That is a very small sum, because the department's expenditure averages well over £300,000 per month, and £120,520 would be sufficient to last for a little over one week. The magnitude of the efforts made to increase output and use up the additional income is indicated by the total departmental expenditure for the last four years—

	£
1949-50	1,651,068
1950-51	2,465,570
1951-52	3,540,135
1952-53	4,700,110

Hon. L. A. Logan: Are we getting value for that money?

The MINISTER FOR THE NORTH-WEST: We might agree on that point because I am doubtful whether we are getting value, or have received value, in the northern areas. The income for the current year is expected to be in the region of £3,500,000, so it can be said with certainty that the department is in a position to carry out the work for which money is available. That means that this year there will be approximately £1,250,000 less for roads, when we were all expecting a much larger sum. I think I have answered the queries that have been put to me, and I have much pleasure in supporting the motion.

On motion by Hon. H. L. Roche, debate adjourned.

House adjourned at 8.55 p.m.

Legislative Assembly

Wednesday, 23rd September, 1953.

CONTENTS.

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

QUESTIONS.

HOSPITALS.

As to Clerks and Industrial Conditions.

Mr. COURT asked the Minister for Labour:

(1) Has he seen an article on pages 17 and 18 of the issue of "The Clerk" for August, 1953, headed "Hospital Clerks"?

(2) Does he consider the references on page 17, to "a small group of malcontents," in paragraph 3, and to "sly underhand approach," in paragraph 5, fair comment?

(3) (a) Does he consider the resignation of hospital clerks from the Federated Clerks' Union, W. A. branch, valid?

(b) If not, what are the reasons of invalidity?

(4) (a) Is the report of a Cabinet decision under date the 23rd June, 1953 on page 18, correct?

(b) If so, is the decision a direction to the boards of management of the Royal Perth, Fremantle and Princess Margaret hospitals?

(c) Also, if the report is correct, does it mean that the Government policy is compulsory unionism and direction of which union is to be joined?

(5) Does he think it would have been preferable to refer the question of award, union preference and appropriate union or association to the Arbitration Court for decision?

The MINISTER replied:

(1) No.

(2) See reply to No. (1).

(3) (a), (b) Validity of resignations has not been questioned by me.

(4) (a), (b), (c) See reply to No. (1).

(5) Decision was made after due consideration.

FIRE BRIGADES.

(a) As to Cost of Men's Equipment, Leave, etc.

Mr. LAWRENCE asked the Minister representing the Chief Secretary:

(1) What is the estimated cost of providing and equipping a newly appointed fireman with each of the following articles:—

One full dress tunic;
one undress tunic;
two pairs of trousers;
one working coat;
one jersey;
two pairs of boots;
one peak cap, cover and badge;
one flat cap;
one helmet;
one belt complete;
one axe;
one spanner;
one life line?

(2) Will he inform the House of the cost of providing the following necessary articles for each newly appointed man:—

One bed, mattress and pillow;
one pair of blankets;
one pair of sheets;
one pillow slip;
one quilt?

(3) Will he inform the House of the estimated annual cost of each fireman in regard to the following items:—

General leave;
annual leave;
overtime;
meals and travelling allowances;
travelling allowances;
fares;
sick leave;
accident pay;
compensation insurance?

The MINISTER FOR HOUSING replied:

			Estimated Cost. £	s.	d.
(1)	1	Full Dress Tunic	9	15	9
	1	Undress Tunic	8	12	6
	2	Pairs of Trousers	9	10	10
	1	Working Coat	1	10	0
	1	Jersey	1	10	0
	2	Pairs of Boots	8	18	4
	1	Peak Cap, Cover and Badge	1	11	7
	1	Flat Cap		18	3
	1	Helmet	3	8	3
	1	Belt Complete		17	8
	1	Axe	1	11	3
	1	Spanner		9	8
	1	Life Line		3	0
(2)	1	Bed, Mattress and Pillow	9	17	4
	1	Pair of Blankets	3	12	5
	1	Pair of Sheets	2	4	6
	1	Pillow slip		4	3
	1	Quilt	2	3	9

Note.—Firemen are on a three-platoon system, with only one platoon on duty at a time. One bed and one mattress are used by three men.

(3) It is impossible to answer this question without considerable research. In the first place, all such costs are charged tc the one vote in each fire district for brigade wages, relieving and allowances. This vote covers officers, as well as firemen. The authorised strength of the brigade includes seven (7) for providing reliefs, which includes long service leave. A fireman's weekly rate of pay varies from £14 11s. 6d. for a third-class fireman to £16 4s. for a senior fireman. With sick leave, pay ceases when sick leave credits are exhausted, and with accepted compensation cases recoups are obtained from the insurers. Circumstances differ with each man as all do not have the same wages, reliefs, and sick or accident leave.

(b) As to Local Authorities' Contributions to Board.

Hon. J. B. SLEEMAN asked the Minister representing the Chief Secretary:

What were the amounts contributed to the revenue of the Fire Brigades Board by each of the local governing authorities within the Metropolitan Fire District during the years 1935, 1945, 1950, 1951, 1952 and the current year?

The MINISTER FOR HOUSING replied:

Financial Year ended the 30th September.

	1935.	1946.	1950.	1951.	1952.	1953.
Municipal Councils.	£	£	£	£	£	£
Claremont	132	348	762	855	1,057	1,003
Cottesloe	120	355	635	721	877	1,080
East Fremantle	463	229	498	550	674	641
Fremantle City	1,585	788	1,840	2,074	2,619	2,766
Guildford	78	84	169	189	274	350
Midland Junction	309	187	433	503	649	684
North Fremantle	341	162	345	406	500	482
Perth City	8,886	6,630	12,782	14,808	19,498	22,374
Subiaco City	1,568	692	1,579	1,752	2,163	2,065
Road Boards.						
Bassendean	186	160	336	398	523	545
Bayswater	100	168	448	630	902	1,005
Belmont Park	20	131	401	500	825	1,019
Canning	74	95	269	331	545	747
Melville	20	213	638	763	1,111	1,326
Mosman Park	74	175	442	503	628	615
Mundaring	6	25	60	75	101	106
Nedlands	224	814	1,595	1,779	2,286	2,240
Peppermint Grove	29	91	194	219	267	250
Perth	630	1,058	2,408	2,830	3,780	3,962
South Perth	762	584	1,373	1,578	2,060	2,173
Swan	25	35	80	96	159	244

NOTES. (a) The United Metropolitan Fire District was established by the Fire Brigades Act, 1942, therefore was not in operation for the year 1935.

(b) In 1935 the local authorities contributed 3/8ths of the board's expenditure. For the other years the proportion was 2/9ths.

GAOLS.

(a) As to Establishment of Farm Colony.

Mr. JOHNSON asked the Minister representing the Chief Secretary:

(1) As the report of the Comptroller General of Prisons recommends very strongly the establishment of a farm colony to care for the "jetsam and flotsam" of society, has consideration been given to such establishment?

(2) Will the overall plan being prepared by the Town Planning Commissioner allow for such establishment?

The MINISTER FOR HOUSING replied:

(1) and (2) Consideration is being given to these recommendations.

(b) As to Amending Legislation.

Mr. JOHNSON asked the Minister representing the Chief Secretary:

(1) As the report of the Comptroller General of Prisons recommends amendments to the law to provide for detention and treatment at a farm colony of the "jetsam and flotsam" of society, has he given consideration to such amendments?

(2) If not, will he instruct his officers to study this matter?

The MINISTER FOR HOUSING replied:

(1) and (2) Consideration is being given to these recommendations.

LANDS.

As to Conditions of Purchase and Price.

Mr. LAPHAM asked the Minister for Lands:

(1) Are Crown lands leased to members of the public?

(2) If the answer is "Yes," can the lessee purchase the land he is leasing under the department's conditional purchase regulations?

(3) If the answer is "Yes," is the land sold at its departmental upset price or at an auction price?

(4) Can a purchaser of Crown land under conditional purchase sell such land before completion of conditions of purchase?

(5) Has an officer of the Lands Department who is a purchaser of conditional purchase land any additional privilege in the waiving of the conditions of purchase?

(6) Are the conditions of purchase rigidly enforced by regular inspections—

(a) on land purchased by members of the public;

(b) on land purchased by officers of the Lands Department?

The MINISTER replied:

(1) Yes.

(2) Yes.

(3) Conditional purchase land is sold at the price advertised when made available for selection. Suburban lots for cultiva-

tion held under leasehold can be converted to freehold at a price fixed by the Department.

(4) Yes, subject to his complying with the conditions laid down in the Act and regulations.

(5) No.

(6) Inspections are carried out periodically on land leased irrespective of who is the lessee.

PUBLIC BUILDINGS.

As to Funds for Centralising Civil Service.

Hon. C. F. J. NORTH asked the Treasurer:

(1) Is a sum set aside from State insurance funds held in trust for the purpose of erecting central office buildings for the Civil Service?

(2) How much is the amount now?

(3) Were these offices about to be erected just before the second world war?

(4) If the money is invested, what interest has accrued?

(5) Has any consideration been given to going ahead now with the construction?

The TREASURER replied:

(1) No.

(2) Answered by No. (1).

(3) It was proposed just before the second world war to proceed with the erection of the first block of central buildings for Government offices, but the project had to be postponed on account of the war.

(4) Answered by No. (1).

(5) The need for new Government offices is recognised, but due to the demand on loan moneys for other works of a more pressing nature, it is not possible at present to provide money for the new centralised Government offices.

RAILWAYS.

(a) As to Water Haulage to Bridgetown.

Mr. HEARMAN asked the Minister for Railways:

(1) What was the amount of water hauled by the W.A.G.R. to Bridgetown for the months of June, July and August, 1953?

(2) Assuming that the amount of water to be hauled to Bridgetown for the year 1953-54 would be four times the amount hauled during the three wettest months of the year, namely, June, July and August, what—on the basis of the new freight rates—would be the cost to the W.A.G.R. per year?

(3) Would he regard the basis of calculation set out in No. (2) conservative?

The MINISTER replied:

(1) 806,805 gallons.

(2) Approximately £13,000.

(3) Yes.

(b) As to Effect of Increased Rates on Distant Areas.

Mr. PERKINS asked the Minister for Transport:

(1) Is he aware that any increase in rail freights will bear most heavily on those most distant from the metropolis with consequent discouragement to new development in these distant areas which have most land not in production?

(2) In view of the above, will he arrange that the increases be telescoped so that the burden will be eased for those who will have the largest increased sums to pay?

The MINISTER replied:

(1) No.

(2) The new rates still retain their telescopic character which, in cases of long-distance haulage, is considerable.

(c) As to Water Haulage, Bridgetown, and Hester Dam Allowance.

Mr. HEARMAN asked the Minister for Railways:

(1) Can he inform the House of the estimated cost to the W.A.G.R. of hauling water to Bridgetown for railway purposes, for the year 1953-54?

(2) Is he aware that the present amount of water allowed the W.A.G.R. per week from the Hester Dam is to be further curtailed?

The MINISTER replied:

(1) No. The haulage will depend on the quantity of water made available from the Bridgetown water supply.

(2) Yes.

(d) As to Moora Station, Staff and Tonnage.

Mr. ACKLAND asked the Minister for Railways:

(1) What staff was employed at the Moora railway station for the year ended the 30th June, 1953?

(2) What was the tonnage consigned to Moora for the year ended the 30th June, 1953?

(3) What was the tonnage consigned from Moora for the year ended the 30th June, 1953?

The MINISTER replied:

(1), (2) and (3) As Moora is on the Midland Railway Coy's. line, the information is not available.

SLEEPERS.

As to Port of Shipment.

Mr. BOVELL asked the Minister representing the Minister for Supply and Shipping:

Why are 1,200 loads of sleepers being railed from the Busselton district for shipment per vessel "Ivybank" from Bunbury whilst every facility is available at Busselton for loading this cargo?

The MINISTER FOR MINES replied:

The owners of the "Ivybank" requested the local shippers to ship the sleepers from Bunbury.

STOCK LOSSES.

As to Shortage of Feed.

Mr. NALDER (without notice) asked the Minister for Agriculture:—

(1) Did he hear a news item broadcast over the A.B.C. news service this morning that huge stock losses were occurring in parts of the State because of lack of rain and feed shortage?

(2) Is it correct that in the Minister's electorate of Warren, 600 odd cattle have died of starvation, and many more losses are feared?

(3) Will he treat this matter as urgent and have a survey made by competent officers of his department so that fodder can be sent to the areas affected and so keep the losses to a minimum?

The MINISTER replied:

(1) No, I was not up early enough.

Mr. Bovell: It was in the newspaper.

The MINISTER: I did not see it in a newspaper.

(2) and (3) I am very concerned over the news. It is the first I have heard of it, and the matter will be treated as most urgent. I shall do everything in my power to encourage the department to give whatever assistance is possible.

BILLS (2)—FIRST READING.

1, Workers' Compensation Act Amendment.

2, State Government Insurance Office Act Amendment.

Introduced by the Minister for Labour.

BILLS (2)—THIRD READING.

1, Income and Entertainments Tax (War Time Suspension) Act Amendment.

2, Entertainments Tax Act Amendment.

Transmitted to the Council.

MOTION—POTATOES.

As to Recommendations of Select Committee.

Debate resumed from the 9th September on the following motion by Hon. J. B. Sleeman:—

> That in the opinion of this House the recommendations of the Select Committee on the disposal of potatoes made on the 7th September, 1949, should immediately be given effect to.

