry, it is not to be expected that the measure could be prepared for presentation to members in a form that would be regarded as a hundred per cent. efficient or acceptable. We

must expect that alterations will be required in respect of some of its particulars. Neither I nor the Government as a whole is married to every word and every clause in the Bill. We are quite prepared to meet any reasonable objection that can be raised and sustained against any portion of the measure, and sympathetically to consider any reasonable amendment submitted. That is the only reasonable attitude that can be adopted in connection with any Bill and it is certainly the only reasonable one to adopt in connection with a Bill of this description, which deals in the main with an industry that is new to Western Australia.

There has been some criticism of the fact that the definition of "charcoal" is very wide. It is true that the definition could conceivably be applied to charcoal produced for any purpose whatsoever. I have not heard of any good reason advanced as to why a minimum standard of quality should not be set up in regard to every type of charcoal, no matter for what purpose it is used. It is not suggested that one minimum quality should be established in connection with every type of charcoal irrespective of the purpose for which particular types were to be used. We would certainly not require the same standard minimum quality charcoal to be used in connection with motor engines as we would for charcoal used in a blacksmith's forge or for purposes associated with goldmining. The Bill certainly does not propose that there shall be only one grade, only one minimum standard of charcoal.

Members whose minds have become confused on that particular point should have read the clause referring to regulations, for they would then have appreciated clearly that provision is made there for minimum grades to be established, for different standards to be fixed. The obvious reason for that is that minimum grades shall be established in respect of charcoal to be used for different purposes. There would naturally be one standard for charcoal to be used in connection with motor cars, trucks and tractors, another minimum standard for charcoal used for some other purpose, and so on. As I have already stated, no valid reason has been advanced as to why a minimum standard should not be established in respect of all types of charcoal in accordance with the purpose for which each type was to be used.

If members feel that we should tackle this problem step by step and in the first year or two try out the system in relation only to charcoal to be used in connection with motor vehicles, the Government would be quite prepared to give a request of that description the fullest consideration. I should have imagined that any member wishing to alter the Bill along the lines I have just mentioned would have experienced little or no difficulty at all in drafting a suitable amendment, or having one drawn up for him, and placing it on the notice paper with a view to having the desired change effected. In my opinion, any member could now, at the moment, himself draw up an amendment to achieve that objective. Nevertheless, no member has considered the matter of sufficient importance to adopt that course. I would ask those inclined to oppose the Bill because the definition of "charcoal" now appearing in it is considered too all-embracing, to give consideration to the question of supporting the Bill at the second reading stage in order that some attempt may be made to meet their wishes when the Bill is considered in Committee, at which stage the definition of the term "charcoal" will be reviewed and decided upon.

Some criticism has also been directed against the definition of the term "charcoal manufacturer." One member suggested that the definition had probably been inserted for the purpose of giving greater social status and prestige to charcoal burners. That is not the reason at all. The term "charcoal manufacturer" is far more embracing than "charcoal burner" would be. For instance, a charcoal manufacturer could easily include a manufacturer of charcoal in briquetted form, whereas a charcoal burner would not suggest a person associated with that proposed new side of this particular industry. In addition, it would be possible under the terms of the Bill for charcoal burners to be employed by a company engaged in the manufacture of charcoal, and such charcoal burners could, under contract or other conditions, burn charcoal and sell it direct and solely to a company concerned in the manufacture of charcoal in a big way. Therefore the term "charcoal manufacturer" is in the Bill in preference to the term "charcoal burner" for special reasons which I have just briefly explained.

During the debate a good deal more consideration was given to charcoal producers than to owners of motor vehicles who use charcoal. Several speakers seemed to insist that cheapness of charcoal was the thing to be sought and achieved. I say that cheap charcoal of poor quality is of no use to the motorist. It is a menace to him. Although he might obtain his charcoal at 2s. a bag, the subsequent cost to him of repairs to his motor engine would be at a rate that would be nearer £2 a bag. So do not let us confuse our minds, in judging this Bill, with the idea that all that needs to be thought about is the obtaining of charcoal at the cheapest possible price.

I would point out that there are in Western Australia approximately 4,000 persons who use gas producer units on their motor vehicles. There are not 4,000 persons engaged in the production of charcoal, nor 2,000, nor 1,000. So if we desire to give consideration to the greatest number of people concenred, and to those most vitally concerned, I suggest we ought to give far more consideration to the interests of the owners of motor vehicles which are fitted with gas producer units than has yet been done in this debate. One would think that the only persons to be considered are those engaged in the production of charcoal. I suggest that whilst they are entitled to every reasonable consideration, those owners of motor vehicles using gas producer units are entitled to even more consideration; and they certainly are entitled to all the protection which Parliament can give to them in connection with the quality of charcoal which shall be placed upon the market by charcoal producers and charcoal dealers in this State.

It has been suggested by more than one member that motorists using gas producer units are well able to look after themselves, and well able to judge the quality of charcoal offered to them. It was suggested that on that account we ought to trust to luck in the matter—which in my opinion is about equivalent to allowing a motorist to trust to his own judgment in the charcoal that he buys. It was suggested that we allow the motorist to choose between the different brands or qualities or grades of charcoal on the market. What choice has a motorist who leaves Perth today and gets up to, say, Dalwallinu tomorrow, and what judgment can he use? He is probably fortunate if there is even one grade of charcoal available to him. He has to buy what is available, and even if he had the technical knowledge to enable him to recognise what was good charcoal, he would not be able to use that knowledge, because the only charcoal available to him might be poor quality charcoal. What is he to do? He has no license to buy petrol.

Mr. Berry: What does he do when your Bill puts the producer out?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I trust the member for Irwin-Moore will not want to get more than a furlong ahead of me in my reply to the debate. If he will wait a little I shall be up with him and shall then deal with that particular point. I hope that before the race is completed I may be a length or two ahead of him. I suggest that the trust-to-luck idea of allowing the motorist to use his judgment is one that cannot possibly recommend itself to members of this Chamber. This business is far too serious to be left to any trust-to-luck policy. It is too serious to be left to the individual judgment of the men who use gas producer units. It is a matter for wise decision, expert investigation.

Mr. Abbott: There are judges of oil at the present day.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Does the member for North Perth even in his most fertile period of imaginative flights think that oil is not produced to a minimum standard and under expert supervision and control? Does not he think that these companies which are engaged in the production of oil spend hundreds of thousands of pounds every year for the purpose of producing a high grade quality of oil?

Hon. N. Keenan: Do they make it out of reconditioned oil?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Yes, and I have heard of reconditioned other things. I submit, however, that that has very little to do with this debate. Even with reconditioned oil I would suggest that it is not produced, or reconditioned, in any haphazard way. A great deal of care and attention and expert thought and skill are given to the production of reconditioned oil. But even with all that given in, I doubt whether the member for Nedlands (Hon. N. Keenan) uses reconditioned oil in his motor car.

Mr. SPEAKER: I think the Minister had better get back to the Bill.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Yes, Sir. There was some discussion on the question whether the Bill, if it becomes an Act, should apply to the whole State. My reply is that it should not apply to the whole State in the early stages of its operation. That is why the Bill contains a clause giving the Governor-in-Council power to exempt any portion of the State from the operation of the Act.

Mr. Hughes: What portion do you say should have fair charcoal?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Perhaps the most easterly portion of East Perth.

Mr. Hughes: The residents there have no motor cars. They are not interested.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I think it is but commonsense to believe that new legislation of this type should not immediately be given State-wide application. I think it is reasonable to say that the legislation should be tried out in the metropolitan area, and in the areas that are within reasonably easy reach of the metropolitan area. When the legislation has been tried out in those areas and has been found to operate successfully, when the system covering the legislation has been made to work smoothly, when all the difficulties of its operation have been ironed out, that would be the time to consider extending its operation to the more distant parts of the State.

There was some criticism of the penalty proposed in the Bill for failure on the part of a charcoal manufacturer to register. It is true the penalty is high. The penalty is not a cast-iron one so far as the Government is concerned. We would be prepared to consider suggestions for its reduction. I would urge, however, that in a Bill of this description it is not of very much use to put in low penalties. The penalties included in this Bill are for the purpose of punishing, not the man who offends, because he has no knowledge of what is required of him, but the man who deliberately seeks to avoid his responsibilities.

It has been said that charcoal burners are operating in some parts of the State, and do not see newspapers for months at a time. On their behalf it has been pleaded they would not know what is required of them, and that in their ignorance they would commit an offence for which they could be heavily punished. The officers of the appropriate Government departments already know the names and addresses of practically every charcoal producer of any consequence in this State. Do not members think that those officers would take every reasonable action necessary to make these charcoal producers aware of what is required of them? It has been suggested that the inspectors to be appointed will spend all their time hounding the charcoal producers and pursuing them in an endeavour to have them prosecuted and be fined £100 plus £2 a day for varying periods.

This measure has not been introduced for any such purposes. Any Minister who allowed a Bill of this kind, when passed into law, to be used in that manner, would be unworthy of the name. The whole aim is to place the production of charcoal on a satisfactory basis; to assist the charcoal burners; and to ensure that charcoal of a minimum standard is produced. By doing that we will protect men in this State who are aiding the national effort by using some fuel other than petrol in their motor vehicles.

At least one member has suggested that a big staff would have to be established for the purpose of administering this Bill if it became an Act. That is not so. All the staff necessary is already employed in one or other of the Government departments. Did the Government, when it amended the Workers' Compensation Act, for the purpose of policing the compulsory provisions, employ a new army of inspectors because that amendment authorised certain methods of inspection to be carried out to ensure that all workers entitled to be insured against accident, were so insured? The Government, of course, did not appoint a new army of inspectors; no additional inspectors were appointed, but that amendment is being thoroughly policed and was being policed by inspectors in the employ of the Government prior to the passing of that amendment.

Hon. C. G. Latham: They could not have been fully employed.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: They were.

Hon. C. G. Latham: Who is doing their work now?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: They are now doing duties of a more important character.

Hon. C. G. Latham: You have allowed some of their former duties to be dropped.

The Premier: They are doing this in conjunction with them.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Each of the inspectors concerned with the inspection of industrial legislation does his job well.

Hon. C. G. Latham: They have nothing to do with charcoal. You will not employ them on that.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: No reasonable objection can be taken to the Bill on the ground that, if it passes into law, its subsequent operations will necessitate the establishment of a new department, and the employment of new inspectors and other officers, because such will not be the case, and is not likely to be the case. The administration of this legislation will not be expensive. It will not be burdensome on those it will affect; and it will, undoubtedly, raise the standard of the charcoal-producing industry beyond what is generally the case today. Most of the charcoal producers to whom I have spoken favour this legislation. They desire to see the industry established upon a reasonable basis.

Hon. C. G. Latham: They might be like those institutions you spoke of the other night.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: They do not desire to see poor quality charcoal placed on the market. They realise that the sale of poor quality charcoal has a detrimental effect upon the use of gas producer units. What is the reaction of a man who buys a gas producer unit at £60 or £80 and places it upon his motor vehicle, and is then sold poor quality charcoal and immediately finds himself up against all kinds of difficulties in the operation of his motor vehicle, and confronted with expense later on for attention and repairs to his car engine? The best way to encourage the greater use of gas producer units is to establish a minimum standard for charcoal and to do it as quickly as possible. Unless that is done, we will find that many users of gas producer units in the metropolitan area and in the country will continue to have unfortunate and discouraging experiences in the use of those units. Every disappointed user of a gas producer unit is a bad advertisement for them, and of course, a bad advertisement for charcoal.

I have covered the main objections raised, and I now appeal to members to realise that this Bill is necessary, in its main principles, both in the interests of the charcoal-producing industry and in the even greater interests of the users of gas producer units in Western Australia. Several of the objections raised during this debate can be met and reasonably met, and in order that they might have the best possible opportunity of being properly dealt with, there will be no objection, when the second reading is carried, to the Committee stage being adjourned until tomorrow. Between this time and then each member who feels that amendments should be made will have a reasonable opportunity to prepare whatever amendments he thinks are necessary.

Question put and a division taken with the following result:—

Ayes	18
Noes	19
Majority against	1

AYES.

Mr. Coverley	Mr. Panton
Mr. Fox	Mr. Rodoreda
Mr. Hawke	Mr. F. C. L. Smith
Mr. J. Hegney	Mr. Styants
Mr. W. Hegney	Mr. Triat
Mr. Leahy	Mr. Willcock
Mr. Millington	Mr. Wilson
Mr. Needham	Mr. Withers
Mr. Nulsen	Mr. Cross (*Teller.*)

NOES.

Mr. Abbott	Mr. McDonald
Mr. Berry	Mr. North
Mr. Boyle	Mr. Sampson
Mrs. Cardell-Oliver	Mr. Seward
Mr. Hill	Mr. Shearn
Mr. Hughes	Mr. Warner
Mr. Keenan	Mr. Watts
Mr. Latham	Mr. Willmott
Mr. Mann	Mr. Doney (*Teller.*)
Mr. Marshall	

PAIRS.

AYES.	NOES.
Mr. Collier	Mr. Stubbs
Mr. Raphael	Mr. Thorn
Mr. Johnson	Mr. Kelly
Mr. Tonkin	Mr. Patrick
Mr. Wise	Mr. McLarty
Mr. Holman	Mr. J. H. Smith

Question thus negatived.

Bill defeated.

BILL—STAMP ACT AMENDMENT.

Second Reading.

Debate resumed from the 27th November.

MR. McDONALD (West Perth) [9.37]: This Bill brings in a welcome reform recommended by the recent Royal Commission on the Companies Bill, and by charging a rate of duty on the transfer of shares similar to that in all the other States except South Australia we shall, I hope, not suffer the loss we have sustained through its being more economical to have transfers effected in the other States than here. The only other part of the Bill has to do with correcting a discrepancy in the description of gifts of certain kinds as a result of which certain transactions which should pay duty in accordance with the general principle of the Bill might be able to escape payment by reason of an interpretation that has been placed on the present wording of the legislation. There is no doubt that the transactions in question fall within the principle of the existing legislation and they should bear stamp duty in the same way as similar transactions. The proposed amendment should be made in order to ensure a uniform imposition of duty on gifts of this class. I support the Bill.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Bill read a third time, and transmitted to the Council.

BILL—COMPANIES.

In Committee.

Resumed from the 26th November.

Mr. Marshall in the Chair; the Minister for Justice in charge of the Bill.

The CHAIRMAN: Progress was reported after Clause 102 had been agreed to.

Clause 103—agreed to.

Clause 104—Secretary to be appointed:

Hon. N. KEENAN: This clause provides for the appointment of a secretary who shall be present at the registered office of the company every day, and, if he fails to be present as required, he is to be liable to a penalty not exceeding £1 for every day on which such failure to be present occurs. No matter for what reason he may be absent, he will be subject to this penalty, even though he may be unable to get a carriage to take him into town or may become suddenly ill. I therefore move an amendment—

That in line 1 of Subclause 3, after the word "fails," the words "without lawful excuse" be inserted.

The Minister for Justice: I have no objection.

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

Clause 105—Publication of name of company:

Hon. N. KEENAN: Provision is made that every company shall have its name mentioned in legible characters in all notices, advertisements (other than ordinary trade advertisements), and other official publications of the company, etc. Why should an exception be made of ordinary trade advertisements, which are about the most important of all? Can the Minister give any reason for making the exception? If not, I move an amendment—

That in paragraph (c) of Subclause 1 the words and parentheses "(other than ordinary trade advertisements)" be struck out.

The MINISTER FOR JUSTICE: I do not know that the words are necessary. In order to get the Bill through, I will accept the amendment.

Mr. WATTS: I think the words should be retained. They were inserted for a specific purpose. It was hardly reasonable to require a company to have its name given in legible characters on an advertisement for its products, say, on a hoarding. Such advertisements have nothing to do with notices, ordinary advertisements or official publications of the company.

Hon. N. KEENAN: What is the difference between an advertisement and a trade advertisement? I cannot think of any advertisement that did not give a direction as to where the goods advertised could be obtained and who was the manufacturer.

It is in the interests of the company, no less than of the public, that the name should be given in legible characters.

Mr. SAMPSON: On a hoarding advertisement the name of the company would be printed in small letters merely to conform to legal requirements. If we insist on legible characters, the value of the advertisements from the standpoint of publicity would be materially decreased because space would be occupied unnecessarily.

Mr. HUGHES: This clause purports to be taken from the English Act, but that Act contains no such exception. Apparently the English Act has worked satisfactorily since 1929. What advertisements would there be apart from trade advertisements?

Mr. Abbott: Official notifications.

Mr. HUGHES: Is it to be said that a notice calling a meeting of shareholders is an advertisement?

Mr. Abbott: Yes.

Mr. HUGHES: I think that would come under "other official publications of the company." I would like to know what evidence was presented to the Royal Commission in favour of excepting practically all the advertisements of a company. I support the amendment.

Hon. N. KEENAN: I understand the Minister has no objection to the amendment.

The Minister for Justice: I do not object to it.

Hon. N. KEENAN: The Minister is on safe ground, because every single statute I have been able to have recourse to has not got this exception, which appears only in this Bill. The Companies Act of New South Wales has exactly the same provision as the English Act. I happen to know also that these words were not in the draft; they were put in by a majority, I presume, of the Select Committee. What for? I suppose they were desirous of showing that they could do something.

The Minister for Justice: These words were suggested by the Perth Chamber of Commerce. They do not affect the Bill very much.

Mr. WATTS: I am sorry the member for Nedlands did not have access to the legislation of Victoria. If he had, he would know that the words here are exactly the same as those appearing in the Victorian Act. I informed the Chamber myself that the words had been inserted by the Select Committee, and there was no need for the member for Nedlands to make any revelation on the subject. The name of the company should not be printed on display advertisements. The words are useful, and should be left in the Bill.

Hon. N. KEENAN: There are grave reasons why the words should not appear in this Bill. It seems desirable that when any company advertises its goods for sale, the name of the company selling the goods should be stated, because we are endeavouring to establish manufactures of our own in Western Australia

Amendment put, and a division taken with the following result:—

Ayes	24
Noes	6
Majority for	18

AYES.

Mrs. Cardell-Oliver	Mr. McDonald
Mr. Coverley	Mr. Needham
Mr. Cross	Mr. North
Mr. Fox	Mr. Nulsen
Mr. Hawke	Mr. Panton
Mr. J. Hegney	Mr. Rodoreda
Mr. W. Hegney	Mr. Styants
Mr. Hughes	Mr. Triat
Mr. Keenan	Mr. Willcock
Mr. Latham	Mr. Willmott
Mr. Leahy	Mr. Withers
Mr. Mann	Mr. Wilson

(*Teller.*)

NOES.

Mr. Abbott	Mr. Seward
Mr. Hill	Mr. Watts
Mr. Sampson	Mr. Doney

(*Teller.*)

Amendment thus passed; the clause, as amended, agreed to.