THE MINISTER FOR AGRICULTURE (Hon. E. Hoar—Warren) [4.45]: The motion arises from a select committee that was appointed in 1949 to inquire into the distribution of potatoes and the activities of Potato Distributors Ltd., a private company that was formed under the policy of the Potato Board to market potatoes on its behalf and on behalf of the growers. The select committee came to the following conclusions:—

> 1. The Potato Marketing Board, in the comparatively short period in which it has been functioning, has served the industry well but it has been considerably hampered through lack of adequate funds and its efficiency will continue to be impaired whilst this state of affairs continues.
>
> 2. The lack of working capital appears to be the chief reason why the board has not, itself, been discharging the functions which it might quite properly have been expected to do but has instead depended upon Potato Distributors (W.A.) Pty., Ltd., for the carrying out of the work.
>
> 3. The use of the organisation of Potato Distributors (W.A.) Pty., Ltd., is an expensive way of obtaining financial accommodation.

Arising out of these conclusions, certain recommendations were placed before the House in September, 1949. The hon. member who moved the motion under discussion may remember that I voted in favour of the adoption of the report on that occasion, but since then, and particularly since mention of this motion has been on the notice paper, I have had an excellent opportunity of studying exactly what the Potato Marketing Board and Potato Distributors Ltd., have been able to do over the years—particularly in the four years that have elapsed since the motion was tabled in the House in 1949.

I have no doubt, any more than the members of the Potato Marketing Board have, that Potato Distributors Ltd., is doing an excellent job on behalf of the board and the growers of the State, generally. I think it would be a mistake if we altered the present arrangement and set-up. The suggestion contained in one of the conclusions of the select committee is that the only reason why the board was not doing the distribution on its own behalf was lack of capital. I am informed that that is not so and that today it is working on an overdraft of about £15,000 at the Rural and Industries Bank.

Hon. J. B. Sleeman: Have you had a look at the evidence given to the select committee?

The MINISTER FOR AGRICULTURE: No, I am stating now what has been told to me by the Potato Marketing Board. The board is operating on that overdraft, and should the motion be carried and put into effect, the total amount of overdraft that would be required would be only from £30,000 to £50,000, so it is not a question of finance that has prevented the board from marketing on its own behalf. It

has been a question of deliberate policy on the part of the board, with the knowledge, after a great deal of careful consideration, that the best possible way to market potatoes in Western Australia is through some private company, instead of depending on its own activities. The board also realises that it would be necessary to employ other labour equivalent in every way to those people who are now shareholders in Potato Distributors Ltd. and quite possibly it would cost the potato growers a great deal more if such a scheme were adopted.

That is the opinion of the board and its policy has been developed as a result of that opinion. Other States of the Commonwealth which have, in the past, operated similar marketing schemes under a private organisation such as we have in this State, have lived to regret the day that they were compelled, because of a motion such as this or for some other reason, to disband such organisations. In Victoria they disbanded Potato Distributors Ltd., or a company with a similar name, and nothing but chaos has resulted in the distribution of potatoes in that State. Blackmarketing was most difficult to control and as a result, only a few weeks ago, the Government reinstated the same company because it realised that that was the only way it could hope properly to control the distribution of potatoes.

In Queensland no such organisation exists and the position in that State is shocking. During the short time that I have been Minister, I have had requests for information from a number of States, including New South Wales, as to the Acts and regulations which we have governing the marketing of potatoes. They are all anxious to know exactly what we do to achieve such remarkably good results in the marketing of our potato crop. We are held up as an example to the rest of the Commonwealth so far as our potato marketing legislation is concerned, and members ought to consider that fact before they decide to take some action which would definitely destroy the machinery we now have for the marketing of potatoes in this State.

Speaking from memory, I think that when the select committee reported to this House in 1949, the motion for the adoption of its report was negatived on the casting vote of the Speaker. At the time there was a definite cleavage of opinion among the members of the committee who voiced their opinions strongly according to their own ideas. Nevertheless, the Potato Marketing Board took such serious notice of the select committee's report that it made a close investigation into the whole question. The men on the board are of high repute and their character cannot be questioned. Their only object is to market potatoes with the best possible advantage to the growers and consumers. They gave the select committee's report careful consideration, but after a close investigation they felt that they could not vary, in any way, the method that was already being used. They considered it to be the best and the cheapest possible way in which to distribute potatoes in Western Australia. From the hon. member's remarks, when he moved the motion, I gather that he made a number of mistakes. In the first place he led me to believe that he considers Mr. Murray is serving two masters in the distribution of potatoes.

Hon. J. B. Sleeman: That is right.

The MINISTER FOR AGRICULTURE: Apparently the hon. member believes that Mr. Murray is employed by the Potato Marketing Board and at the same time he is the distribution manager of Potato Distributors Ltd.

Hon. J. B. Sleeman: That is so.

The MINISTER FOR AGRICULTURE: Such is not the case.

Hon. J. B. Sleeman: Have another look at the evidence.

The MINISTER FOR AGRICULTURE: Such is not the case. He is, in fact, the distribution manager of Potato Distributors Ltd. and he has the authority and approval of the board but he does not receive a salary from the Potato Marketing Board. The whole of his income comes from the rate of commission granted to him by Potato Distributors Ltd.; it comes from no other source. So I suggest that the hon. member is a little off the beaten track when he suggests that Mr. Murray is an officer who is receiving two salaries from two separate bodies.

Hon. J. B. Sleeman: I did not say that he received two sets of salaries. Have a look at my speech. You have "Hansard."

The MINISTER FOR AGRICULTURE: The hon. member said that Mr. Murray was appointed distribution manager for the Potato Marketing Board and the distribution people appointed him manager on their behalf.

Hon. J. B. Sleeman: Absolutely correct.

The MINISTER FOR AGRICULTURE: That is not so, and I beg to differ with the hon. member on that point. Actually, Mr. Murray is the manager of this company and receives his whole remuneration from it.

Hon. J. B. Sleeman: I did not say that he received two salaries.

The MINISTER FOR AGRICULTURE: He receives his commission on a tonnage basis.

Hon. J. B. Sleeman: There is nothing in my speech about two salaries.

The MINISTER FOR AGRICULTURE: The hon. member misled me because I imagined that if Mr. Murray was appointed to two separate positions he would get some emolument for each position. That is not the case. If I interpreted the hon. member's speech wrongly, I offer him my apologies. Mr. Murray is distribution manager of Potato Distributors Ltd. and is not responsible to anybody else except that he must adhere to the policy of the Potato Marketing Board.

The hon. member, when moving the motion, seemed to fear that some of the £30,000 he mentioned was being used in a wasteful manner because the potato crop passed through a tremendous number of hands. According to the hon. member, the potato crop passed through no less than seven channels from the time it left the growers until it reached the consumers. He said that the potatoes went from the grower to the country agents, from them to Potato Distributors Ltd., thence to Mr. Murray, from there to the Potato Board, on to the wholesale merchants, from there to the packers or secondary merchants, to the retailers and from there to the consumers.

Hon. J. B. Sleeman: That is what I said.

The MINISTER FOR AGRICULTURE: The hon. member said that each one of those people received a share of the £30,000, which he claimed was the cost of distributing potatoes. The first three people mentioned by the hon. member, that is the country agents, Potato Distributors Ltd. and Mr. Murray, all belong to one and the same organisation, so he cannot claim that the potatoes pass through three hands in that instance.

Mr. McCulloch: Three in one.

The MINISTER FOR AGRICULTURE: That is so. What actually happens is that the potatoes go from the growers to the agents and these agents are members of Potato Distributors Ltd. and, in fact, are agents of the Potato Marketing Board; that is where we get our authority over them and can control their activities. We can make sure that their commission is not too high. The supplies go then from the agent to Potato Distributors Ltd.—or rather the agent and Potato Distributors Ltd. are one and the same—and from that point they can then attend to the exports of the State. But for all purposes as they affect the sale of our potatoes locally, supplies go from Potato Distributors Ltd. direct to the wholesale merchant and from the wholesale merchant could go direct to the retailers.

In other words, there are only three movements of potatoes between the producer on the one hand and the consumer on the other. Circumstances may make it necessary for potatoes to pass sometimes from the wholesale merchant to the packer. The hon. member feels that this is an undue cost. At least that is what I imagine from his remarks. Actually the cost is split up as follows:—The total cost on wholesale selling charges is £2 12s. 6d. a ton—

Hon. J. B. Sleeman: Very unfair.

The MINISTER FOR AGRICULTURE: —and £1 15s. goes to the wholesaler or packer as the case may be. If the potatoes go from the wholesaler to the packer, those interests share only that amount of money between them. They do not get any in addition to it; they merely share it. Actually, there is no additional cost in that regard. There is also a 5s. cartage charge inwards from rail, and a 12s. 6d. cartage charge to the retailer, making a total of £2 12s. 6d., as I have already said. I think members should appreciate the fact that the total marketing and selling charges of potatoes in this State are down to 2.3 per cent. of cost.

The total amount of marketing costs is 7.9 per cent. The growers themselves receive no less than 91.5 per cent. in return for their labour. The cost of board administration is .6 per cent. and marketing costs amount to 7.9 per cent. That is the total cost so far as the distribution of potatoes is concerned. If members examine the 7.9 per cent. costs, they will find that railage takes 3.7 per cent. and commission paid to Potato Distributors Ltd. 2.3 per cent. That is the whole argument, namely, whether we should retain this method of distribution or establish some other.

I am quite certain that we could not get any commodity at all distributed at a cheaper rate than 2.3 per cent., or 14s. per ton. The growers' trust fund takes .3 per cent., shipping charges, weighing etc., .6 per cent., store costs .7 per cent., and road haulage .25 per cent. making a total of 7.9 per cent. for marketing all our potatoes. I do not think there can be any complaint about that.

There was a further thought in the hon. member's mind that a lot of this £30,000—and it is £30,000 in round figures—which it takes to market our potatoes is being wasted. I ask the hon. member to show me when he replies to the debate how this can be done at a lesser cost than it is today. Mr. Murray is manager of this company and, as I say, he receives his whole remuneration from the company in the form of a commission on a tonnage basis which is 5s. 2d. a ton; that is for the whole of the work he does.

That amount is equivalent to £10,000 or £11,000 a year. That seems to be a lot of money, but we must appreciate what this man is obliged to do in order to manage his own office and the expenses he has in regard to the work concerned with this distributing company. The total salaries come to £8,300 including Mr. Murray's own salary, and I am informed on reliable authority that Mr. Murray re-

celves a personal income of not more than £1,500. I should be very surprised if it were more than that.

Hon. J. B. Sleeman: He not only does this work, but other brokerage work, too.

The MINISTER FOR AGRICULTURE: One has to judge a man's salary on the effort he makes and the labour he put into it. Mr. Murray is the most outstanding man today in so far as potato marketing is concerned. If those figures are correct—and I believe they are—that leaves £19,000 out of the £30,000 to be shared between 26 shareholders of Potato Distributors Ltd. That is not a great deal of money when it is borne in mind that the Potato Marketing Board itself must be advised at regular intervals as to the area planted by each grower; progress reports on crops; the estimates of yield; the quantity dug.

Apart from this, arrangements have to be made for delivery of potatoes by a grower to rail as required by the board; trucking must be arranged and the consigning of potatoes to destination must also be attended to. I know something about one or two of the shareholders in this company because they live down in the South-West where I do. I have been around with some of them while they have been doing their daily work. Many hours are spent, and sometimes many days are spent, each week in going around collating the information I have mentioned, and which is required by the Potato Marketing Board. If ever a body of men are doing a service and not being overpaid for it it is the potato distributors today. I know the tremendous amount of work they have to do to get this detailed information which is required by the Potato Marketing Board.

So on that ground alone, apart from any other, I hope that members will not approve of the motion. No matter how necessary the members of the select committee felt it to be in 1949—and, after all, in that year the Potato Marketing Board had only been in existence three years and no doubt had a lot of teething troubles at that time, which it has got over in the last four years—it is the best possible organisation in the Commonwealth today so far as the marketing of potatoes is concerned. I think it would be a great mistake if members voted for the motion; it would disturb the whole organisation. It might also result in a system of black-marketing similar to that which has developed in other States through there not being in existence there an organisation such as this. I oppose the motion.

On motion by Mr. Hearman, debate adjourned.

BILL—JURY ACT AMENDMENT.

Second Reading.

HON. A. V. R. ABBOTT (Mt. Lawley) [5.10] in moving the second reading said: The purpose of this Bill is to modernise in some degree the Jury Act. The parent Act was passed in 1898 and although some modification has been made, the legislation is not nearly up to date. Before I go into the details of the Bill itself members might be interested in the history of the jury system which is, of course, a very old one. The book from which I propose to read is entitled "Outlines of Criminal Law" by Kenny. It is the 12th edition and I propose to quote from page 461. The first portion reads as follows:—

> But the most recent authorities doubt both the permanence and the generality of this law; and consider the consecutive history of our modern grand juries to go back only as far as A.D. 1166. In that year Henry II prescribed, in the Assize of Clarendon, a very similar procedure; probably taking it, not from the Anglo-Saxon precedents, but from the Frankish inquests as adopted in Normandy. The ordinance of Henry II required twelve knights, or other freemen, of every hundred, and four men (who would probably be unfree) of every township, to send in accusations of murder, robbery, larceny and harbouring of criminals. In 1176 arson and forgery were added.

A little further on we find this—

> The grand jury was, as we have seen, established in order to multiply accusations of crime.

At page 478 there is the following:—

> Originally, accusations made by the grand jury were tried by ordeal. After the abolition of ordeals in 1215, every accusation had to be referred back to the grand jury, sometimes with the addition of some further colleagues. In the course of a century, it came to be the practice for these new jurors alone to undertake this duty of revision, without the presence of the original accusers; and at last the latter were definitely excluded by a statute of 1352. This produced our present system of two juries. But both juries proceeded upon common repute, or upon their personal knowledge; men who knew the circumstances of the crime being often put on as additional or "afforcing" jurors. About 1500, however, such persons ceased to be added to the jury itself, and instead were sent to give evidence before it.