Clause 106—Restriction on commencement of business:

Hon. N. KEENAN: A proprietary company is not obliged to issue a prospectus. It may be formed by two men, who need not disclose to the public at large that they have formed the company.

The Minister for Justice: Not necessarily by two persons.

Hon. N. KEENAN: It may be formed by two persons. We have gone a long way towards bringing proprietary companies into existence in this State; but we are proposing to go further still, in granting them the most extraordinarily favourable conditions.

The Minister for Justice: The hon. member is prejudiced against proprietary companies.

Hon. N. KEENAN: I am, without the slightest question, because I consider they constitute a grave danger. This measure

will exempt them from all the duties that lie upon an ordinary company. They need not register any meeting, nor need they register the appointment of a director; they need not have an auditor, in fact we are proposing to give them carte blanche. I propose to ask the Committee to provide that the directors of these companies must have paid in cash for the shares which they hold and which qualify them to be directors. This will ensure that one of the directors is not a dummy and that both have paid for their shares.

The CHAIRMAN: Does the hon. member propose to move an amendment?

Hon. N. KEENAN: Yes. I move an amendment—

That Subclause 7 be struck out.

The MINISTER FOR JUSTICE: I regret I cannot agree to the amendment. This point was discussed fully by the select committee, which decided that proprietary companies should receive greater consideration than other companies should. That was because, speaking generally, a proprietary company is only a small concern. It is all right for some members who have "cushy" jobs, but we must consider the people outback who produce the real wealth of the country. They are penalised enough now by taxation and have not the facilities enjoyed by those in the city.

Hon. N. Keenan: Do you think I live on the back country?

The MINISTER FOR JUSTICE: But for the back country the hon. member could not follow his profession in Perth. The member for Nedlands does not put his amendments on the notice paper and expects me to give decisions without mature consideration.

Hon. N. Keenan: I told you why.

The MINISTER FOR JUSTICE: Yes, but that reason is very thin. I could not stay away more than one or two days. I do not know that the select committee should be superseded by the mentality displayed in the Committee. Members are prejudiced against the proprietary company which is not proposed for other than small concerns, generally speaking.

Hon. N. KEENAN: Whether I live on the back country or not has nothing to do with the matter. That is only a kind of maggot in the brain of the Minister.

The CHAIRMAN: Order! I want the member for Nedlands to confine himself to the subject matter before the Chamber, and not to be offensive to the Minister. I ask members to assist me to conduct the business of this Committee with some degree of dignity.

Hon. N. KEENAN: I accept the reproof. It is one thing to accept the proprietary companies, and another matter to give them a free fling. We will not allow them to be entirely uncontrolled as suggested by this clause.

Mr. HUGHES: The Minister wants to assist people in the back country.

The Minister for Justice: Or anywhere.

Mr. HUGHES: He must know that for every proprietary company formed in the back country, 100 will be formed in the metropolitan area. To avoid the provisions of this Act, probably 200 or 300 companies will change from public companies to proprietary companies. Those with more than 21 members will reduce their membership by buying out shareholders with small holdings, and the proprietary companies will not be small companies, but those with big capitalisations; and they will come not from the back country, but from the metropolitan area.

The Minister for Mines: That is assumption.

Mr. HUGHES: The records show that there are approximately 1300 companies in this State of which 1100 have less than 50 members. There will be 258 public companies with this limitation to 21 members. Without that limitation there would be only 150 out of the 1300. Why is the Minister so anxious to exclude the large rich companies of the metropolitan area from the provisions of the Bill? In the next five years not more than five proprietary companies will be formed in his electorate.

Hon. C. G. Latham: There may not be one.

The Minister for Justice: You do a lot of guessing.

Mr. HUGHES: It is not guessing. It is calculated from past experience. At the present time any five people in the back country could form themselves into a company if they wanted the protection of the Act, but they become a public company. Does the Minister believe that if he makes it possible for two people to form a company much company formation will take

place in Norseman? The only possible company to be formed in that town would be for another hotel, and that would be formed in Perth with Perth money. If a mining company is to be formed, it will be formed in Perth. The suggestion that everybody lives on the back country is absurd.

The Minister for Justice: You would not do so well if we did not have the back country.

Mr. HUGHES: That is not even pre-Adam Smith economics. Of course, everybody lives in the main because of scientific knowledge that has been developed over the years chiefly in populous areas, and the mines in Norseman could not function ten minutes if that scientific knowledge were withdrawn. Such knowledge did not come from the back country but from research bureaus and universities and institutions established in the main in populous areas.

The CHAIRMAN: I do not think that is relevant.

Mr. HUGHES: I do not know why the Minister was allowed to mention it. I want the same rights as anyone else.

The CHAIRMAN: When the Minister made the reference, I drew his attention to it, and asked him to discontinue. The Minister obeyed me, and I want the hon. member to do the same. He will receive the same treatment that is given to every other member.

Mr. HUGHES: If remarks are made, surely we can answer them.

The CHAIRMAN: I prevented the Minister from continuing along those lines. I could do no more.

Mr. HUGHES: All I want is the right to reply.

The CHAIRMAN: The hon. member will not have the right to reply to any statement to which I took exception and declared out of order. He may proceed to discuss the subject-matter before the Chamber.

Mr. HUGHES: Take the whole of Clause 106. What does it set out to do? I will read it.

The Minister for Justice: Why not read the whole Bill while you are about it?

The CHAIRMAN: Order!

Mr. HUGHES: If I could put my finger on it, I would deal with the evidence referring to this clause and this proposed exemption of the rich capitalised companies.

Mr. Abbott: That is an utterly inaccurate statement.

Mr. HUGHES: The rich capitalised companies, the big companies, are getting out.

Mr. Abbott: Nothing of the sort.

Mr. HUGHES: The clause confers a great advantage on the company, something that will allow it to get out of a contract entered into because it cannot commence business, if it has a prospectus, unless it has complied with the three conditions set out here. The fact that a director may not have paid for his calls out of his own money will prevent a company carrying on business. I suggest that in his heart the Minister is opposed to this clause. The company might be carrying on business for five or ten years before it is discovered that a director did not pay for his shares out of his own money, and that will allow the company complete absolution from all its contracts because it was not entitled to carry on business. That applies to companies that issue a prospectus. Now we come to companies that do not issue prospectuses, the small companies not on the market for public money. Such a company is obliged to do the things set out and if it does not do them it is absolved from its contracts, so it gets a reward for not carrying out the provisions of the Act. The clause sets out clearly that any contract made by the company cannot be binding until it is entitled to commence business. How are the people who contract with the company to know that the director did not pay for his shares out of his own money? This is something greatly beneficial to the company. A penalty is imposed on those responsible for contravention, but no protection is given to those who have contracted in good faith with a company and are trying to enforce their contracts. It would be a great asset to a company to be able to get out of a contract by saying, "We have discovered that one of our directors did not pay for his shares out of his own money, and we are not entitled to commence business until he does. Therefore we can repudiate this contract." So far from being detrimental, this provision would be advantageous to companies. The Minister has suddenly turned dog on his pet baby, the proprietary companies.

The Minister for Justice: They have to stand on their merits.

Mr. HUGHES: If this provision is passed, when would a contract become binding on a proprietary company? If we are going to have proprietary companies, let them comply with the measure.

Amendment put.

Mrs. Cardell-Oliver: The ayes have it.

The CHAIRMAN: I will put the question again.

Mr. HUGHES: On a point of order, there was only one no.

The CHAIRMAN: I will put the question again.

Mr. HUGHES: After it has been decided by several ayes to only one no?

The CHAIRMAN: The hon. member will resume his seat and pay due respect to the Chair.

Amendment put and a division taken with the following result:—

Ayes	11
Noes	19
Majority against	8

AYES.

Mrs. Cardell-Oliver	Mr. McDonald	
Mr. Hill	Mr. North	
Mr. Hughes	Mr. Sampson	
Mr. Keenan	Mr. Willmott	
Mr. Latham	Mr. Doney	
Mr. Mann		(*Teller.*)

NOES.

Mr. Abbott	Mr. Panton	
Mr. Coverley	Mr. Rodoreda	
Mr. Cross	Mr. Seward	
Mr. Fox	Mr. Styants	
Mr. Hawke	Mr. Triat	
Mr. J. Hegney	Mr. Watts	
Mr. W. Hegney	Mr. Willcock	
Mr. Leahy	Mr. Withers	
Mr. Needham	Mr. Wilson	
Mr. Nulsen		(*Teller.*)

Amendment thus negatived.

Clause put and passed.

Clause 107—Register of members:

Hon. N. KEENAN: I move an amendment—

That in Subclause 1 the following words be added to the proviso:—"and the shares in respect of which such call was paid."

With this amendment, shares in respect of which calls were paid and not paid would be clear on the register.

The Minister for Justice: I accept the amendment.

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

Clause 108—agreed to.

Clause 109—Provisions as to entries in register in relation to share warrants:

Hon. N. KEENAN: This is a clause which introduces share warrants. "Share warrant" means that the registered holder of shares has his name removed from the register and that he gets a warrant which can be handed from one person to another and is, of course, a very ready means of disguising the ownership of shares. As soon as the share warrant is issued, by the provisions of this clause the name is removed from the register. Therefore there is no means of knowing that Mr. A is interested in any way in the company, his name having been removed from the register and a share warrant having been issued transferable from hand to hand. Moreover, at any time the bearer of a share warrant may, if the articles of the company so provide, be deemed a member of the company within the meaning of the Act. Therefore he can get back to being a member of the company and have all the rights of a member. By introducing share warrants we are creating means of covering a very large interest in a company without any means of discovering who is the holder of the interest. A very objectionable clique in the Eastern States thus might get hold of any Western Australian company. If the clique were to get the shares registered in its own name the matter would be open to the world; but if the shares are created into share warrants and they get possession of these, there is no such knowledge.

The MINISTER FOR JUSTICE: Very many countries, including the United Kingdom, New South Wales, Queensland and New Zealand, have this clause.

Hon. N. Keenan: Do they face the same circumstances as we face here?

The MINISTER FOR JUSTICE: I do not know, but I should say they would. No witness before the Select Committee took any exception to the clause.

Hon. N. KEENAN: I object altogether to being told that nobody took objection to it. No one read the Bill, no one bothered about it! If the Minister made inquiry today, he would find that there is not the smallest public interest in the passing of the Bill. This clause is one more example of misleading marginal notes. The clause is not part of the New South Wales Act, and is not part of the Victorian Act. The clause is an excellent cloak for one man getting con-

trol of a company, or a company getting control of another company. We are particularly open to that danger because our companies are weak. The Minister has, by his marginal note, given false information.

The Minister for Justice: This is the law in England.

Hon. N: KEENAN: I have not looked it up. I would not be surprised to find that the Minister is wrong in all his marginal notes. I shall vote against the clause.

Mr. HUGHES: One great complaint, made particularly by people of Labour views, has been that by virtue of company finance, the control and ownership of huge financial organisations is disguised. Recently I read a book entitled "Who owns Australia?" The object of the book is to trace for public information who are the real owners of the big companies which are to be found throughout Australia and which control the destiny of Australia. In the final analysis, the conclusion is arrived at that 27 persons, under various names and disguises, have a tremendous control of the financial institutions of Australia today. In order to cover up their identity, they form a company and afterwards form another company, holding the shares of the second company in the name of the first company. A person who wishes to find out who controls these big financial institutions would be occupied for a couple of years in searching, because he would have to go from one company to another; a director of one company may be a director of six or seven others. This clause was introduced in England as late as 1929; as far as I know, it never before appeared in a previous statute. Its object was to hide the identity of the persons controlling the powerful companies of England. Such men are liable to much public criticism; it might be pointed out that their actions were dictated by the fact that they were shareholders of a certain company. I venture to say that that is the genesis of this provision. If this provision is passed, then we may give up any idea of finding out the persons who control companies, because immediately a shareholder wants to hide his identity, he may remove his name from the register and hold bearer shares, which may be transferred from hand to hand. All the research in the world would not enable anyone to find out who held, say, 2,000 bearer shares. The holder of such shares has all the benefits that an ordinary shareholder enjoys. He may at the last minute of a meeting walk in and say, "I have 100,000 bearer shares. Under the Companies Act I have full rights of membership and I vote so and so." He may not be the real owner, but merely a dummy. The Labour Party particularly ought to do everything in its power to stop dummying in big companies. I can understand why the House of Commons passed this provision in 1929.

The Minister for Mines: Why not follow the English Act?

Mr. HUGHES: I would not adopt this provision. The fact that the House of Commons passed it in 1929 would not make the Minister feel obliged to accept it. No doubt the House of Lords passed it without trouble.

Hon. C. G. Latham: What would have happened had we on this side of the Chamber introduced it?

Hon. N. Keenan: There would have been a roar that could be heard in Harvest terrace.

Mr. HUGHES: I venture to say that some people in Britain will not want post-war disclosure. They will take advantage of this provision, because they will not want other people to say, "Look at Lord Brown. He holds shares in this company and in other companies." People will be writing books entitled, "Who Owns England?"

[*Mr. J. Hegney took the Chair.*]

The Minister for Justice: England must be a terrible country!

Mr. HUGHES: Judging by what I have read of what took place on the coalfields of England during the depression, it was a terrible country.

The CHAIRMAN: I suggest we come back to Clause 109, and do not discuss whether or not England is a terrible country.

Mr. HUGHES: If you, Mr. Deputy Chairman, doubt what I say, I will be pleased to make the literature available to you. The matter is important because, whilst these people in the coalfields were undergoing privations, they were being told that other people had too much. They mentioned the shareholdings of certain people and said it was not right for thousands of human beings in the Welsh coalfields to be

living below the level of subsistence while other people had so much. They said it was a terrible country. Apparently the Minister does not agree with those people, and thinks that they were radicals. Should we adopt this form of cover when we will want to know after the war who is who in the financial world? Should we include the provision in our Act merely because it was placed in the English Act of 1929? I hope the clause will be deleted.

Mr. McDONALD: I am reluctant to depart from the Bill as drawn by the select committee, but there are some points with regard to this clause which the Minister might consider. In England and in three out of the five States of the Commonwealth provision still remains for this type of bearer warrant for shares. But in the existing Act in New South Wales, passed in 1936, the provision, which previously existed for bearer warrant, has been abolished. The provision has also been abolished in the recent Companies Act of Victoria. The modern trend is to abolish this type of share. For the reason given by the member for Nedlands it is possible to understand why it is thought to be in the public interest that people who hold shares in public companies should have their names recorded in the register, and the fact that they hold shares be something ascertainable by the public.

Clause put and negatived.

Clauses 110 to 112—agreed to.

Clause 113—Entry of trusts and trustees:

Hon. N. KEENAN: I move an amendment—

That in line 4 of Subclause 3 after the word "share" the words "or on order of the court" be inserted.

The Minister for Justice: I have no objection to this amendment.

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

Clauses 114, 115—agreed to.

Clause 116—Provisions as to branch register:

Hon. N. KEENAN: Clause 115, which has been passed, gives a company power to establish branch registers in any country, State or Colony. It is rather curious phraseology because there are very few colonies of the British Empire. One is Ceylon and another is Fiji, but I do not know of any others except Tanganyika. Still, power may be taken to establish a branch at the North Pole, if necessary. If it is not of advantage, the clause will not be greatly used. Clause 116 provides for every eventuality in regard to branch registers except the transfer of shares from one branch register to another. I therefore move an amendment—

That the following new subclause, to stand as Subclause 6, be inserted:—"Shares registered in a branch register may be transferred to any other branch of the company in accordance with the regulations provided therefor."

I look forward to the industrial state of this country being very different in the future from what it is today. On account of the country's enormous area, any large industrial concern will inevitably have branch registers in this State. If we are making provision for almost every possible avenue of circulation, I suggest we should make provision for circulation from branch to branch.

The Minister for Justice: I have no objection.

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

Clause 117—Annual return:

Hon. N. KEENAN: This clause provides for annual returns by companies having share capital. Amongst other information which has to be furnished by the company is "the number of shares taken from the company from the commencement of the company up to the date of the return." The word "taken" might refer to the activities of a burglar. I move an amendment—

That in line 1 of paragraph (vii) of Subclause 1, after the word "shares," the word "taken" be struck out, and the words "issued and subscribed for" inserted in lieu.

Amendment put and passed.

Mr. HUGHES: I move an amendment—

That paragraphs (xv), (xvi) and (xvii) of Subclause 1 be struck out.

The Committee having deleted Clause 109, dealing with share warrants, these paragraphs are unnecessary.

Amendment put and passed.

Mr. HUGHES: I move an amendment—

That in lines 1 and 2 of paragraph (xxiii) the words "Except where the company is a proprietary company" be struck out.

This paragraph provides that, in the annual return, each company shall supply to the Registrar a copy of the last balance sheet. The object is to make available to the public information of the company's position. The Minister's chief objection is that if a balance sheet has to be sent to the Registrar, it will impose additional expense upon a proprietary company. The Commissioner of Taxation insists upon a balance sheet being supplied annually and, apart from that, it is hard to imagine any company not having an annual balance sheet. If a company attempted to carry on without one, it would soon be in difficulties.

The MINISTER FOR JUSTICE: I cannot accept the amendment. The Royal Commission gave much consideration to the matter, and decided that this obligation should not be insisted on. Members of the company would be able to get a copy of the balance sheet and outsiders might obtain a copy by paying for it. We desire to help small companies by sparing them unnecessary expense.

Hon. N. KEENAN: I could understand the Minister's argument if proprietary companies were excepted from compliance with all the other provisions in Subclause 1, but they are not. They have to supply all the details enumerated, a somewhat onerous duty, and why except the balance sheet, to supply which is the simplest of the lot?

Mr. Abbott: You would have them supply a balance sheet so that people could pry into a company's affairs?

Hon. N. KEENAN: People could get a lot of information from the other particulars that have to be supplied. I cannot see any possible logic in making this exception.

Mr. McDONALD: I feel that this is a case where we should follow the recommendation of the Royal Commission. The words are taken substantially from the New South Wales and Victorian Acts. Having once accepted the principle of a private company, we must either give those companies the privileges, for what they are worth, of a private company or else strike them out altogether. One of the privileges of a private company is that it need not disclose its financial affairs on the public register.

Mr. HUGHES: The member for West Perth has given the true reason. The Victorian list of companies shows that all the big, rich companies are "proprietary limited." A rich man, owner of a business such as Boan's, for instance, is enabled by proprietary company means to disguise his wealth. How are we to rebuild the financial structure of the world if we do not get particulars of the owners of these companies? The member for West Perth has indiscreetly disclosed the real reason. We propose by the Bill to make a company with a capital of £10,000 and 100 shareholders disclose its profit and loss account and balance sheet for the benefit of what the member for North Perth called inquisitive men. Yet we say to a one-man company, with a capital of £500,000, "You are secret. You need not submit yourself to the public scrutiny to which smaller companies must be subjected." As the member for North Perth said, "Put all companies on the same basis." I hope the amendment will be agreed to.