Further on it said—

> At any rate the practice of producing the witnesses themselves at the trial, to give their evidence orally in open court—though well established in non-political cases at least as early as Elizabeth's reign—did not become usual in trials for treason until the Commonwealth. Under James I and Charles I the evidence produced to

> the jury in political trials usually consisted only of "examinations," i.e., reports of what had been said by witnesses when interrogated by royal commissioners, in the absence of the prisoner and in private—perhaps in prison or even on the rack. Often the accused himself was thus interrogated; as when Peacham, in 1615, was examined "before torture, in torture, between torture, and after torture." But from the time of the Commonwealth onwards the modern course of trial has prevailed, in political as well as in non-political cases.

The grand jury, whose function it was to say whether there was an accusation to be tried, was abolished in England in 1833, but it has been abolished in the colonies for many years, and in lieu of the grand jury making an indictment, it is the custom for the Attorney General or the Minister for Justice to proceed. The indictment is made after an inquiry by a police magistrate.

I am giving members information about the past in order to show that the jury system is a living system, one that has grown from a very simple form where people were called together to accuse others and later to try them. Subsequently, the grand jury and the petty jury were separated. Under the present system jury lists are compiled in each district by a magistrate each year as provided by the Act or by regulation. The information is gathered by the police, and the list compiled by the magistrate is forwarded to the sheriff. From this information a jury book is then compiled, in which the names of the jurors are recorded in alphabetical order.

Mr. May: Without any reference to them at all.

Hon. A. V. R. ABBOTT: That is so. It applies only to males, who are required to have a small property qualification. When a jury is needed, the sheriff or his officer makes out a list, again in alphabetical order, starting at the beginning of the book and continuing until every juror shall have been summoned.

Mr. May: That would mean that all the names beginning with "A" would be used up before starting on names beginning with "B".

Hon A. V. R. ABBOTT: That is so, and as a result, it has happened that a father and son have been summoned to serve on the same jury. Seven days before the trial, the panel is available to all interested parties, including the accused. Consequently, he knows beforehand the panel of jurors from whom will be selected the jury for his trial. About 40 jurors are selected for the session and from them a jury is chosen by chance in the open court.

The Minister for Justice: The jurors are subject to challenge.

Hon. A. V. R. ABBOTT: Yes. As everybody is aware, a jury considers its verdict under the direction of the presiding judge and its decision has to be unanimous—guilty or not guilty. If the judge considers it impossible for the jury to reach a unanimous decision, the jury is discharged and the accused is remanded for trial before another jury. It is customary, but not necessary, for three trials to take place before an accused person is discharged on account of disagreements, but this matter is in the hands of the Attorney General.

The Bill proposes to make three alterations to the existing law. Firstly, it is proposed to select the panel of jurors by chance and not in alphabetical order. This system operates in every State other than Western Australia. The numbers given to the jurors would be recorded on cards and put into a box known as "jurors in use", and after the cards had been agitated so as to be well shuffled, the jury would be chosen. Having been chosen, the names of those jurors would then be placed in another box, known as the "jurors-in-reserve"; and it would not be used again until the whole of the names in the jurors-in-use box had been exhausted.

Mr. Heal: A man would not be likely to be called up twice.

Hon. A. V. R. ABBOTT: Not until the whole of the names in the jurors-in-use box had been exhausted. This system would eliminate within reasonable possibility the risk of a father and son being called upon to serve on the same jury. The object of this is to prevent juries from being suborned. There have been a number of cases in this State where juries have been suborned and the persons responsible have been convicted and imprisoned. It would be preferable that, as far as possible, those persons who are to serve at a trial should not be known to anyone before the date of the trial so that there would then be little chance of any attempt being made to influence them.

The Minister for Justice: By chance, a father and son could be called up to serve on the same jury.

Hon. A. V. R. ABBOTT: That is so. The next amendment proposed is that women should be entitled to serve on juries if they so desire. I think this will be a step forward. In my view women, owing to the nature of their home duties and general responsibilities, should not be compelled to serve on juries, but if they so desire, they should be able to apply to the magistrate to have their names placed on the list. Then ,if they had the qualifications of a male juror, they could be placed on the list.

Mr. May: Would not that leave it open to women applying only if they were interested in a case?

Hon. A. V. R. ABBOTT: No; their names would first have to be placed in the jury book. This would take some time. Then, the names having been registered would go into the box known as "jurors in use".

Mr. May: You said you proposed to make it optional for women to serve.

Hon. A. V. R. ABBOTT: It would be optional whether they applied to be registered in the jury book, but having applied for registration and having been registered, they would become responsible to serve until they resigned.

The Minister for Justice: They could resign while serving on a jury.

Hon. A. V. R. ABBOTT: No; to resign, a woman must first be taken off the panel. That was my intention and that was my instruction to the draftsman who was made available to me.

Mr. May: They would not know the particular case on which they would be called to serve.

Hon. A. V. R. ABBOTT: No. If for any particular reason, such as illness or indisposition, a woman felt that she was unable to serve on a particular panel, she could apply to the sheriff to be relieved from duty on that panel, just as a male juror may apply, for sufficient reasons, to be exempted from a panel.

The Minister for Justice: What would happen in the case of a jury not being permitted to disperse, say, during a long case?

Hon. A. V. R. ABBOTT: A juryman may leave the court under supervision. There are women jurors in England and in some of the Australian States. The third amendment proposed in the Bill, partly original, is to make the decision of 10 jurors out of the 12 the verdict of the jury.

Mr. May: What is the practice now?

Hon. A. V. R. ABBOTT: The verdict has to be unanimous.

Hon. J. B. Sleeman: Would that apply to capital cases?

Hon. A. V. R. ABBOTT: The Bill provides for no distinction between various types of cases. This principle operates in cases other than capital cases in the States of South Australia and Tasmania where, after four hours' deliberation in South Australia, and two hours' in Tasmania, the decision of 10 jurors may be accepted as the verdict. However, there are no exceptions in my Bill.

I submit that my proposals represent a step forward. The principle reason for the Bill is that in these days of democratic decisions, I consider that the decision of a jury should be secret. I do not think it right that the general public should know what decision any juryman has given.

Mr. May: Would the public know that now?

Hon. A. V. R. ABBOTT: Yes; seeing that verdicts have to be unanimous, the public must necessarily know. I think this should apply not only in ordinary cases but also in capital cases, and there is all the more reason for it in capital cases.

The Minister for Justice: But under your Bill, the verdict in capital cases must be unanimous.

Hon. A. V. R. ABBOTT: Not under this Bill.

The Minister for Justice: Are you sure?

Hon. A. V. R. ABBOTT: Yes. That applies in South Australia and Tasmania. In the other States the majority decision has not been adopted except in civil cases. So long as capital offences are committed, it is necessary to have juries to try them, and the duty of a juryman in such cases would be repugnant to any citizen. I know it would be repugnant to me, and I cannot believe that any normal citizen would willingly serve on a jury empanelled to try a capital charge. The duty is a very trying and responsible one.

I believe that the decision should not be made public. One can imagine the feelings of a man who has been obliged to do his duty and find an offender guilty on a capital charge and who then goes home at night to his wife. We all know the kindly and sympathetic feelings of women. It would be a step forward if, in this as in all other aspects of democratic life, we insisted on the secrecy of the decision of the individual. At public polls and in many other directions such secrecy is already observed, and the method outlined in the Bill is the only one I could evolve by which to achieve that end. I do not think that the number 12 is any more sacred than the number 10, and, as I have mentioned, the number 12 goes back a thousand years. I have told the House how and why the original jurors were selected. The jury system has grown up retaining 12 as the number of jurors simply because that was the number selected by a king a thousand years ago.

Mr. May: It is just as well it has grown that way.

Hon. A. V. R. ABBOTT: Perhaps our next decision will be that an accused may, if he so desires, be tried by a judge instead of a jury. I am sure that many accused would rather face a judge than a jury who, to do them justice, are not always trained in considering the evidence put before them.

The Minister for Education: This seems like the first step in the direction of the introduction of the metric system.

Hon. A. V. R. ABBOTT: I will not go into that argument now, but this provision would make extremely difficult the suborning of a jury. Under the exisiting system, it is necessary for only one juror to be in-

fluenced in order that the verdict be altered, and that has happened on more than one occasion in this State.

The Minister for Justice: Under this provision, they would have to get at three jurors.

Hon. A. V. R. ABBOTT: Yes, and that would be almost an impossibility. This provision has the additional advantage that it removes from the realm of possibility the suborning of a jury. At present, it is necessary for only one juror to dissent, and the unfortunate accused may be placed in the position of having to go through another trial. There are some people who are so conditioned in their way of life that it is impossible, before they sit on a jury, to know their views. Some incident in the life of a juror may affect his decision so that his point of view of the evidence is that of the accused and in that case, despite the fact that the other 11 jurors are of the opinion on the evidence that the accused is guilty, the unfortunate offender is forced to go through a further appearance before the court.

Mr. May: You will never alter human nature.

Hon. A. V. R. ABBOTT: I agree, and therefore I say that my proposal would obviate the arising of the position I have outlined, because under it, a majority of ten in favour of either "guilty" or "not guilty", would be the verdict of the jury. I feel that the unanimous decision of ten is quite as effective as the unanimous decision of twelve men.

Mr. McCulloch: Why not make it a majority decision?

Hon. A. V. R. ABBOTT: I thought, in deference to the existing practice, that 10 out of 12 would be an appropriate majority.

Mr. McCulloch: The majority decision applies in some cases in Scotland.

Hon. A. V. R. ABBOTT: I do not think that is so in criminal cases, but I cannot argue that point. I think I have sufficiently outlined the contents of the Bill. There are some administrative provisions also which I think could be more appropriately dealt with when the Bill is in Committee.

The Minister for Justice: Do not you think it would be embarrassing for a modest woman to be a juror in a case involving a sexual offence, for instance?

Hon. A. V. R. ABBOTT: Yes, but I do not think such women would apply to serve on juries. If a woman did apply to register for duty as a juror, I think she should be willing to sit on all juries.

Hon. Dame Florence Cardell-Oliver: I have been on a jury, and I am most modest!

Hon. A. V. R. ABBOTT: In England, it is compulsory for women to serve on juries, just as men do, but my measure does not go that far. I move—

That the Bill be now read a second time.

On motion by the Minister for Justice, debate adjourned.

BILL—FERTILISERS ACT AMENDMENT.

Second Reading.

Debate resumed from the 9th September.

THE MINISTER FOR AGRICULTURE (Hon. E. K. Hoar—Warren) [5.38]: It seems to me that the real object and intention of this Bill, in broad terms, is to improve the quality of superphosphate that is supplied to farmers in order to ensure that it will not set during storage or stick during distribution by machinery, and particularly by drills. No one could complain of that objective, because members who have had some association with farming in recent years know that the superphosphate supplied to many farmers has not been of the quality it should have been.

The object of the Bill is apparently to incorporate into the parent Act authority to control the moisture content of superphosphate but, in my opinion, the moisture content is not the only trouble. There have been a number of other factors and difficulties in the manufacture of superphosphate in recent years, quite apart from moisture content, and they have been of a character over which the companies concerned had no control. I am inclined to believe that the complaints which reached the member for Stirling and induced him to bring this measure before the House had to do with factors other than the moisture content of superphosphate.

About two seasons ago, there were many complaints from farmers all over the State about the granite-like substance that they received under the name of superphosphate being in such a condition that they had to use sledge-hammers to break it up. In the autumn of last year, an inferior quality of superphosphate was delivered to farmers, and it had the effect of sticking in the drills, but in neither of the cases I have outlined do I think moisture was the trouble.

Mr. Nalder: Did you see any of that superphosphate?

The MINISTER FOR AGRICULTURE: I saw some of that to which I referred as having been delivered about two seasons ago, but not that delivered last autumn.

Mr. Nalder: Had you handled it, you would have had no doubt about the excessive moisture content.

The MINISTER FOR AGRICULTURE: Over the years, and particularly since the war, fertiliser companies have had a tremendous job to do in keeping pace with modern methods of land settlement and development. The hon. member knows that the quantity of superphosphate manufactured today is two or three times greater than it was before the war, and that increased demand has created many difficulties for the companies concerned. It is not long ago that they had to change from Nauru rock to that from Christmas Island, which may have been of quite a different moisture content. Furthermore, there was the shortage of sulphur last year and the changeover to the use of pyrites, together with many other incidentals in the development and encouragement of greater production of superphosphate. We must acknowledge that all those factors have had a lot to do with the disturbance that has taken place in the organisation and manufacturing processes in this field and have probably had some effect on the quality of the superphosphate produced.

I am not arguing that we should not do something about this matter, but I feel that members should appreciate the fact that the superphosphate companies generally have been doing an excellent job over the years under changing conditions which have made their work more difficult. I am of the opinion, at the moment at all events, that there are many factors, apart from moisture content, which affect the quality of superphosphate. I have had a good look at the Bill and have come to the conclusion that, while it is desirable that we should do everything possible to improve the quality of superphosphate manufactured in this State, this measure will not achieve that end, particularly in its present form.

It would be almost impossible administratively to operate the manufacture of superphosphate under the provisions of the measure as it now stands. When moving the second reading, the hon. member said that the Minister ought, from time to time, to determine and prescribe by regulation the maximum quantity of moisture that might be contained in superphosphate. There is a provision in this Bill which reads—

> Every person carrying on business as a manufacturer of superphosphate shall at least once in every week forward for analysis to the Department of Agriculture without payment a sample of the superphosphate manufactured by such person during the previous week.

I do not think this clause will achieve the hon. member's object. It is well known that when superphosphate is manufactured, moisture is included far beyond the content required at the date of distribution, but apparently the hon. member is not concerned about that. However, instead of his seeking to have a sample taken once a week immediately after the article has been produced, at which stage it contains the greatest amount of moisture, he should be concerned about the quality of the superphosphate and its moisture content on the day it is despatched to the farmer.