[*Mr. Marshall resumed the Chair.*]

Amendment put and a division taken with the following result:—

Ayes	16
Noes	11
Majority for	5

AYES.		NOES.	
Mrs. Cardell-Oliver	Mr. Leahy	Mr. Abbott	Mr. Rodoreda
Mr. Cross	Mr. Mann	Mr. Coverley	Mr. Seward
Mr. Fox	Mr. Needham	Mr. Hawke	Mr. Willcock
Mr. J. Hegney	Mr. Panton	Mr. Hill	Mr. Willmott
Mr. W. Hegney	Mr. Styants	Mr. McDonald	Mr. Wilson
Mr. Hughes	Mr. Triat	Mr Nulsen	
Mr. Keenan	Mr. Withers		
Mr. Latham	Mr. Doney		
	(*Teller.*)		(*Teller.*)

Amendment thus passed.

On motion by the Minister for Justice, clause further amended by striking out in lines 11 and 15 of Subclause 3 the word "fifty" and inserting in lieu the words "twenty-one."

Clause, as amended, agreed to.

Clause 118—Annual return to be made by a company not having share capital:

Hon. N. KEENAN: This is a form of company which I venture to say will never exist in Western Australia. The shareholders would be simply partners; and under our partnership law the number of such

persons is limited to twenty. Were the previous provisions relating to these companies struck out?

The Minister for Justice: I draw the hon. member's attention to Clause 16.

Hon. N. KEENAN: Why does the Minister want a company not having shares? Has anybody ever asked for it? I ask the Minister to give good reasons for the inclusion of this clause, or for the Committee to strike it out.

Hon. C. G. Latham: The Minister must have knowledge of why it is included.

Hon. N. KEENAN: He must have some reason, however absurd it is.

The MINISTER FOR JUSTICE: Members can see the Bill. The only reason I know is that similar provision is made in the Acts of the other States, and of the United Kingdom. This clause was discussed and nobody objected to it. I do not know that it can do any harm.

Hon. N. Keenan: Can you give any reason why it should be made law?

The MINISTER FOR JUSTICE: No. Can the hon. member give any reason why it should not be made law?

Hon. N. Keenan: Yes. It should not be accepted because it is not likely to be resorted to.

Midnight.

The MINISTER FOR JUSTICE: Somebody might want to use it.

Hon. N. Keenan: No. It describes an extraordinary sort of company; a ghost company.

The MINISTER FOR JUSTICE: Similar provision is made in other Acts.

Hon. N. KEENAN: The Minister does not always follow the provisions made elsewhere, and he is quite right. Has any person in this State asked for this clause?

The Minister for Justice: No.

Hon. N. KEENAN: Does the Minister desire it himself?

The Minister for Justice: No.

Hon. N. KEENAN: No one has asked for it, the Minister does not want it, and yet he asks the Committee to accept it!

Hon. C. G. LATHAM: I hope the Committee will not pass everything because the Minister says it is printed. Beyond the evidence of the Solicitor General the select committee had no testimony on this point. I do not think the statements of the Solicitor General on the subject would have impressed the Committee. Whatever this clause will do can be covered by a partnership, and we know where we are with a partnership.

The Minister for Justice: I defy anybody to know that.

Hon. C. G. LATHAM: The Government and the public will know where they are and who is responsible for the payment of debts.

The Minister for Justice: This provision is included in the other Acts.

The CHAIRMAN: Order! The Minister must pay some regard to the dignity of this Chamber and keep order. This constant interjecting will not get us anywhere.

Hon. C. G. LATHAM: If the Minister will tell us what this clause will provide which cannot be met by a partnership, then we should leave it in. Otherwise I appeal to the Committee to vote against it.

The MINISTER FOR JUSTICE: It seems that members do not want this Bill passed. It is impossible now to pass it this session. This clause has not been discussed in Committee. Provision is made in the other Acts for this provision. I do not see that there is anything very wrong in including it here.

Hon. N. Keenan: Have you ever heard of this type of company in any part of the world?

The MINISTER FOR JUSTICE: No, but I have not had much to do with companies. I see no reason why this clause should not remain in the Bill if it will be of some use in the future.

Mr. ABBOTT: This Bill was introduced to make our legislation uniform with that of the other States of the Commonwealth. It was considered that Australian company business was so interlinked that one set of laws should not apply in one State and something else in another State. That is why some of these provisions, which will probably not be applied very often, have been included. The select committee hoped that this Bill would provide for every contingency likely to arise for many years to come. That is no reason why, when it is needed, the provision should not be there.

Hon. C. G. Latham: What portion sets that out?

Mr. ABBOTT: Sets out what?

Hon. C. G. Latham: Why the clause should be used and where it should be used.

Mr. ABBOTT: The Leader of the Opposition should read the clause.

The CHAIRMAN: I ask members to obey the Chair and refrain from interjecting. Members cannot address the Chair in an orderly manner while interjections are being made.

Mr. ABBOTT: I hope, therefore, that although members cannot consider a reason for using this provision, they will take a broader view and realise that an endeavour is being made to make this law uniform with that of the whole of Australia.

Mr. McDONALD: I may regard this legislation from the wrong point of view, but I cannot divorce from my mind the fact that in England there is provision for this class of company and many other provisions to which exception has been taken. The English Companies Act has been the subject of repeated inquiries presided over by men of great standing in the legal profession and in matters of commerce, and this particular provision for a company which has not a share capital has been retained.

Mr. Hughes: I thought we deleted that.

Mr. McDONALD: No, we retained it; that is why we are debating the same thing. We deleted a company limited by guarantee. I speak subject to correction, but I believe that all the States of Australia——

Hon. C. G. Latham: Except Tasmania.

Mr. McDONALD: —possibly with the exception of Tasmania—have followed England in making provision for this class of company. I admit that in the practice of the law I have never met a company which had no shares or an unlimited company, and do not expect to in future, but as I read the report and from my understanding of the principles that guided the Royal Commission, the idea was to endeavour to build a body of company law to last this State for 50 or 70 years. Just as our existing Companies Act served this State for 50 years, so it is proposed to put on the statute-book a measure that will meet the expanding commerce of Western Australia. In the past—and I say this with all due deference to my friends on the right—this has been a primitive State. We are a race of rural producers. We have not been concerned in commerce on a large scale, like Great Britain, and I have sympathy with the Royal Commission's action in suggesting a Bill which may not meet the demands of the present time but is the framework of a vast expansion of our commerce which may, we hope, take place in the next ten or twenty years. When capital proposes to come here, it will have the same wide choice of the framework of a company as exists in Great Britain, from which we hope to attract capital. I can see no harm in providing on our statute-book law which takes in all the accumulated experience of nearly a hundred years of company practice in Great Britain, even though at present our commerce, trade and company operations are not such that we will use many parts of it.

Hon. C. G. LATHAM: I listened attentively to the statement of the member for West Perth, and there would be a good deal of reason in his arguments if we were to do exactly as was done in the Old Country where, a little while ago, was introduced penal legislation with very heavy penalties for anyone doing anything that savoured of fraud. A little while ago, a person was sentenced to five years' imprisonment. This Bill leaves certain loopholes and we are not providing any penal legislation for those who use them for fraud.

The Minister for Justice: Yes, there is a general penal clause.

Hon. C. G. LATHAM: It is nothing in comparison with the measure introduced by the Minister for Trade in the Old Country

The Minister for Justice: There is the Criminal Code.

Hon. C. G. LATHAM: How often is that used? Never! Many times action should have been taken, and it was not. People are deliberately robbed by company promoters.

Mr. Abbott: It is already provided for.

Hon. N. Keenan: There is a £20 penalty in this case.

Hon. C. G. LATHAM: Fancy a £20 penalty for a man who gets away with £13,000 or, as was the case in one instance, £27,000! I challenge the member for North Perth to show me where in Clause 118 it is set out what the provision is required for. It is no use misleading the Committee by saying it is already provided for. This provides what shall be done, but does not say why it would be used, and not one member has set out where this legislation would be

used, or what useful purpose it would serve. I cannot understand a company without shares.

The Minister for Justice: There are lots of things I do not understand.

Hon. C. G. LATHAM: I know there are. We are quite well aware of that!

The Minister for Justice: You do not understand.

Hon. C. G. LATHAM: I am here to obtain enlightenment. Do I not represent an intelligent body of electors? Do they not expect me to find out from the people who introduce this class of legislation what it is for?

The Minister for Justice: Are they all intelligent?

Hon. C. G. LATHAM: I would not say they all are, but those who vote for me are.

The CHAIRMAN: I would ask the Leader of the Opposition to confine himself to the clause.

Hon. C. G. LATHAM: Very well, Sir. The Minister will lead me astray. He introduces legislation and we are expected to follow it blindfold during the Committee stage. Let us have an intelligent view of what we are passing. If we do not understand it, how can we expect the general public to do so?

Mr. Abbott: Read Clause 16.

Hon. C. G. LATHAM: I cannot connect Clause 16 with Clause 118. To make a statement like that is misleading to the Committee. The member for North Perth was a member of the Royal Commission and should endeavour to elucidate the matter. I am going to get an intelligent view of the subject even if we have to sit here till January. I want someone to tell me what useful purpose this clause will serve. The provision might have been introduced in England because of the existence there of companies without share capital.

The Minister for Justice: This clause merely refers to an annual return being made by a company not having share capital.

Hon. C. G. LATHAM: Is that all? The Minister does not know anything about it. The member for Katanning, who was also a member of the Royal Commission, has not offered to tell us what the clause means. The member for North Perth has not enlightened the Committee. We are asking for returns by a company without knowing whether or where it exists. All that the member for North Perth has done is to refer us to Clause 16.

Mr. Abbott: I will tell you when you sit down.

Hon. C. G. LATHAM: Then I will sit down at once.

Mr. ABBOTT: There are some companies where the responsibility is unlimited under the provisions of the Bill. In such a case there is no specific capital because the members of the company are responsible for the whole of the debts of the company. Clause 16 refers to unlimited companies, which have no share capital.

Mr. HUGHES: I fail to see how this company can be connected up with any company catered for by the Bill. Clause 12 provides for the limited company, and for a company not having any limit on the liability of its members and called an unlimited company. This does not mean that the company has no capital because, if that were so, one would not pay any ad valorem duty when registering the company. Western Australian law does not provide for the registration of a company without any share capital.

Mr. Watts: Paragraph (b) of the schedule on page 340 refers to companies without capital.

Mr. HUGHES: I find difficulty in conceiving of a company without share capital and without liability. A company without share capital is not automatically an unlimited liability company. So far as I know, there never has been registered in this State an unlimited company; nor has there ever been an attempt made to register such a company. Throughout the statutes are to be found all sorts of sections which are of no use today and are frequently unintelligible to us. Historical research, however, will often show that a section which has no value today and is unintelligible to us, was a workable section 800 or 900, or perhaps 1600 or 1700 years ago. We cannot go through the statute law and wipe out all obsolete provisions. They become eliminated only when a Bill of this nature is submitted to the Legislature. If it is proved that a section has never been used, that is a good argument for cutting it out. The Minister says we do not want to pass the Bill because of prejudice. In my opinion the introduction of a proprietary company into Western Australia would be a retrograde step in company legislation. I have not heard of anybody who wants this mea-

sure. Who does want it? It is nobody's darling now.

The Minister for Justice: You do not want to protect the people.

Mr. HUGHES: Most assuredly we do want to protect them. That is why I have been so keen to eliminate proprietary companies and where they cannot be eliminated to make them as like to other companies as possible. The Bill can stand another examination.

The CHAIRMAN: We are not discussing the Bill. The more latitude I give, the more members drift away. We are dealing with Clause 118.

Mr. HUGHES: I am sorry, Sir. This provision has not been used for 50 years. Where is the section which provides for the formation of a company without share capital?

Mr. ABBOTT: Under the Companies Act three classes of companies can be formed. Under Clause 12 there is a company having the liability of its members limited, by the memorandum, to the amount, if any, paid on the shares. The English Act contains a similar provision. Admittedly the provision is old. There are some members of a British community who will say, "Irrespective of what the liabilities of the company may be, I want to see every creditor paid. Therefore I will form an unlimited liability company. There are 20 or 30 or 40 of us, and we will be responsible for the debts." In 1929, this class of company being in existence, it was thought fit that they should furnish certain returns and certain information each year, in the same way as other companies did. When the provision was embodied in Australian Acts, these companies, in effect, were told, "You must furnish that information, and in addition a little more." The average person forming a company in these days, I am inclined to agree, is only too willing to limit his liability and to evade it, if possible. But in time to come, a trustee company or some other form of company may wish to show the public that each of its members is responsible for the whole of the debts of the company. That is what the member for East Perth has been preaching all the time. He has been railing about the fact that people want to get out of their liabilities by forming companies. He has spoken about fraud on the public. When we provide for a class of company whose members cannot evade liability, he objects. If that is not inconsistency, I do not know what is.

Hon. N. KEENAN: The member for North Perth is slightly in error in saying that an unlimited company has not any share capital. We are dealing in this clause with a company not having share capital.

Mr. Abbott: That is so. It is not necessary that such a company should have share capital.

Hon. N. KEENAN: We have already passed a clause providing that an unlimited company shall have share capital and that each shareholder shall remain with an unlimited liability. This clause simply enables partnerships with more than 20 members to exist. The member for North Perth agrees that that is so. For certain good reasons we prohibit partnerships exceeding 20 in number; it is not deemed wise to allow partnerships with more than 20 members to exist. This long discussion is the result of a question I asked the Minister, whether he was prepared to give reasons for introducing this provision. His only reply, as far as I understand, is that the provision is in the English Act.

The Minister for Justice: It is uniform.

Hon. N. KEENAN: I am afraid that is no reason. The only inquiry is, whether it is desirable to introduce in this State partnerships exceeding 20 in number.

The Minister for Justice: I do not see any reason why we should not.

Mr. Abbott: Read Section 11.

Mr. Watts: Such partnerships can exist.

Mr. Abbott: If registered under the Act.

Hon. N. KEENAN: I do not mind the member for Katanning telling me what is right and how far I am wrong; but I do object to being charged, like the soldiers at Balaclava, from both wings at the same time. This provision will alter not only the law of England but also our own law of 1893. Who in this Committee will seriously contend that it is advisable to provide for partnerships to come into existence with an unlimited number of members?

Mr. ABBOTT: I will.

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

Mr. ABBOTT: If 25 men wish to join in business and say, "We will face our debts," they are to be congratulated. I cannot see any objection to the provision, as long as the requirements of this measure are complied with. The reason I suggest that part-

nerships of more than 20 ought to be registered under this measure is because otherwise they would be dependent on partnership deeds, which need not be registered. Such associations of persons are too large for that, and must have the restrictions provided by this measure placed upon them.

Mr. HUGHES: The member for North Perth seems worried about the suggestion that the electors of East Perth do not want to honour their debts. They have no choice; the money lenders of North Perth make them do it. If this clause refers to unlimited companies, why does it not say so? The whole argument has arisen because it does not say that. First of all, the member for North Perth referred to a no liability company.

Mr. Abbott: I did not mention a no liability company!

Mr. HUGHES: If this clause refers to an unlimited company, I have no objection to it. It should set that point out clearly, and for that reason I propose to move that after the word "every" in the first line of the clause, the word "unlimited" be inserted, and then I propose to strike out the words "not having a share capital." We would then know exactly where we stand. I move an amendment—

That in line 1 of Subclause 1, after the word "every" the word "unlimited" be inserted.

Amendment put and a division taken with the following result:—

Ayes	7
Noes	20
Majority against	13

AYES.

Mrs. Cardell-Oliver	Mr. Mann
Mr. Hughes	Mr. Willmott
Mr. Keenan	Mr. Doney
Mr. Latham	*(Teller.)*

NOES.

Mr. Abbott	Mr. Panton
Mr. Coverley	Mr. Rodoreda
Mr. Cross	Mr. Seward
Mr. Fox	Mr. Styants
Mr. Hawke	Mr. Triat
Mr. W. Hegney	Mr. Watts
Mr. Leahy	Mr. Willcock
Mr. McDonald	Mr. Wilson
Mr. Needham	Mr. Withers
Mr. Nulsen	Mr. J. Hegney
	(Teller.)

Amendment thus negatived.

Clause put and passed

Clause 119—Annual general meeting:

Mr. McDONALD: It is intended by this clause that a meeting shall be held at least once in every year. Paragraph (b) provides that a company which has most of its members resident outside this State shall be entitled to hold its annual general meeting in some State other than Western Australia. If, however, it has ten shareholders resident within the State, it may be compelled to hold a meeting once a year in Western Australia in addition to the ordinary general meeting held outside the State. I propose to move that paragraph (b), and, consequentially, paragraph (c), be struck out, to remove the obligation imposed by paragraph (b). As the Bill was first presented, it did not contain these paragraphs, and they are not to be found in the company legislation of England, nor in that of any other State of Australia, nor in our present Act. I suggest that where the majority of shareholders live outside the State and can by law hold the annual meeting at a place outside the State suitable to the majority, this provision by which they are compelled to hold a second meeting annually in this State for the convenience of possibly a very small number of shareholders is not necessary, only means additional expense, and will not carry the shareholders in this State very much further. I do not see that they could get very much more information than could be obtained at the annual meeting outside the State. I move an amendment—

That paragraphs (b) and (c) of the proviso to Subclause 1 be struck out.

The MINISTER FOR JUSTICE: This clause was discussed very fully. It merely enables a minority of shareholders to have a meeting within the State. If a majority of shareholders were in the State the meeting would be held here. If a company trades in the State and it is incorporated here it seems only fair that a minority of ten or more should be able to have a meeting here. They could then convey their views to the directors.

Hon. N. Keenan: What would be the effect on the directors?

The MINISTER FOR JUSTICE: I do not know, but it would be information for the directors as to the views of the minority. The Hon. A. Thomson, a member of the Royal Commission, spoke of the matter from personal experience of various companies, and the Commission came to the conclusion that the provision would not

do much harm, that it would not hurt anyone and would provide an opportunity for the minority shareholders to express their views to the company.

Hon. N. KEENAN: Again and again I have had to refer to the fact that the marginal notes in this Bill are misleading. That is so in this case in reference to the marginal note directing attention to Section 112 of the United Kingdom Act. Then the Western Australian statute is invoked, and that again is misleading.

The Minister for Justice: Those marginal notes are merely to indicate similarity.

Hon. N. KEENAN: There is not the smallest similarity. The notes are grossly misleading and I am afraid they are intended to be so.