There are a number of other difficulties associated with this suggestion. How could one expect a manufacturer to be responsible for selecting a sample of superphosphate, following which he might subsequently be prosecuted? The samples undoubtedly would have to be taken by the officers of the Department of Agriculture and this would call for a tremendous amount of work on their part. In view of the fact that provision is made in the Act for a sample to be taken, would it not be easier for a manufacturer to select a sample according to the provisions of the Act and reduce the moisture content by stove processing or some other drying process before it was sent to the Department of Agriculture for analysis?

In view of the fact that some hundreds of tons of superphosphate are manufactured every month, it would be impossible to undertake to withdraw a sample once a week from the superphosphate supplies in store all over the State. That could only be done at tremendous cost to the department and at the moment there is not even one officer employed full-time examining superphosphate supplies. The Agricultural Department is not receiving anywhere near sufficient money at present to provide the essential services that should be given to the farmer.

Mr. Nalder: Does the officer visit the works and take a sample?

The MINISTER FOR AGRICULTURE: At the present time, as I have said, there is not even one man fully employed on such work. However, if a Bill such as this is passed, the department will be forced to employ a great many more men on the work and in the chemistry section a great many more personnel would have to be appointed in order to analyse the samples as they came forward continuously.

It would definitely be impracticable to administer a Bill of this nature. The officers of the Department of Agriculture assure me, and I have no reason to doubt their word, that they are making inquiries into the question of moisture content in superphosphate and that this work has been proceeding for some time. No doubt their activities have been unknown to anyone. Their conclusions have not yet been reached. If, as a result of their investigations, it is found that the moisture content could be controlled, the officers of the department are sure that there would be no difficulty in introducing minor amendments to the Act.

Mr. Hutchinson: What would happen if they state that they cannot reduce the moisture content in superphosphate any further?

The MINISTER FOR AGRICULTURE: If that is what they find, that would be the end of it, but it is possible to reduce the moisture content and for a company to keep within certain limits. It has to be remembered that all superphosphate is manufactured with an excessive amount of moisture, a certain quantity being allowed for evaporation during storage. Also, today we spread the distribution of superphosphate over two periods. At the moment, 25 per cent. of supplies are distributed between October and Christmas and the remainder during the balance of the year. It would not matter if we amended the Act on the lines proposed in the Bill because farmers would still be compelled to buy green superphosphate.

We cannot avoid farmers going to the works, as they do, after Christmas for the balance of their supplies and taking away from those works a commodity which includes a moisture content greater than that which is desirable. If it is considered that a 6 per cent. moisture content is requisite for super at the time of distribution to the farmers, then an additional percentage would have to be included to allow for evaporation over the storage period. The shortage of storage space has been raised as being one of the difficulties, but that is not so. The main trouble is the pressure of the demand on the existing machinery at the superphosphate works.

Nearly all the superphosphate manufacturers are able to store 50 per cent. of their normal annual requirements. However, we cannot avoid the fact that farmers are keeping up with the supplies and are continually taking super away that contains more than the required moisture content. This would not occur if they had sufficient storage space. Many farmers find that when they deliver the super to their properties, they have not sufficient space in which to store it, and I have a number of pamphlets to prove that that is correct. I am not blaming the farmers entirely nor am I saying that improvements cannot be made.

The Bill would create a situation which would be unmanageable and I cannot imagine how it could be administered. Under the present system of analysis which requires that tins must be sealed against evaporation, it would be the easiest thing in the world for these tins to be specially prepared by the manufacturer in order to reduce the moisture content to the required level before the inspector takes a sample. In those circumstances, the Bill would be unworkable. Provision is already in the parent Act to achieve that which the hon. member is seeking. That section of the Act provides for a minimum moisture content and it reads—

> Any minimum chemical or physical standards for fertilisers . . . .

Today it is believed there is ample power under that section to determine the moisture content, if it is found to be necessary. If, for instance, we decided we would make the dry standard 90 per cent. then, of necessity, the 10 per cent. balance would be moisture content. There is provision in that section to do exactly what the hon. member seeks to do in the Bill. However, even if there were no such provision or there were some legal doubt about it, it would be a very simple matter, by means of a minor amendment, to strike out the word "minimum" or even to include a new clause that would definitely fix a maximum standard of moisture content, if the inquiries that are now being conducted by the department prove that such an amendment is necessary.

The Bill, although submitted from the best possible motives, will not improve the situation that now exists because, with the knowledge that is being gathered from day to day by the departmental officers, we could not give effect to the provisions of the measure even if it were passed. In consequence, I am dealing only with the question of moisture content because all the other provisions of the Bill centre around that point with the exception of, perhaps, one. Although I do not want to discourage the hon. member in any way in attempting to achieve his object, I want to assure him that when the current investigation is concluded and the officers prove it is possible and desirable to manufacture superphosphate with a low moisture content, steps will be taken to put this into effect.

Hon. Sir Ross McLarty: Do you think there would be any danger of supplies being held up if the Bill were passed?

The MINISTER FOR AGRICULTURE: I certainly do, because if we set a maximum moisture content for superphosphate, a manufacturer could easily find himself in the position that he dare not release his supplies for fear of breaking the law. It would create many difficulties for those companies that are now doing their utmost to produce the best possible quality superphosphate. It would be a great pity if the day arrives when farmers who require super could not get it because of a mistaken idea in a Bill of this description, especially when we can control the situation immediately. Therefore, I appeal to members to wait until the investigation by the officers of the Department of Agriculture is concluded and we will then know what requires to be done.

Hon. Sir Ross McLarty: Who is carrying out the investigation?

The MINISTER FOR AGRICULTURE: I do not know the officer's name, but the investigation is being conducted. I am not aware whether the hon. member who introduced the Bill had the oppor-

tunity of inspecting the superphosphate works recently, but on the 10th of this month two members of the Farmers' Union took this opportunity and this is what Mr. Noakes said on behalf of himself and Mr. Traine—

> A visit by the General Secretary (Mr. Traine) and myself to the metropolitan super works has been made with the idea of informing ourselves as to the nature of the super now ready for despatch, and we were very impressed with what we saw. There is no doubt that the works have made a considerable effort to guard against any caking of super taking place this season . . . .

He continues along those lines. Recently one of the super companies made an investigation as a result of super sticking in the drills. That investigation or survey was taken over 1,600 farms. The situation from their point of view is most happy. Now that they appear to have overcome their earlier problems, there are no complaints from farmers; and it appears to me that although, in course of time, it may be found necessary to do something to amend the Act slightly in a given direction concerning moisture content, it would be most undesirable if this Bill were carried at present. So while I sympathise with the hon. member in what he has attempted to do, I have no option in the circumstances but to oppose the Bill.

MR. HEARMAN (Blackwood) [6.2]: I think I can understand the wish of the Leader of the Country Party to ensure by legislation that the superphosphate which is provided is supplied in the best possible condition to suit the convenience of farmers. To some extent I have been interested in this matter and activities of mine in this House previously have indicated my interest in problems confronting the farmer, particularly in connection with fertilisers. More recently I have been rather surprised, in my investigations, at the amount of frankness expressed in regard to this matter by all concerned. Nobody attempts to suggest in any shape or form, that I have been able to discover, that the quality of superphosphate which has gone out in the past has been as good as could have been wished.

The manufacturers are quite frank, They say that the super they have sent out has tended to go into lumps, or stick, or cake, as the case may be, and they have given the matter considerable thought. Nobody disputes that super tends to grow hard, is extremely inconvenient to the farmer, and involves him in considerable extra cost. That is quite true, and for just the same physical reasons the manufacturers themselves have difficulty in handling super of that type. They have difficulty in getting it through their machines. There is a tendency for it to set in the stockpile.

It may be of interest to some members to know that the manufacturers have had to resort to the use of explosives to break up some super in their own stockpiles and, of course, quite obviously if that could be avoided nobody would be more anxious to do so than the manufacturers themselves. So the manufacturers have been completely frank in their admission that the quality of the product has not been all that could be desired and have been equally interested, for their own very obvious reasons, in effecting an improvement. I think that considerable progress does appear to have been made by the manufacturers in achieving improvements. Generally speaking, the quality of the fertilisers that went out last year was an improvement on that of the previous year, and I think we can reasonably expect a further improvement in the coming year.

The Bill proposes to overcome by legislation what might be termed a technical problem. To my way of thinking, the time to introduce legislation is when the technical problems have been overcome. For instance, in connection with the manufacture of butter, we have legislation that does control the amount of moisture that may be incorporated, because it is well known and accepted that it is possible by controlling the process of butter manufacture to determine within very narrow limits just how much moisture will be incorporated in the finished product; and where that can be done, it is quite possible successfully to legislate to determine just what the moisture content shall be. But if the technical problems have not been solved, obviously legislation is not likely to be effective, because to make it practicable, such wide margins for variation have to be allowed that the result desired is not achieved.

There are more causes for the setting of super than merely the amount of moisture. The most obvious is insufficient time for maturity. If the super is too green, as the expression goes it will set quite readily and rot the bags very quickly when stored on a farm. One manufacturer admitted that the year before last some super was sent out which had been manufactured for only three weeks, whereas it is generally considered that six weeks should be allowed for the maturing of super. The works knew quite well that the product was not satisfactory, but had no option but to send it out if the orders were to be fulfilled. Possibly the problem could to some extent be solved by greater storage and manufacturing capacity. But with the increase from 289,000 tons in 1939 to an estimated 440,000 tons this year, it has not always been possible to keep pace with the demand. Despite that, I am certain the Leader of the Country Party knows that considerable efforts have been made by the manufacturers to meet requirements.

Another factor that can affect setting is the kind of rock used. Some rocks require a greater quantity of acid in their treatment than others, and the more acid used the wetter the product becomes and the longer it takes to mature. The strength of the acid can also influence the product very considerably, because with some rocks apparently acid of very considerable concentration can be used, whereas with other rocks it is not satisfactory and weaker acid has to be employed. The use of a certain amount of water is necessary to facilitate chemical reaction, and the reaction is slow with a strong acid. In the Eastern States they are carting strong sulphuric acid in steel containers.

The Christmas Island rock that Western Australia is doomed to use, on account of the decision of the British Phosphate Commission, requires an acid of no greater strength than 72 or 73 per cent. That does mean that a certain dilution with water has to take place, and actually a greater amount of moisture is incorporated in the rock in manufacture than in the case of a rock such as that from Nauru and Ocean Island with which a stronger acid can be used.

The Minister for Health: Nauru rock is the best, is it?

Mr. HEARMAN: Yes. I think so. Another factor is the fineness of grinding. It appears that some rocks can be ground relatively coarsely and the acid reacts quite satisfactorily and produces a fairly coarse texture which is not nearly so likely to set as rock which requires finer grinding or which by its very nature powders up in grinding. That needs a greater acid and tends to make a final product that is more prone to setting when subjected to storage for a long time, particularly if it is also subjected to pressure such as that exerted on the bottom bags in a big pile.

So I think that members would agree that there are more factors controlling the setting than mere moisture content. Some are within the control of the manufacturers and some are not. They cannot determine from where they obtain the rock, for instance. Another factor that influences the position considerably is that we are using a lot of acid manufactured from local pyrites and consequently big problems have been encountered. There are certain impurities that get into the acid and tend to weaken it. I understand that until this year the strength of acid produced from pyrites was below the desirable strength for use on Christmas Island phosphate.

This year, by an improved method of processing in the actual plants, the acid strength has been increased to very close to the maximum optimum strength for use on the Christmas Island phosphate—somewhere about 72 per cent. I know that one factory has still on order—and it is very slow in coming to hand—an electro-static precipitator with which it is hoped to remove 5 per cent. of dust getting into the acid. They hope to get it to 1 per cent. and when that has been done, control of the manufacture will be much easier because the producers will be able to use acid at the most desirable strength.

For the information of members who may not be aware of it, I think that with your permission, Mr. Speaker, I could discuss briefly the process of manufacture, which is really a simple one. Rock phosphate is ground to powder. It is then mixed with a measured quantity of acid per ton—it is approximately one-third of a ton of acid to one ton of rock—and the mixture is put into a bin. The acid is allowed to react on the rock. It is left for a matter of some hours and then removed, a rather sticky warm sort of mass, and is put through an aerator, which has a drying effect. It is then removed to the stockpile where it is left until required for delivery. The process is to remove it by a grab and put it into the mill. There is a screen in the mill which grinds it and runs it into bags which are then put on the truck. So the process is really a simple one.

Of course, quite obviously the time to determine the moisture content, or quality, or anything else is at the time of delivery. I notice that in the Bill manufacturers are asked to forward samples of each week's production. I do not think it could be determined just when the superphosphate was manufactured. It might be as soon as it was put into storage. It might be regarded as being manufactured in that stage, in which case I suggest that if they were genuine samples the super would be hopelessly wet, because it is then quite moist to the touch and clings together if squeezed in the hands.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. HEARMAN: Before tea I had raised the point as to the stage of the process when the samples should be taken. This is not a very serious objection. The only effective time for samples to be taken is at the time of delivery because it is the condition of the super at that stage which is significant. It seems to me that the information available at any other period in the process of manufacture would be of little assistance. This objection could be overcome in the Committee stage. Also, as the Minister pointed out, the provision makes it obligatory on the manufacturers to take their own samples and forward them.

It seems to be just the same as asking a milkman to submit samples of his milk to see whether it has been watered. The milkman would not submit a sample of the milk if it were not likely to be approved.

If members looked through the super works, they would see that it would be possible, at any stage, to take samples that would come within the requirements of any moisture regulation. Unless these samples are taken by the department the Bill will be of no practical assistance in the checking of moisture content.