[*Mr. Withers took the Chair.*]

The Minister for Justice: That is not correct.

Hon. N. KEENAN: Section 49 of the Western Australian Act, to which reference is made, has nothing whatever to do with this provision. I could understand it if the Minister had brought down a proposal that where a company is incorporated in Western Australia its annual general meeting should be held here, that no matter how many members were resident outside the State, if only one member were resident here the meeting should be held in Western Australia. It does not say anything like that. The trouble is that the Minister does not grasp his own Bill. If that were the proposal it might gain some support. It would not be very practicable if there were a company with a thousand shareholders in South Australia and only one or two residing here. It would be impossible to hold a general meeting in this State. There might be difficulties, but it would be understandable. But this proposal is that the general meeting should be held in South Australia or Victoria to deal with all the affairs of the company, and then a meeting can be called at the requisition of a small number of shareholders who happen to reside in Western Australia and who could do nothing when they did meet. What effect would any resolution that they passed have on the company's business? None whatever! This would achieve no useful object.

1 a.m.

The MINISTER FOR JUSTICE: This deals with companies incorporated in this State and trading in this State. If the shareholders were not in the majority they could not be compelled to have meetings in this State, not even by legislation, but we want to give the minority the opportunity to have a meeting, discuss the affairs of the company and report to the directors. What is wrong with that?

Hon. N. Keenan: Where did you get it from?

The MINISTER FOR JUSTICE: It originated from the select committee. There are quite a lot of original provisions in the Bill. The hon. member may not have seen them.

Hon. N. Keenan: What good would that meeting do?

The MINISTER FOR JUSTICE: It would give the minority a chance to voice their objections. I do not see anything wrong with that, and cannot see why the hon. member should take exception to it.

Mr. ABBOTT: When a majority of the shareholders reside outside the State although the company is registered in the State, shareholders have complained that they have no opportunity of meeting the directors, asking questions, obtaining information and keeping in touch with the affairs of the company. The Royal Commission considered that, although the local shareholders could not have control, they should have an opportunity at least once a year to secure information and discuss the affairs of the company.

Mr. Needham: Could not they obtain the information by correspondence?

Mr. ABBOTT: Probably they could, but we thought it would be more satisfactory to provide for one meeting each year.

The MINISTER FOR JUSTICE: If there was a quorum and a majority carried a motion, it would have weight with the directors. The only way that could be countered would be by sending shareholders from the Eastern States to attend the meeting.

Hon. N. Keenan: Well, what would be the result?

The MINISTER FOR JUSTICE: Notice would be taken of the decision of such majority.

Amendment put and a division taken with the following result:—

Ayes	10
Noes	17
Majority against	7

Ayes	
Mrs. Cardell-Oliver	Mr. Mann
Mr. W. Hegney	Mr. McDonald
Mr. Hughes	Mr. Needham
Mr. Keenan	Mr. Willmott
Mr. Latham	Mr. Doney (*Teller.*)

Noes	
Mr. Abbott	Mr. Panton
Mr. Coverley	Mr. Rodoreda
Mr. Cross	Mr. Seward
Mr. Fox	Mr. Styants
Mr. Hawke	Mr. Triat
Mr. J. Hegney	Mr. Watts
Mr. Leahy	Mr. Willcock
Mr. Marshall	Mr. Wilson
Mr. Nulsen	(*Teller.*)

Amendment thus negatived.

Hon. C. G. LATHAM: Subclause 2 reads—

If default is made when holding a meeting of the company in accordance with the provisions of this section, the company and every officer who is in default shall be liable to a fine not exceeding twenty pounds.

Surely that is an extraordinary provision! Seemingly the company would fine itself. If not, would the Registrar take action?

The Premier: A man might go to a company to get information and the officials might refuse to hold a meeting.

Hon. C. G. LATHAM: Then the company should be liable.

The Premier: That is what the subclause says.

Hon. C. G. LATHAM: No, it does not. Who is to police this legislation? If it is the Registrar, does the subclause mean that the company would pay the fine to the Crown? Further, would the officers be fined separately?

The Premier: The court would decide that.

Hon. C. G. LATHAM: I should like to hear the Minister for Justice on the point.

Hon. N. KEENAN: Elsewhere provision is made for a general meeting of a company at least once each year, and not more than 15 months after the holding of the last preceding general meeting. Another statute provides that if default is made in the holding of the annual general meeting, then the company is liable. If a meeting was held here and the majority of the shareholders were in Victoria, the Victorian shareholders would simply send their proxies over here. The proposed poll is a pretence or a sham.

Clause put and passed.

Clause 120—First statutory meeting of company:

Hon. N. KEENAN: In line 9 of paragraph (c) of Subclause 3 there is a reference to the "preliminary expenses of the company." What does the word "preliminary" mean? I might say that preliminary expenses are expenses lawfully incurred in the formation of the company prior to incorporation. That is something definite. But preliminary expenses are often a cover-up.

The Minister for Justice: I consider the Bill right as it is.

Hon. N. KEENAN: I move an amendment—

That in line 9 of paragraph (c) of Subclause 3 the word "preliminary" be struck out.

The Minister for Justice: The provision seems all right.

Hon. N. KEENAN: Tell me what "preliminary" means.

The Minister for Justice: Payment of expenses connected with the flotation of the company.

The PREMIER: I think all persons understand the procedure in regard to the formation of a company. As to preliminary expenses, the shareholders would want to know what these comprise. There may be an item of £250 paid to a firm of solicitors for services rendered. Those services may be found, on inquiry, to be worth only £5, so the shareholders would naturally conclude that there had been some palm-greasing. If an item of £500 appeared and the shareholders had been given an estimate that the amount would be only £200, they would want to know the reason for the increase. Promoters very often take too large a share.

Hon. N. Keenan: Do you think you would get all the items?

The PREMIER: Yes. Provision is made for that.

Mr. ABBOTT: There seems to be some misunderstanding about this. Many shareholders do not attend a general meeting, and it is laid down that they shall be furnished with this information by way of report. Provision is made for what shall be stated in the report.

The Premier: And who shall be responsible for it?

Mr. ABBOTT: Yes. Among other things, it is provided that the shareholders shall be made aware of the estimated preliminary expenses. If these are considered to be excessive, then the shareholders can attend a general meeting and make a protest.

Hon. N. KEENAN: But this report would be supplied after the event. It would be furnished to the shareholders some three or four months after the money had been spent. The preliminary expenses would be stated in one total sum, say, £5,000. Some person may be getting a rake-off, as was suggested by the Premier, and this amount might be paid in instalments. He might be afraid to take the whole amount at once, because his doing so might bankrupt the company. I suggest that preliminary expenses should be defined as "the lawful expenses incurred in the formation and registration of the company."

Amendment put and negatived.

Clause put and passed.

Clause 121—agreed to.

Clause 122—Provisions as to meetings.

Hon. N. KEENAN: Line 12 contains certain words dealing with a company limited by a guarantee, and also a reference to Table C. Those matters, I presume, will be corrected by the clerks. The point to which I desire to draw attention is contained in paragraph (f), which hands over the control of the company to one individual. Our present Companies Act provides for a more liberal provision or suggestion, because the matter is one which can be determined under the articles of association. The Act contains no suggestion that one share should carry one vote. Under this proposal in a company with 100,000 shares a man who owned 50,001 shares would gain complete control as against the remaining 49,999. If we desire to give anything like fair representation in the government of a company, we should diminish in the most rapid way possible the voting power of the large holders of shares. We should provide that the first 100 shares should be entitled to one vote each: the next 100 shares one vote for every 10; and the next hundred shares one vote for every 20. In that case the holder of 20,000 shares would have a small vote compared with 20,000 shareholders possessing one share each. It is not right that a man who owns one share more than half of the total number in a company should acquire complete control.

The Premier: That is what the Commonwealth Government did in the case of the Commonwealth Oil Refineries.

Hon. N. KEENAN: That is justifiable, but it is not so when dealing with ordinary companies. I propose to strike out paragraph (f) and to insert a provision, which I have not yet written out, imposing a restriction on the shareholders.

The Minister for Justice: This proposal only takes effect if some other provision is not made in the articles of association.

Hon. N. KEENAN: I propose to make some restriction.

Mr. Rodoreda: That will prevent companies being formed.

Hon. N. KEENAN: No. The suggestion in our present Act is that shareholders should have one vote for each share up to 10; one vote for every five shares, beyond 10 shares, up to 100, and an additional vote for every 10 shares beyond the first 100 shares. Control of a company under those circumstances could not be acquired by one man unless he held a very large number of shares. I move an amendment—

That paragraph (f) of Subclause 1 be struck out.

Mr. ABBOTT: Whether we like it or not, it is almost universally accepted that the majority of capital in a company shall control it. The clause does not say that every company must provide that each shareholder shall have one vote but simply says that, where no provision is made in the articles, each shareholder shall have one vote. I suggest that 90 per cent. of companies have one vote for each share. Rather stringent provisions have been inserted to protect any minority. If any minority is not receiving justice the court can be applied to, and the company can be put into liquidation for any reason the court thinks fit.

Amendment put and negatived.

Clause put and passed.

Clause 123—agreed to.

Clause 124—Definition of special resolution:

Hon. N. KEENAN: I move an amendment—

That in lines 9 to 13 of Subclause 1 the words "provided that, if all the members entitled to attend and vote at any such meeting so agree, a resolution may be proposed and

passed as a special resolution at a meeting of which less than 14 days' notice has been given" be struck out.