All the indications are that the position has improved and will continue to improve in the future. It is as much to the manufacturers' interests as to those of the farmers that they should produce superphosphate which is free-running and easily handled. The Bill tends to shift the responsibility for moisture content from the manufacturer to the Minister because if the Minister prescribes a figure, all the manufacturer need do is comply with the maximum figure. This raises the question of what figure the Minister can fix.

Mr. Ackland: Would you like to leave that to the manufacturer?

Mr. HEARMAN: I shall come to that. I suggest that in actual practice, particularly where supplies tend to fall behind demand, the Minister would have to be guided in the figure he fixed by the capacity of the manufacturers to supply He would need to be careful that he did not fix a figure with which no manufacturer could comply because he might easily find himself in the position that he was restricting supplies. At this period of the year deliveries are very small and manufacturing capacity is considerably in excess of them, which leads to a stockpiling at the works, which is a good thing because it does allow of maturing to take place.

It is quite possible that from now until about the end of January, super of a satisfactory moisture content can be delivered from the works. But from about the end of January onwards I understand the manufacturing capacity does not equal the demand, so that the stockpile tends to dwindle until the factories are faced with the problem of having to deliver immature super. I pointed out earlier that one manufacturer volunteered the information to me that the year before last he had delivered super which had been maturing for only three weeks and which, he knew, was quite unsatisfactory. But it was a case of delivering it or none at all.

The Minister, I think, is more or less in a cleft stick. Under the Bill he would be compelled to fix a figure which would not restrict output. For that reason I am afraid it is simply shifting the responsibility from the manufacturer to the Minister, and I cannot see that it will make any difference to the moisture content. The measure makes no effort to control the moisture content of mixed manures, and they are more inclined to set than is superphosphate. I see no reason why mixed manures should be excluded if it is possible to control moisture content.

The Leader of the Country Party also referred to the relatively few samples of super that were analysed by the department. I know that is so, and also that the samples of mixed manures are very few. It is impossible to analyse a mixed manure without determining its phosphatic content. The phosphatic content is stipulated for superphosphate when mixed with other fertilisers such as sulphate of ammonia and so on; and if the phosphatic content is low, then it will be manifest in the mixed manure. Although the actual number of samples has been small, the conclusion that a sample of mixed manure does not involve a check of superphosphate is hardly sound.

The hon. member also mentioned the question of the analysis to be provided on the back of the invoice, in accordance with the Act. He said that had not been done. This is correct. Quite a lot of super is delivered months before the invoices containing the analysis arrive. From the department's viewpoint, the value in this matter is to have an analysis before purchase and not after delivery. If a farmer wants to have an argument on analysis on delivery, the only thing he can do is to send a sample for analysis and see whether it complies with the requirement of the particular brand of fertiliser as registered under the Act.

Whether the farmer knows what the analysis should be does not in any way prevent a sample being taken and sent in, but the mere possession of the analysis at that juncture does not assist. I am not quite certain what the legal position is of a farmer who questions the analysis of his super. I do not know of any case where the matter has been decided in court, but I have a feeling that once the super leaves the works there is little chance for the farmer to sustain a case against a manufacturer because it has passed out of the manufacturer's control and all sorts of legal defences could be raised.

This applies particularly in the matter of moisture content because it is quite possible for a consignment of super, through bad sheeting or something of that nature, to exceed the moisture content at the point of delivery, although it might have been within the stipulated requirement at the time of leaving the works. I doubt whether any regulation that we may choose to pass could be upheld legally. We would, I think, find difficulty in upholding in court any regulations in connection with moisture content.

One good feature of the debate is the fact that the Act will now be complied with in relation to the supplying of the analysis on the invoices at the time of delivery. I understand that nowhere else in Australia, or in the world, does any fertiliser Act state, for the reasons I have previously outlined, that the moisture content of artificial fertilisers shall be fixed. Those reasons are that the problems in-

volved are technical and until they have been solved it is difficult to determine what the legislative procedure shall be in connection with them. Most of us agree that we should do anything we can in connection with moisture content, and if it is felt that we should make some approach, then the better method would be to amend a different section of the Act—Section 7—so that the manufacturers at the time they registered their particular brands and stated what the analyses would be, would also be required to state the maximum moisture content.

If that were done I think the actual figure stated would be near to that mentioned by the Minister, but it would create an element of competition between the manufacturers because if one registered with a 10 per cent. moisture content and another with 7 per cent., there would be an incentive for the one with the higher figure to endeavour to bring it down. But under the proposition in the Bill, the Minister would be forced to accept the higher figure, and that figure would be the accepted one for all manufacturers.

Mr. Nalder: Not if there were an Act.

Mr. HEARMAN: If we could enforce this, the Minister would be bound to take the figure that the least-efficient manufacturer could measure up to because the demand is so great.

Mr. Ackland: Are you satisfied—

Mr. HEARMAN: The hon. member was not here before tea so he does not know what I said then. In reply to the member for Katanning, I say that if we ask the manufacturers to include a maximum moisture content in their fertiliser and one manufacturer is able to do better than another, an element of competition will be introduced between them.

Mr. Nalder: If there was an Act controlling moisture content, it would be up to the manufacturers to keep within it.

Mr. HEARMAN: Yes, and anyone who could do better than the Act required should receive the benefit of his efficiency. The Minister, in view of the supply position, would be bound to fix a figure with which the most inefficient manufacturer could comply. If at any time a firm reached the stage where it could not comply with the figure laid down by the Minister, it would simply say to him, "We cannot supply our commodity because if we do so we will be breaking the law, unless you amend the figure." The Minister would have to make a decision as to whether the figure should be altered or whether he would hold up deliveries from that particular factory.

Hon. L. Thorn: I should say that the Minister would take the advice of his expert officers.

Mr. HEARMAN: I think he would, but in any case if, as I explained earlier, the time comes—as it often does just prior to seeding—when a firm finds difficulty in supplying matured fertiliser, the Minister will have the alternative of choosing whether he will not permit the super to go out or raise the figure, and I think the Minister will be forced to raise the figure. That is my opinion, and I think that in the light of our existing knowledge it would be a sounder approach because this is largely a technical problem. Until we have a solution to it, we cannot pass hard and fast legislation to control the situation.

I have no desire to see farmers get any worse deal than they have had in the past in the quality of superphosphate that they receive. If it is possible for them to get a better deal, I would be only too happy to help, but for the reasons I stated, I think this Bill is a wrong approach to the problem. I believe that this trouble will soon be solved and probably further research will be necessary. However, I believe that that research is being carried on by the manufacturers and the Department of Agriculture and I am sure that success will attend their efforts. Once the results are known, we can determine what form of amendment we should introduce in our endeavour to ensure that the farmers receive a better quality product.

MR. NALDER (Katanning) [7.48]: I hope you will allow me at this juncture, Mr. Speaker, to congratulate you on being elected to your present position. I have not had an opportunity before of congratulating you, but I trust that while you occupy the Chair we shall have a period that will be profitable to yourself and to all members of the House. If any member had suggested to me, a year or two ago, that you would be appointed to the position of Speaker, I might have said, because of your retiring nature, that you might not choose to accept the position. But you have already proved your ability, and I feel sure that during the session the House will be conducted in a profitable manner, and I offer my congratulations to you.

After listening to the comments of the member for Blackwood, one would have thought that he was not speaking on behalf of many of the electors whom he represents—that is the farmers—or that he was not speaking with much practical knowledge.

Mr. Lawrence: He should represent the people of the State and not the people in his own electorate.

Mr. NALDER: In this case, we are speaking about a particular commodity that interests the farming industry.

Mr. Lawrence: It interests the whole of the people of the State.

Mr. NALDER: It will be interesting to hear the member for South Fremantle tell us of some of the practical knowledge he possesses.

Mr. Lawrence: I have already added to it.

Mr. NALDER: I feel sure that the comments that have been made so far have been made by men who have a practical knowledge of a situation that has existed. I wish to compliment the Leader of the Country Party for the sincere manner in which he has tackled this problem. Some two years ago in this State immature superphosphate was being delivered and farmers from all over the countryside complained that they were having considerable difficulty in carrying on their seeding operations. They said that the super was being sent out from the works in a condition that would not allow it to run freely through the implements and I believe that this measure will go a long way towards materially overcoming that position.

Personally, I cannot agree with the Minister's belief that it will be a costly business to police. I do not think it would be necessary to carry out any tests during the spring or summer months because such tests would show that there was very little moisture in the super. The fertiliser delivered in September, October and the early summer months, is in really good condition and satisfies the requirements of the farmers who receive it. However, it is in the latter part of the season that the trouble begins because the super is sent out in an immature condition. The member for Blackwood said that no super is sent out under a three-weeks maturing period.

Two years ago while visiting the city I went out to one of the manufacturing firms and found that super was being put into the bags a few hours after it had been taken out of the kilns. The super was hot and I was able to squeeze it and it set in a lump and when dropped on to the ground stayed there like a piece of plasticene. Hundreds of farmers can prove that fact and have already given evidence to the effect that super has arrived on their farms in that condition.

When road transport was used for the haulage of superphosphate, it was taken from the works and landed on the farms a few hours after it had left the manufacturers. It was delivered in a most unsatisfactory condition. It is because of that that the member for Stirling has tried to rectify the position. Many hundreds of pounds have been spent, machinery has been broken and considerable time has been lost by hundreds of farmers because super has been sent out in this unsatistory condition. The small sum of money that might be spent on one or two officers of the department making periodical tests would be of little consequence when compared to the advantages that would accrue to the users of superphosphate.

Mr. May: Do not you think the length of time that farmers have to store their super has a lot to do with it?

Mr. NALDER: Not in the cases we are discussing. If super has been sent out and is stored for some period of time—

Mr. May: Months.

Mr. NALDER: —it does harden. I admit that.

Mr. May: It still hardens even if you store it loose after it has been emptied from the bags.

Mr. NALDER: Not to the same extent as when it is stored in bags.

Mr. May: Of course not. That is the object of taking it out of the bags—so that it will not lump.

Mr. NALDER: If it is taken out of the bags and stored, it is an entirely different proposition altogether. If a farmer chooses to empty the super out of the bags and re-bag it when seeding begins, it does help considerably. A number of farmers have done that but one needs a large room or a place where one can store the super so that no dampness can affect it. In order to carry out such an operation, a farmer would need more labour but unfortunately the man who runs a small farm has to do most of the work himself and he would be weeks behind schedule if he had to re-bag his super at seeding time. Unless one has had this experience one does not know what work it entails and how much time is taken up in re-bagging and taking the super out to the fields.

Mr. May: It takes much longer to crush it when you keep it in bags.

Mr. NALDER: That is so. Some of the super hardens in the bags and it takes a considerable time to crush it. But the problem is acute when super is sent out in an immature condition; therefore I think support must be given to this measure. It may not be completely practicable but if we discuss this matter fully and all members representing farming districts, and perhaps the member for South Fremantle, tell us of their experiences, we might be able to achieve something that will help to overcome the problem connected with this essential commodity.

Hon. Sir Ross McLarty: Do not you think the atmospheric conditions have some effect on the moisture content?

Mr. NALDER: I cannot really see the point that the Leader of the Opposition is trying to make. I think atmospheric conditions would have some effect but not after the super had been delivered from the works. It might have some effect prior to delivery but most farmers, when the superphosphate is delivered, store it in sheds and most of these sheds give full protection to the super. Also, in the inland areas, generally speaking, the atmosphere is dry. I do not know what effect

atmospheric conditions would have on superphosphate stored in the coastal areas, but I do not think they would have much effect on the commodity if it were stored in the inland districts.

So I hope the House will give serious consideration to this measure because it will help to overcome the problem of immature superphosphate being delivered to farmers who may then not have the difficulties that they have experienced in past years. The manufacturers are increasing their output and perhaps that will help to overcome the problem, but the time is coming, and fairly rapidly, when we will find that it is not so much a seller's market as a buyer's market. Under those conditions a buyer will get a little better spin than he does when a seller's market is operating. I support the Bill.

MR. O'BRIEN (Murchison) [8.0]: I oppose this amending Bill. The following information might be valuable to members of this House. Recently I visited Wiluna, where I found Mr. Jessop is at present working a large deposit on one of four mines—a deposit of copper-ore and antimony which is urgently required as a fertiliser by three manufacturers here and in Welshpool. Mr. Jessop also informed me that the ore mined was considered to be a very valuable drier fertiliser. He had ordered a compressor at a cost of £2,000 to mine this ore. He carts truckloads of 20 tons from Wiluna to the railhead, a distance of 50 miles south, and that is as quickly as he can break the ore up at the present time.

To see what is happening in Wiluna now is the only means of believing it to be true. There is hay 6ft 4½in. high, and this has been cultivated in 13 weeks with three waterings. So, without any fear of contradiction, I can say that there must be a very good natural fertiliser there. I think the Bill is unwarranted at present, and I oppose it.

On motion by Mr. Ackland, debate adjourned.

BILL—MATRIMONIAL CAUSES AND PERSONAL STATUS CODE AMENDMENT.

Second Reading.

Debate resumed from the 9th September.

THE MINISTER FOR JUSTICE (Hon. E. Nulsen—Eyre) [8.3]: I shall be very brief in speaking to this Bill. No one in this House would agree that it is possible to do without divorce today. It is part of the make-up of our society, and we must take into consideration those who become involved in that way. In order to clarify the position as regards the Bill and the Act, I had a talk with the Solicitor General, who has supplied me with the following information, which I shall read to the House:—

> In my opinion, the Hon. A. F. Watts, M.L.A., in his speech to the House on the above Bill, correctly stated the legal position regarding marriage with a divorced wife's sister and with a divorced husband's brother. The only other matters which could possibly be relevant and to which Mr. Watts did not refer are set out in my opinion to you dated 6th August, 1953 (C.L.D. 3211/53), and may be summarised as follows:—
>
> (a) The Administration of Justice (Divorce etc.) Act, 1863, of Western Australia first provided that the effect of a decree dissolving a marriage would be that the parties might marry again "as if the prior marriage had been dissolved by death."
>
> (b) Act 41 Vict. No. 21 (1876, assented to in 1878) first permitted in this State marriage with a deceased wife's sister, and that although there was no reference in the relevant "Hansard" debates to marriage with a divorced wife's sister, the effect of this Act and of S. 62 of the above-mentioned Act of 1863 was to permit a divorced man to marry again as if his wife were deceased, and therefore to permit him to marry his divorced wife's sister.
>
> (c) That the United Kingdom has never permitted marriage with a divorced wife's sister or with a divorced husband's brother during the lifetime of the divorced spouse. In all Australian States, however, except Western Australia, such marriages are permitted even during the lifetime of the divorced spouse.
>
> (d) That when the change in the law was made in 1948 the attention of Parliament was not directed to the change, and that at least so far as Parliament was concerned the change was probably due to inadvertence.

Mr. May: Who was in power in 1948?

The MINISTER FOR JUSTICE: It was not a Labour Government. So it would seem that when the Act was amended, it was really done so inadvertently, and in consequence it will now be altered to what it was before 1948. Prior to that year, it was possible for a divorced wife's sister to be married to her divorced sister's hus-

band. So, had the Act not been amended in 1948, the position would have been as set out in the Solicitor General's remarks; that marriage of a divorced wife's sister with a divorced husband's brother during the lifetime of the divorced spouse was not permitted in the United Kingdom. I have no strong opinions on the matter. I am not in favour of divorce, but, on the other hand, we must move with the times. If that were the case prior to 1948, there would probably not be any harm in amending the law and putting it on the same basis as it was previously. That is all I have to say on that matter. I feel there are too many divorces at present, and it is not good for society.

Hon. A. F. Watts: This does not increase divorces, but marriages.

The MINISTER FOR JUSTICE: Yes, but it will give either the husband or wife the opportunity of marrying as if the former divorced partner were deceased. It has been pointed out that in the United Kingdom a deceased wife's sister cannot marry the husband of the deceased, but in Western Australia that has been the case since 1878. It has carried on for a long time, and to my knowledge we have not heard anything about it before. So, with those few remarks I will let the Bill stand as it is. It is a non-party measure, and everybody is entitled to his opinion. I dare say we shall have some expressions of opinions when I sit down.

HON. DAME FLORENCE CARDELL-OLIVER (Subiaco) [8.10]: I am glad to say that I propose to disagree with the Bill. I am sorry it has been brought forward. I had a good many fears about laws and that sort of thing before the Minister made his speech. I did not go to the Solicitor General, but I did get another lawyer to give me his opinion, and he does not quite agree with the opinion expressed by the Solicitor General. I will not continue with that, however. I will proceed to speak on moral grounds entirely.

The hon. member who introduced the amendment did so because, as he stated, there were a few persons—a number, he said—although not very many at present, but in years to come the number might be increased, who cannot marry because a section which was in the earlier Act is not there now. As the hon. member mentioned, a man cannot marry his divorced wife's sister, nor can she marry her divorced husband's brother. I would like to go back in history a little.

As the House will remember, before 1948 a number of divorce Bills were brought down in this House. I looked up an old speech I made, which has been printed. It was delivered in 1940. It is surprising to find the number of people who are now in this House who voted against the Bill, which was before the House at the time, but eventually it was passed. Those Bills seemed to be brought forward because there was always a small number of people that had to get some sort of justice.

I distinctly remember a Bill being brought forward by a lawyer because another lawyer decided that he wanted to remarry. We all knew him; he had been living apart from his wife, with a young woman, for a number of years, and he wanted a divorce to permit him to marry again. His wife would not divorce him because she did not believe in divorce, and accordingly a Bill was brought down.

Mr. J. Hegney: He was a good lawyer, that one.

Hon. Dame FLORENCE CARDELL-OLIVER: Most divorce Bills are lawyers' Bills.

Mr. J. Hegney: Too right!

Hon. Dame FLORENCE CARDELL-OLIVER: On looking over my speech, I find I was a little more technical, and I did say that people had been to these lawyers to see what could be done, and they had tried to help them. I have no doubt that the same thing has happened on this occasion. In 1940, the hon. member voted just as he will vote now, I presume. I am not in favour of this Bill, but I do respect consistency. The Minister has said this clause was left out inadvertently. Can anyone imagine a servant of the Crown, paid to do this type of work, leaving out a provision inadvertently? Of course one cannot.

The provision was left out deliberately. It was left out because the divorce laws were being widened. Legislation was brought down providing for divorce after five years' separation, and so it was left out in 1948. It was, as I say, deliberately left out. Members heard the figures given by the Minister the other day in reply to a question of mine asking about the number of divorces granted because of separation or adultery. There were over a thousand granted on the ground of separation and over 3,000 on the ground of adultery. The reason for that is that today it is quite respectable to get separations. In a few years one is then able to obtain a divorce, and then again in a few years, if we pass this Bill, a man could marry his divorced wife's sister.

We investigated this matter many years ago. The grounds for divorce then were adultery, desertion, three years and upwards; habitual drunkenness, four years and upwards; cruelty; imprisonment for a period of not less than three years; attempted murder of the petitioner; lunacy; separation; failing to comply with a court order for maintenance: non-compliance with a decree for restitution of conjugal rights, and ante-nuptial incontinence.

Those were the grounds for divorce in 1940, but now we have more than that; in fact, we have so many grounds that

people are saying, "If you want a divorce, go West, my boy." The Minister told us that, in his opinion, the proposal in the Bill would not have the effect of increasing the number of divorces. If that is so, why bring in the Bill? It must lead to an increase in the number, to a certain extent anyhow.

Hon. A. F. Watts: Why?

Hon. Dame FLORENCE CARDELL-OLIVER: Because a man would be free to marry his divorced wife's sister. It must create more divorces from the very fact that the grounds for divorce would be increased. So I say that that provision was deliberately left out in 1948, and other things were purposely omitted on that occasion. Sir Norbert Keenan brought in something that had been left out. Before that time there was a provision relating to ministers of religion, which was deleted from the Bill on the motion of Sir Norbert Keenan, who indicated that there was no necesity for ministers to be compelled to marry divorced persons. I say that other things, too, were left out deliberately because we were then increasing the grounds for divorce.

If the clause in the Bill became law, we would find that family life in many instances would become just a sham. Without such a provision, a family can live together in unity and affection and without suspicion entering into their lives because the sister is really part of the family. She would be a blood relation of the wife 100 per cent. In many instances, when a man's wife has died, her sister takes care of the family. She is an aunt of the children, one who is respected and affectionately regarded by the family. She is the person who ought to be there to take charge of the home.

If we alter the law to permit the man to marry a divorced wife's sister, all that feeling of confidence would pass away. Some members may consider that what I am saying is rubbish and that a man should be permitted to marry his divorced wife's sister because she would be the best person to look after the children. As against that argument, imagine a divorced wife living in a flat around the corner and the sister living in the house with the husband. If they married and she had charge of the children, would the children be likely to despise their mother living around the corner and transfer all their respect and affection to the new mother?

The Minister for Justice: It depends upon the circumstances.

Hon. Dame FLORENCE CARDELL-OLIVER: There would be nothing but hatred between them. By passing this Bill we shall be creating suspicion and disrupting a family that might have been very happy.

We in Australia are not a home-loving nation. We are a people who love the beaches and the wide open spaces, and children nowadays need greater care in the home than ever they did before. Today, so many separations are occurring. A man may merely have had just a tiff with his wife and he can pack his suitcase, disappear for five years and, at the end of that period, marry again. Today we find women everywhere in the State who are being deserted under the five-year plan now operating.

Let me now mention something of which members are probably aware. Amongst the religions in Australia, the Church of England and Roman Catholic church represent about 70 per cent. of the population, and those churches definitely do not believe in divorce. Let me read a few letters—

> The attitude of the Church of England in regard to marriage and divorce is based upon the recorded teaching of our Lord and briefly it is as follows:—
>
> Marriage is a lifelong union for better or for worse, and no divorce, with permission to re-marry, is permitted in the law of the Church.

Mr. SPEAKER: I have allowed the hon. member a good deal of latitude, but she is getting away from the Bill.

Hon. Dame FLORENCE CARDELL-OLIVER: This deals entirely with the Bill.

Mr. SPEAKER: Order! The hon. member will resume her seat. I cannot allow a discussion upon divorce generally on this particular Bill. The mover of the Bill did not deal with it, but confined his remarks to the measure itself, and other speakers must do the same. I hope the hon. member will not proceed to discuss divorce generally.

Hon. Dame FLORENCE CARDELL-OLIVER: I shall endeavour not to do so. I shall quote the portion dealing with the Bill—

> Now with regard to the new measure introduced into the Legislative Assembly last night, although it makes no difference to the fact that the law of the land is at variance with the teaching of the Church, my hope is that the measure will be rejected because it seems to me its effect will be to aggravate a situation which is already bad enough.
>
> At the present moment, the law of the land does provide some sort of moral protection for sisters-in-law and brothers-in-law who, through their circumstances of proximity, may be exposed to special temptations. As far as I can understand it, the result of the proposed legislation is simply to make such people eligible for marriage after divorce has taken place. This seems to me a most unnecessary step in the wrong direction, and it might well allow the seeds of suspicion to

be sown in a happy family circle which is at present safeguarded by a civil law . . . .

I am convinced that any relaxation of the law which I am obliged to uphold would not be merely a betrayal of trust but, in the long run, would tend to increase the amount of unhappiness caused by the breakdown of home life.

The rest of the letter deals with matters to which I may not refer. Those, however, are the views of Archbishop Moline. I have a similar letter from Archbishop Prendiville, but shall not read it. Nonconformists also raise their voice in this matter and I should like to quote the views of the Presbyterian Church in Western Australia as follows:—

In the matter of the remarriage of divorced persons, the Presbyterian Church maintains that it is undesirable and dangerous to the public welfare that divorce should be too easily obtained . . .

Facility for remarriage should be closely guarded. The standards of the Presbyterian Church set down that the man may not marry any of his wife's kindred nearer in blood than he may of his own, nor the woman of her husband's kindred nearer in blood than of her own, except the case of a deceased wife's sister, or the case of a deceased husband's brother.

In view of this, many ministers will feel bound by conscience not to recognise the right of a divorced man to marry his divorced wife's sister during the lifetime of his divorced wife, or of a woman to marry her divorced husband's brother during the lifetime of her divorced husband.

After having received those letters and bearing in mind the many divorce measures that have been passed during my long parliamentary career, I feel that to approve of this measure would be a retrograde step and I trust that members will not support it. We have children today who have been deserted because of our divorce laws. After the five-year separation provision became law, a man could refrain from allowing his wife sufficient for the maintenance of the children and the woman has had to go out to work in order to keep them. I was speaking to a member of the House tonight and he told me that he knew of many women who were neglected simply because the divorce laws in this State had been made so easy. I oppose the Bill.

HON. A. F. WATTS (Stirling—in reply) [8.28]: I am afraid that the member for Subiaco is, to a very large extent, on the wrong track because she suggests that the statement by myself and the Minister that the five or six words I seek to put back were deleted by inadvertance is not correct. The member for Subiaco said they had been omitted deliberately. Some weeks ago I took the trouble to read the speech of Sir Ross McDonald, who introduced the Matrimonial Causes and Personal Status Code Bill in 1948. It is well known to members that Sir Ross was meticulous in his attitude to divorce and would not have altered the law as it had stood for 70 years without good reason. Members may read his speech and find no reference to any amendment of the law in this regard. He said—

It is therefore to be borne in mind that, with respect to the substantive grounds for divorce, they remain as they stand on the statute book today, but the Bill is to codify the laws that are found in a number of statutes and to give them clear and logical expression.

And so I think you will agree, Sir, after hearing that and in view of the fact that I have been through the speech in question, that the Minister introducing the Bill at that time obviously indicated that he intended to leave the matters concerning divorce, so far as the grounds, etc., were concerned, as they were, but that he was going to codify the law and make it more clear and logical. I gather from the same speech—I was not aware of it until I read the speech—that the Bill was actually commenced in the last year of the time when the present Minister for Justice previously occupied that office.

According to the speech to which I have referred, the Bill was, substantially, the work of His Honour Mr. Justice Wolff who was, I understand, for part of that time at all events, in the Crown Law Department. The words I have read out are those of the Attorney General and Minister for Housing at that time, Sir Ross McDonald, and it is quite clear that there was no deliberate intention to leave out the words in question and there is nothing in this Bill to add more grounds to divorce. As I have endeavoured to explain and as the Minister for Justice has explained, the situation is that 70 years ago one was entitled, by the law of this State, to marry a deceased wife's sister.

Years later, but still half a century ago, there was incorporated in the law a provision that enabled one to marry a divorced wife's sister because that law said that when divorced they could be regarded as deceased. Those words remained in the law until 1948 and they are the words which I seek, by this Bill, to put back into the law, because all that happened was that for many years people had married both deceased wife's sisters and divorced wife's sisters and none of the fearful and terrible things that the member for Subiaco has conjured up in her imagination ever took place, nor are they likely ever to

take place, as it is a limited number of people only that will be concerned in this matter.

The law having been as it was for between 50 and 70 years, and the number of people knowing anything about the fact that this law was amended inadvertently, in the manner that it was, being but few, has resulted in something, in two or three cases that I know of, which I believe is far worse than allowing a man to marry his deceased wife's sister. I prefer to have the social conditions of marriage complied with rather than make it impossible for parties in those circumstances to clothe themselves with the aura of respectability which the marriage code provides and so all I wish to do is to restore this provision, the taking out of the law of which I am certain was entirely inadvertent. I would not subscribe for one moment to the adding of one line to the grounds upon which divorce is granted.