There again a dangerous element is being introduced. We propose to allow a special resolution of which no notice is given to the shareholders at large to be passed by the handful of people, which everyone knows are all the shareholders that attend a meeting. There is no reason for members to attend. They have had no notice of any special resolution so they do not go, and a small handful, provided they form a quorum by proxies, can, if they agree, pass a special resolution at a meeting of which less than 14 days' notice has been given. What does "less than 14 days' notice" mean? It may mean one hour.

Mr. Abbott: Or a minute.

[*Mr. Marshall resumed the Chair.*]

Hon. N. KEENAN: Yes. The proviso is useless.

Mr. ABBOTT: I think the proviso was inserted so that in case all the shareholders of a company—and there may be some small companies—wish to do something quickly and all agree, they can dispense with the notice of 14 days.

Amendment put and negatived.

Clause put and passed.

Clauses 125 to 135—agreed to.

Clause 136—Loans to directors:

Hon. N. KEENAN: The clause deals with the presentation of accounts to general meetings of shareholders. Paragraph (a) requires to be set out the total amount of loans to any officer or employee not being a director of the company, and paragraph (b) refers to the total amount of any such loans made to any officer or employee and outstanding at the expiration of the period concerned. Paragraph (b) should be brought into line with paragraph (a) by having the reference to the director of the company included. I move an amendment—

That in line 2 of paragraph (b) of Subclause 1 after the word "employee" the words "not being a director of the company" be inserted.

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

Clause 137—Reserve fund:

Hon. N. KEENAN: The clause provides that no balance sheet, summary, advertisement, statement of assets and liabilities or other such document shall contain any direct or indirect representation that the company has a reserve fund unless the reserve fund is actually existing, and the representation so made is accompanied by a statement setting out whether or not the reserve fund is used in the business and showing the securities upon which the fund has been invested. The paragraph further provides that any director or manager contravening the clause shall be guilty of a misdemeanour punishable by imprisonment. The person who is possibly the most guilty of the lot would be the auditor, because he would be the one finally to settle the figures for inclusion in the balance sheet for presentation to shareholders, who would accept his endorsement with confidence. I move an amendment—

That in line 1 of Subclause 2 the word "or" where it appears the first time be struck out.

Amendment put and passed.

2 a.m.

Hon. N. KEENAN: I move an amendment—

That in line 1 of Subclause 2 after the word "manager" the words "or auditor" be inserted.

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

Clause 138—Signing a balance sheet:

Hon. N. KEENAN: Subclause 3 sets out that the auditors of a company before making a report pursuant to this particular provision shall require, and the directors and manager of a company shall supply to the auditors, a balance sheet which is referred to as "the private balance sheet" giving the details on which the shareholders' balance sheet is founded. Will the Minister explain what is a private balance sheet? Is it one to be destroyed as soon as the directors think necessary? What does it mean?

Mr. HUGHES: Surely we are not going to agree to the inclusion of such a provision in the Bill! There cannot be two balance sheets. The clause suggests that the directors will prepare a balance sheet and then the auditor will provide another one for the shareholders, which will be something different. That seems extraordinary. Does it mean that there will be

a private balance sheet as between the directors and the auditor, and then someone is to cook another balance sheet?

Hon. C. G. Latham: It looks like it.

The Premier: You know what red ink is used for.

Mr. HUGHES: What is it used for?

The Premier: For writing off bad debts that they know they have no hope of collecting, but which are not written off in the balance sheet.

Mr. HUGHES: I have not heard of anything like that.

The Premier: You ask Dalgety and Co., Goldsbrough Mort and Co. and such firms.

Mr. HUGHES: I am aware that various remarks are inserted in the ledger accounts. It is the duty of the accountant, before the auditors arrive, to indicate whether in his opinion a particular account is good, bad or doubtful. The auditors are not acquainted with the financial stability of the customers, and are always careful to report that the opinion as to whether the debts are good, bad or doubtful has been accepted on the word of the officers of the company. The profit and loss account usually provides for the transfer of so much profit to the bad debts reserve, and shows what has been written off for bad debts. This is set out in the balance sheet. Sometimes a balance sheet shows "sundry debtors, less so much for bad and doubtful debts."

The Premier: If companies wrote off all debts considered to be bad, they would never be able to declare a dividend.

Mr. HUGHES: They do not write off a debt until they are satisfied it is hopeless. When a debt is considered hopeless, it is written off from the reserve created for the purpose. Sometimes a bad debt, after being written off, is recovered.

Mr. Abbott: Move that Subclause 3 be struck out! It is not in the English Act.

Mr. HUGHES: That will not meet the need. What is the shareholders' balance sheet? I move an amendment—

That in Subclause 3 the words and parentheses "(in this Act referred to as the private balance sheet)" be struck out.

Hon. N. KEENAN: I want to move to strike out the words "a balance sheet (in this Act referred to as the private balance sheet)" and subsequent words.

The CHAIRMAN: The member for Nedlands cannot move for the deletion of the first three words "a balance sheet," which are further back than the amendment before the Chair, unless the member for East Perth withdraws his amendment.

Mr. HUGHES: The object of the subclause is to require a company to prepare a balance sheet and submit it to the auditors. The duty of the auditors is to examine the books and accounts and certify the balance sheet. Frequently when auditors arrive to audit the accounts of small companies, no balance sheet is ready and they prepare the balance sheet, which is quite a wrong thing to do. The measure proposes to make it obligatory on the directors to present a balance to the auditors. On occasion, after the auditors have drawn up a balance sheet, the directors have denied that it was theirs. The subclause ought to provide for supplying a balance sheet to the auditors giving the details and showing amongst other things the amount of deduction, if any, for debts considered to be bad or doubtful. I consider it imperative to have in the Act the obligation of the directors to present a balance sheet.

Mr. RODOREDA: I do not know what the Committee is arguing about. Members agree it is right that there should be an obligation to provide a balance sheet. An auditor requires all details possible from which to decide whether or not the balance sheet represents a true statement of the company's affairs. He would require to be informed of every specific case of bad or doubtful debts. The clause asks that this information should be shown on the balance sheet. The director or manager decides whether a debt is bad or doubtful. I see nothing to be excited about because a trial balance is called a private balance sheet.

Amendment put and a division taken with the following result:—

Ayes	14
Noes	13
Majority for	1

AYES

Mr. Abbott	Mr. McDonald
Mrs. Cardell-Oliver	Mr. Needham
Mr. W. Hegney	Mr. Rodoreda
Mr. Hughes	Mr. Seward
Mr. Keenan	Mr. Watts
Mr. Latham	Mr. Willmott
Mr. Mann	Mr. Doney

(Teller.)

Noes.	
Mr. Coverley	Mr. Panton
Mr. Cross	Mr. Styants
Mr. Fox	Mr. Triat
Mr. Hawke	Mr. Willcock
Mr. J. Hegney	Mr. Withers
Mr. Leahy	Mr. Wilson
Mr. Nulsen	*(Teller.)*

Amendment thus passed.

Mr. HUGHES: I move an amendment—

That in lines 6 and 7 of Subclause 3 the words "on which the shareholders' balance sheet is founded" be struck out.

I have already spoken on this aspect.

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

Clauses 139 to 141—agreed to.

Clause 142—Appointment and remuneration of auditors:

Hon. N. KEENAN: The retiring auditor holds his office subject to challenge at any annual meeting. One or more persons may be nominated by any shareholder to be elected to the office of auditor. Why should the retiring auditor receive notice that he will be opposed by so-and-so?

The Minister for Mines: It is only fair to give him notice.

Hon. N. KEENAN: Will the Minister say what this provision is for?

The Minister for Justice: I do not know.

Hon. N. KEENAN: I do not think anybody else does.

The Minister for Justice: It was taken from the South Australian Act.

Mr. Hughes: It is a case of protection of vested interests.

Hon. N. KEENAN: Can the Minister give a reason?

The Minister for Justice: No.

The CHAIRMAN: Order! I cannot allow this cross-examination. The hon. member will address the Chair and the Minister can reply.

Hon. N. KEENAN: I pass to Subclause 7. All that verbiage means that a proprietary company is not obliged to appoint an auditor. I draw the Minister's attention to Clause 117, which requires a proprietary company to return the name of its auditor for the time being.

Mr. Abbott: If it has one.

Hon. N. KEENAN: The obligation imposed by Clause 117 is clear cut. It means that a proprietary company must employ an auditor.

The Minister for Justice: It may do so.

Hon. N. KEENAN: I move an amendment—

That Subclause 7 be struck out.

Mr. ABBOTT: The member for Nedlands has certainly forgotten the reason for the provision for proprietary companies. It is to enable a small number of people—not more than 21—to conduct their affairs as a company. We have many small country companies. Are they to be put to the expense of an auditor, when the majority of the shareholders say an auditor is unnecessary? Are they to be put to the expense of employing a registered auditor who may charge a fee of 10 guineas for his audit? This clause protects those companies from having to meet that cost. To impose the obligation on them of having to employ an auditor would be going too far. The clause should remain as it is.

Progress reported.

House adjourned at 2.37 a.m. (Wednesday).

Legislative Council.

Wednesday, 3rd December, 1941.

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

MOTION—STANDING ORDERS SUSPENSION.

On motion by the Chief Secretary, resolved—

That during the remainder of the session so much of the Standing Orders be suspended as is necessary to enable Bills to be passed through all stages in one sitting, and all messages from the Legislative Assembly to be taken into consideration forthwith; and that Standing Order No. 62 (limit of time for commencing new business) be suspended during the same period.