I am satisfied that at the moment we have quite enough grounds for divorce but I believe that the law which was in operation for half a century or more and which was altered by inadvertence, should be restored, and should not be used against some people to prevent them being lawfully married. It is only reasonable and fair to put this law back where it was.

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

Ayes	32
Noes	9
Majority for	23

Ayes.

Mr Abbott	Mr. Lapham
Mr. Ackland	Mr. McCulloch
Mr. Andrew	Sir Ross McLarty
Mr. Brand	Mr. Moir
Mr. Court	Mr. North
Mr. Doney	Mr. Norton
Mr. Graham	Mr. Nulsen
Mr. Hawke	Mr. Oldfield
Mr. Heal	Mr. Perkins
Mr. Hearman	Mr. Rhatigan
Mr. Hill	Mr. Sewell
Mr. Hoar	Mr. Styants
Mr. Hutchinson	Mr Thorn
Mr. Jamieson	Mr. Tonkin
Mr. Johnson	Mr. Watts
Mr. Kelly	Mr. Lawrence
	(Teller.)

Noes.

Mr. Brady	Mr. May
Dame F. Cardell-Oliver	Mr. Nalder
Mr. J. Hegney	Mr. O'Brien
Mr. W. Hegney	Mr. Bovell
Mr. Manning	*(Teller.)*

Question thus passed.

Bill read a second time.

In Committee.

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

BILL—COMPANIES ACT AMENDMENT (No. 1).

Second Reading.

Debate resumed from the 9th September.

THE MINISTER FOR JUSTICE (Hon. E. Nulsen—Eyre) [8.40]: I agree with the Bill in its entirety as it will affect only the co-operative companies registered under the Companies Act. They are in a special class quite distinct from ordinary trading companies. By the Act their rate of dividend is restricted so that the shareholders' interest in the company is not that of an investor in the ordinary sense. The control of these companies, by reason of the voting power under the Act being limited to one vote to each shareholder, lies truly in the hands of the majority of the shareholders.

In addition, these companies perform a very useful function in their rural communities and for the above reasons it is thought that they should be given special privileges under the Act. The Bill proposes that such a company should be granted absolution from the need to file certain returns with the registrar. It is thought that these returns lose their importance in the case of a co-operative company inasmuch as there are very few inquiries at the registrar's office as to the particulars contained in the returns which are at present required to be filed.

This concession to the co-operative companies will be of assistance to them in their domestic administration. A co-operative company registered under the repealed Acts—that is the Companies Act, 1893, and its amendments—is at present permitted to repurchase up to one-twentieth part of its paid up capital out of its reserve fund. The Bill confers this privilege on a co-operative company registered under the principal Act and it is not unreasonable to do this.

The general prohibition contained in the principal Act prohibiting share hawking should, it is thought, be relaxed in the case of a co-operative company, having in mind its special nature; that is, the limited dividend rate and the voting power, the object, of course, being to permit co-operative company representatives free access to possible shareholders in their respective spheres of operation in the rural districts. This Bill will be helpful to the co-operative companies. Although I am jealous of the Companies Act, I do not think that anyone could take advantage of the provisions of this measure.

The co-operative companies in this State have done an excellent job and the registrar, who is also jealous of the Act, has approved of the Bill. I am sure the amendment contained in the measure will give nothing away and that no one will be able to take advantage of the public by means of it. I feel certain the Bill will prove to be of great assistance to the co-operative companies. It does not leave the

way open for any fraudulent practices by any smart Alec. The only clause that might be queried by some accountants or those that have had experience of company law is that dealing with share hawking. I was not too happy about it myself, but after further consideration and realising that it deals only with co-operative companies, I cannot see that any great damage will result. I have much pleasure in supporting the Bill.

HON. A. V. R. ABBOTT (Mt. Lawley) [8.47]: I support the second reading of the Bill although I do not approve of all its provisions. It must be remembered that not every co-operative company is of the highest character.

The Minister for Justice: I think the majority of them are.

Hon. A. V. R. ABBOTT: I know, but any person can form a co-operative company and the position must be considered from that angle. We are apt to regard co-operative companies as those that are sponsored by Westralian Farmers and other similar farmers' organisations. In Western Australia to date the majority of them have been formed by such organisations, but there have been some co-operative companies that have not enjoyed a very good reputation.

Mr. Nalder: That would not be in this State.

Hon. A. V. R. ABBOTT: Yes, in this State. There have been some that have failed and the result has been most unfortunate for the shareholders in this State.

Mr. Court: The Co-operative Society Ltd. is one.

Hon. A. V. R. ABBOTT: Yes, as the member for Nedlands has mentioned, that is one. We cannot look upon the Bill as dealing only with that class of company which the hon. member has in mind. We must consider that there may be some companies formed by persons that have not the same reputation as those whom the member for Guildford-Midland is considering.

The Minister for Justice: The same could apply to limited companies.

Hon. A. V. R. ABBOTT: I know, and that is why we try to protect the shareholders as much as possible with this legislation. The first clause in the Bill provides that a co-operative company shall not be obliged, as a limited and no-liability company now has to do, to file with the registrar a return of allotments stating the number and nominal amount of shares comprised in the allotment, the names and addresses and descriptions of the allottees and the amount, if any, deemed to be payable by each shareholder within one month of such allotment. I have no objection to that provision.

The next clause proposes to amend Section 150 which provides—

> (1) Every company shall keep at its registered office a register of its directors or managers containing with respect to each of them the following particulars, that is to say:—
>
> (a) in the case of an individual, his present Christian name and surname . . .

Certain other particulars are also required by that section, such as information regarding any other directorships that an individual director may hold. Subsection (2) of the same section provides—

> The company shall, within the periods respectively mentioned in this subsection, send to the Registrar a return in the prescribed form containing the particulars specified in the said register and a notification in the prescribed form of any change among its directors or in any part of the particulars contained in the register.
>
> The period within which the said return is to be sent shall be a period of fourteen days from the appointment of the first directors of the company . . .

The proposed amendment is to provide that this notification shall only be required to be sent with the annual return.

The Minister for Justice: That is sufficient.

Hon. A. V. R. ABBOTT: I wonder! However, I have no strong views on this amendment.

The Minister for Justice: Mr. Boylson has thoroughly investigated the position.

Hon. A. V. R. ABBOTT: That is rather an unfair statement taking all the circumstances into consideration, and I think the Minister knows that.

The Minister for Justice: I do not think it is.

Hon. A. V. R. ABBOTT: I will not argue with the Minister. I think annual returns are very necessary with respect to those co-operative companies that the hon. member for Guildford-Midland has in mind. For example, some shyster from the Eastern States may form a co-operative company here, but no information can be obtained about the directorship in order to ascertain who are the responsible persons.

Mr. Nalder: The member for Maylands could obtain that information.

Hon. A. V. R. ABBOTT: I do not know whether he could. However, that point of view should be considered. There are people who are ready to make an easy living, but who are not altogether reputable. That is why the Act contains all these safeguarding provisions. I well remember how the Minister for Justice fought for them because I was a member of the select committee, of which he was chairman, when we considered the amend-

ing Bill at that time, and I was most anxious to try to protect the companies as much as possible in order to save them unnecessary expense and worry. I would like the member for Guildford-Midland to consider that point.

Of course, I know that the Bill provides that the names of directors of co-operative companies must be forwarded to the registrar and perhaps that is sufficient. On the other hand, if a co-operative company is unreputable and no information can be obtained as to who is responsible for hawking its shares or for the conduct of the company generally, the position could become very difficult. There have been instances of fraud taking place in co-operative companies. Under the Bill one might not be aware who the directors are and, until the annual returns are forwarded to the registrar, that information could not be obtained.

In view of all the surrounding circumstances, if the hon. member is still of the opinion that the Bill will prove to be of some value in assisting those co-operative companies which, in the majority of cases, forward their returns regularly, I have no objection to it. Nevertheless, I again point out that there is the problem of a person forming a company who is not of good character and the opportunity is not available to ascertain who are the responsible persons.

Hon. L. Thorn: You could soon find out.

Hon. A. V. R. ABBOTT: Yes, but one may have to wait for 12 months until the annual returns are lodged. When they are received and it is discovered that the directors are Tom Jones and Bill Smith, they need only say, "I resigned from the directorship 12 months ago," and there is no proof to the contrary. Undoubtedly the majority of companies are reliable, but these provisions in the Act were inserted to grant the public the fullest possible protection against wrongdoers.

The Minister for Justice: It is now being found that they are rather cumbersome.

Hon. A. V. R. ABBOTT: Well, I have no strong views on the Bill. The next clause in the measure proposes to amend Section 104. This merely sets out to grant power to a co-operative company to purchase up to 20 per cent. of its share capital. As this would prove to be a convenience to a co-operative company, I do not see any objection to that provision. The next amendment proposes to alter Section 175 which deals with the distribution of surplus assets after all debts have been paid and all capital has been subscribed. The Act at present gives power to a co-operative company to distribute such surplus assets among those who have made purchases during the period of three years immedately prior to the liquidation of the company.

By the Bill it is thought advisable to extend this period to five years and I have no reason to object to that because persons in the district who have contributed to the assets of the company by taking their business to it, although such trading may have been done five years prior to the liquidation, might be reasonably entitled to share in the distribution of surplus assets. The next portion of the Act proposed to be dealt with by the Bill is Section 369. This provision raised some doubt in the mind of the Minister for Justice because at present it prevents a company from having its shares hawked from door to door.

As the Minister explained to me many years ago, it was inserted in the Act to prevent any sharp salesman from soliciting housewives to invest small or large sums in shares that were not solid or valid. Here again we have the same contention. If every co-operative company was a valid and genuine organisation and was always to be so, then we could not complain about the abolition of this section. Nor could we complain about the deletion of the section if every company was in future to be genuine, valid and honest or a company that could apply for additional capital. But that is not so with any company and it cannot be so with any co-operatives.

The Minister for Justice: There is less risk with co-operatives.

Hon. A. V. R. ABBOTT: I think there is, but anyone can start a co-operative. Members should not forget that when shares are sold, very often money is received and that money could be used by the promoter for his keep and general expenditure. He might be the secretary of the company and when disposal of the money position was being investigated, he could not be had up for a breach of a contract or for any criminal offence although he might have got fairly considerable sums out of a number of people who could ill afford them. He could go from door to door and collect this money; he could tell a good tale and utilise the money to pay his own salary and general expenditure.

Mr. Brady: He could do that now.

Hon. A. V. R. ABBOTT: No he could not because he could not hawk.

Mr. Brady: He could do it now.

Hon. A. V. R. ABBOTT: The kind of co-operative the member has in mind is such a co-operative as is envisaged by Westralian Farmers. But anyone can form a co-operative company. A quick thinking artist from the Eastern States or he can can come from anywhere—from Timbuctoo if members like—register a co-operative and start selling shares in the district. There was an example of a similar nature only a short while ago. I refer to the Pot of Gold. That was quite a legal proposition; it was a scheme

thought out by some American showman. He did something within the law and went away with a considerable amount of money. But that was done with salesmanship.

The Minister for Justice: He came in as a foreign company.

Hon. A. V. R. ABBOTT: He did it, and it was actually quite a smart bit of work. There is nothing to prevent a man forming a co-operative and doing pretty well in the same way as did the American to whom I refer.

The Minister for Justice: A foreign company has a better chance of getting away with a thing like that than has a company in this State.

Mr. Brady: An insurance organisation did that recently.

Hon. A. V. R. ABBOTT: One has to weigh in the balance what it is best to do. Is it better to have the general run of co-operatives, which are an advantage to society and render good service, or should we impose some little restriction on them to protect the odd ones that would not be genuine?

Mr. Brady: They cannot get the benefits of Federal taxation under the present system, and that is what they want to get past.

Hon. A. V. R. ABBOTT: There is a better way of doing this. We must not forget that a genuine company only has to ask the registrar, and permission will be given to hawk shares. This measure only takes it thus far. But they can do it without permission. I am not sure that a little investigation and trouble to get the permission of the registrar is not worth while. It is not much trouble to write to the registrar and get his permission after giving him sufficient information.

On the whole, this is one of the amendments with which I am not in agreement. On balance I think it would be better to give the co-operative companies that little difficulty—if we like to call it that—of writing to the registrar and proving that they are genuine rather than permit these non-genuine concerns to take money from people who could least afford to lose it.

Mr. Perkins: It is not nearly as easy as that.

Hon. A. V. R. ABBOTT: Why?

Mr. Perkins: It has been found in practice that it is not.

Hon. A. V. R. ABBOTT: They only have to get consent.

Mr. Perkins: What about delays?

Hon. A. V. R. ABBOTT: I suppose it would take about ten days.

Mr. Perkins: You are very optimistic.

Hon. A. V. R. ABBOTT: If the hon. member did not get a reply in ten days he would be down there damn quick and on his toes; everyone knows that.

Mr. Brady: There are certain obligations; you have to get certain papers and statements.

Hon. A. V. R. ABBOTT: One has to show that one is doing it in a genuine fashion. On balance, that is one of the reasons why I prefer that this section should remain. The last provision to which I wish to refer is Section 397. It is not one on which I have strong views. At the present moment and for a very good reason, documents have to be filed in the court and have to be certified by an expert. That is not unusual as we understand it at the present time, because we have builders who can not build a house unless they are experts; a man cannot work on a wharf unless he is an expert; nor can a man work as a plumber unless he is an expert.

Mr. Ackland: You can be a member of Parliament without being an expert.

Hon. A. V. R. ABBOTT: It takes quite a lot to be a member of Parliament; jolly hard work. At the present moment those documents have to be certified by a lawyer or an original director. I do not think that is unreasonable, and I feel it is an advantage to the public.

Mr. Perkins: It is of great benefit to the solicitor.

Hon. A. V. R. ABBOTT: I agree with that. It is also of great benefit to the wharf lumper, to the householder, to the doctor and to a few other people. Being what I am, I would be most unusual if I were to be happy about this amendment. That is why I do not wish to overstress it. It is proposed to allow a certain officer of a public company who may have no experience at all to act in this matter; I understand it is the existing secretary of this proposed company that is sponsored by Westralian Farmers.

Mr. Perkins: You are wrong there.

Mr. Brady: By the Co-operative Federation. He is an expert.

Hon. A. V. R. ABBOTT: I think he probably is, but will he always be so?

Mr. Brady: Oh yes!

Hon. A. V. R. ABBOTT: But will the same man always have the job? It is a little unusual for a public Bill to make such a provision for a certain officer in a public company. I do not know what the views of the registrar are, but he is a man trained in my profession and is a very able officer.

The Premier: In spite of or because of training in your profession?

Hon. A. V. R. ABBOTT: Doubtless he added to his qualifications as experience always helps. I doubt whether he would

be too happy about this proposal. Generally speaking, the Act resulted in an immense saving of time to the registrar's office, and it should be borne in mind that if a member of the legal profession is negligent in connection with such matters or causes any difficulty, he is legally responsible and may be dealt with by the Barrister's Board. This being so, members of co-operative societies know that they have a certain amount of protection, but would they have such confidence under this proposal? The member for Guildford-Midland has in mind a certain man, but that man might be dead in 24 hours, and what would the next man be like, or the man after him? A statute operates until it is repealed, and can any guarantee be given that the next man will possess equal qualifications?

The House would be well advised not to alter the law. What would happen if a builder possessed full qualifications but failed to register? A man who was competent to build a house and sell it for £7,500 must possess qualifications, but he was prosecuted and fined for not being registered. Why not make an exception for a man like that? Dealing with the Bill, why take this matter from expert hands? This is a job for lawyers, so why make an exception here?

Mr. Brady: Because he might be many miles away.

Hon. A. V. R. ABBOTT: Perhaps so, but a solicitor is to be found in most country towns. I cannot commend this provision to the House. The existing section is satisfactory and I see no reason for making an exception in this instance. The hon. member would be wise to seek other means to attain his object. I do not know how long this company has been constituted, but this is a most unusual proposal, not to be found, so far as I have been able to ascertain, in any other Act in Australia or elsewhere. It is most unusual to confer certain authorities upon a man who has no certification—I do not say that he has not the qualifications—and who may be employed merely in an acting position without having any real knowledge of the business. I must oppose the proposal.

MR. PERKINS (Roe) [9.16]: This Bill contains proposals to amend the Companies Act, which proposals the Co-operative Federation—a representative body with which practically all co-operatives in this State are affiliated—has been pressing for a long time. I know that quite a few members of this House have had discussions with the secretary of the Co-operative Federation during which the difficulties that this Bill seeks to overcome have been discussed in detail. Of course those difficulties are well known to the Registrar of Companies. Certain provisions of the Companies Act that this Bill seeks to amend are not being enforced at present because they are simply not applicable to the conditions relating to co-operative companies in this State, conditions that are similar to those under which co-operatives are operating elsewhere in Australia.

I regret that this measure was not introduced by the Minister instead of being left to a private member. I understand that it was discussed in the Minister's office, and that the member for Guildford-Midland who, like myself, is deeply interested in the co-operative movement, agreed to introduce the Bill. The difficulties are well known to the registrar, who has indicated in the statements read by the Minister that the Bill is justified. A better way to deal with the matter would have been for the Government to introduce the measure, but whether it be a Government Bill or a private member's Bill does not detract from the value of the provisions it contains.

As most members are aware, the co-operative companies in this State are compelled to operate under the Act unless they choose to function under the Societies Act, but that statute so limits the scope of the company as to make it unsuitable in a large number of cases. A much more satisfactory approach to the problem would be to have a separate Act for co-operative companies, such as is found in some of the other States, and I know that the co-operative movement would much prefer a set-up of that sort, but in view of the fact that there is no co-operative Act as distinct from the Co-operative and Provident Societies Act under which the co-operative companies can operate, the next best thing they can do is to function under the ordinary Companies Act.

This Act contains certain provisions which apply particularly to co-operative companies and they do make the position workable. The co-operative companies have flourished and extended over many years, but certain provisions in the Act are unworkable and the Bill seeks to recognise them.

Hon. A. V. R. Abbott: That is an overstatement. They are not unworkable.

Mr. PERKINS: I can only think that the hon. member has not discussed the problem with the Registrar of Companies.

Hon. A. V. R. Abbott: I have done that.

Mr. PERKINS: Then I am amazed at the hon. member's statement because I know that the registrar recognises that if the law were complied with the co-operative companies could not function. Let the member for Mt. Lawley be realistic about this! Many co-operative companies are quite small concerns and are operating with a limited personnel at centres far distant from Perth. They have not got a trained lawyer in charge of their operations; indeed, they might not even have a qualified accountant as secretary. But they do function and provide a service.

It is only natural that the manager, who has all the worry of the operations of the company, is liable to overlook the need for some returns which are required under the Companies Act. If the member for Mt. Lawley discusses the problem with the Registrar of Companies, I am sure he will be told that a great number of these returns do get into arrears, and the registrar recognises the difficulties that exist. The hon. member apparently recognises certain of the difficulties because he has already stated he is prepared to accept the first three provisions in the Bill.

As I understand his speech, the provisions he takes particular exception to are, firstly, those relating to canvassing for shares and, secondly, those for the certification of the correctness of the particulars supplied by the companies. Dealing with the one regarding the canvassing for shares, obviously a co-operative company is in a much different position from that of an ordinary proprietary or public company in that if a proprietary or public company is having a prosperous time its shares will sell at a premium. If the value of its assets exceeds by a considerable amount the total of its share capital, plus its liabilities, then its shares are worth more than their face value. But the position is entirely different with a co-operative company in that it is always prepared to sell new shares at their face value. Therefore, the shares of a co-operative company can never be worth more than their face value.

For this reason members must realise that it is not practicable to use either of the means envisaged in the Companies Act for the recruiting of new capital for a co-operative company. The capital of such a company is recruited by appealing to the people who are interested in its operations which are usually close to the interests of the shareholders. They subscribe to the company more from a spirit of goodwill towards it than a desire to obtain a lucrative return on capital invested.

Surely the member for Mt. Lawley must realise that in these circumstances it is not practicable to apply the same provision to the recruitment of capital to a co-operative company as to the recruitment of capital to other classes of companies. Probably under the existing law many co-operative companies sail pretty close to the wind in the way they recruit their additional capital, but the registrar knows perfectly well that there is nothing objectionable—

Hon. A. V. R. Abbott: That is not true.

Mr. PERKINS: —being done at the present time.

Hon. A. V. R. Abbott: How do you know?

Mr. PERKINS: I am saying that is my opinion.

Hon. A. V. R. Abbott: You will hear more later.

Mr. PERKINS: If the member for Mt. Lawley can cite any opinion from the registrar that objectionable practices in the recruitment of capital for co-operative companies are in vogue at the present time, I will be interested to hear it. I shall also be interested to hear of any instances of the public being fleeced. Honest miscalculations can occur as to the prospect of success of individual companies, and I admit that there have been instances in the past where co-operative companies have not proved successful, but there has been no suggestion that the shareholders have been hoodwinked in any shape or form, because obviously the people who put their money into a co-operative company do not invest it to secure a lucrative return but rather to further the particular project which the co-operative company is aiming to finance.

If we look at the matter realistically we must agree that different principles have to be applied to the co-operative companies in the matter of the recruitment of capital compared with what is necessary for other concerns. The fact that the Minister for Justice has read a statement from the Registrar of Companies—

Hon. A. V. R. Abbott: He did not read a statement. He made a statement.

Mr. PERKINS: He indicated to the House what he thought the views of the registrar were.

Hon. A. V. R. Abbott: Yes.

Mr. PERKINS: Surely the member for Mt. Lawley is not going to quibble at that particular point. A responsible Minister does not come to the House and state views that are different from those held by his senior departmental officer. We must accept that the statement made by the Minister for Justice is the considered opinion of the registrar, and I am hopeful the House will be prepared to accept that considered statement.

The other point is in regard to the certification of certain documents which, in practice, must be certified by a solicitor. The member for Mt. Lawley evidently has some doubts as to the desirability of the proposed amendment. I would point out that the secretary of the Federation Trust Ltd. is also the secretary of the Co-operative Federation, and I understand that the words "Federation Trust Limited" had to be used instead of the words "Co-operative Federation" because the Federation Trust Ltd. is a company in close co-operation with the Co-operative Federation, and is also registered in the Companies Office, and therefore it fulfils the necessary technicalities required by the wording of the Bill.

In practice, all documents relating to co-operative companies are sighted by the secretary of the Co-operative Federation and he is the technical officer who advises co-operative companies what is required in these matters. He is especially trained for the work and even if the present secretary of the Co-operative Federation were to resign or pass on, or if some other officer were appointed, whoever was selected for that position would be a specialist in these matters, because that is the main purpose of the appointment—to advise the co-operative companies from time to time on the preparation of their balance sheets and in regard to the other difficulties that arise in the technical relations between co-operative companies and the registrar's office.

It is therefore difficult to imagine a more suitable person to certify to the correctness of these documents than the officer named in the Bill. If some solicitor is engaged, it is necessary for him to satisfy himself that the documents are in order, but I submit that in practice in the vast majority of cases he is quite prepared to accept the word of the secretary of the Co-operative Federation that the documents are suitable for him to sign. The position is such that at present co-operative companies have to pay a fee for what is purely a technical service, and one that really does not provide any more safeguard than could be obtained by accepting the provision contained in the Bill.

I sincerely hope that the House will agree to the measure which the Co-operative Federation, and therefore all the co-operative companies affiliated with it, are anxious to see passed into law. If agreed to, the measure will make legal what is actually in practice. From my close contact with co-operative companies throughout the State, I know that the law cannot at present be rigidly enforced, and I am not surprised to hear that the registrar is quite agreeable to the provisions contained in the Bill.

MR. COURT (Nedlands) [9.35]: There are some desirable features in this Bill which are aimed at relieving companies with limited administrative facilities of certain formalities to an extent which I consider is consistent with the public interest. The general requirements of the Companies Act are fairly searching and onerous, and in the main it is undesirable to see them amended. In no case should they be amended lightly, but I appreciate the object of the sponsor of this Bill in trying to relieve co-operative concerns of the burden of certain formalities which will be taken care of through other channels if the measure becomes law.

The provision which seeks to extend to a co-operative registered under this Act, as well as those registered under the repealed Act, the right to purchase its own shares, is an extension of the intention when the principal Act was first introduced. One can only assume that the Parliament of that day intended the special provision relating to co-operative companies being able to purchase their own shares, to be restricted to the co-operative companies in existence at that time. This measure seeks to extend that privilege to co-operative companies registered under this particular Act, as distinct from those registered under the repealed Act.

In view of the general objection to a company purchasing its own shares, one can understand the reason for the restriction, but I am of the opinion that, regardless of the general objection to the purchase by a company of its own shares, there is merit in allowing a degree of tolerence with regard to co-operatives being permitted to purchase shares up to the value of 5 per cent. of their paid-up capital. It must be understood that shares in co-operatives are not generally easy to negotiate owing to the specially restrictive measures contained in their memoranda and articles.

If some tolerance is not permitted with regard to the purchase of its shares by the company, hardship can be caused in the case of small deceased estates. For that reason I support this measure insofar as it permits the purchase of shares to a value of up to 5 per cent. of the paid-up capital of the co-operative. By that means, small parcels of shares can be taken up by the company and disposed of, as time and circumstances permit, among those interested in the co-operative movement or in the particular company in question.

Up to that point, I have no quarrel with the Bill, but I am a little concerned at the provision relating to the hawking of shares, which proposes to liberalise the position in respect of co-operative companies. We all know why the Companies Act contains its restrictive provisions with respect to canvassing and the hawking of shares. There are some cases where shares of co-operative societies—as distinct from co-operatives registered under this Act—have had unfortunate consequences for the persons who invested their moneys in them, as a result of certain people canvassing shareholders for those societies.

There was one such society wound up recently by order of the court. The position there was disastrous for the unfortunate people who were induced by the sponsor to invest in that particular society. I hasten to make it clear that it was not a co-operative company the like of which has been discussed by the member for Roe this evening. There was a case where a person took the trouble to form a co-operative society, no doubt with all the goodwill in the world, but he did not have the organising capacity and the managerial ability to see the thing through.

However, in spite of the objections to hawking and canvassing as a general rule, I feel that the peculiarities of the co-operative organisation are such that we must be prepared to grant a degree of tolerance to them. It is apparent to me that they need the right to canvass within their own particular sphere of operations for the capital to keep their concerns expanding and, in some cases, to actually keep them in operation. But in this regard I trust that the sponsor of the Bill will agree to accept some restrictive measure.

Reference has been made to the Co-operative Federation and from the remarks made it would appear that there is some legal difficulty in naming the Co-operative Federation as a recognised body for the purposes of supervising the operations of some of these companies. It has been advanced that the Federation Trust Ltd. is a body which can be named to take the place of this Co-operative Federation. It would be helpful if the sponsor of the Bill would be prepared to give us some more information regarding the background and the constitution of the Federation Trust Ltd. so that we can better appraise its capacity to undertake the supervision of certain activities of the co-operative companies so far as they affect the operations of the Companies Act.

I would also like to ensure that the hawking provisions—and I use the word "hawking" for want of a better name, but I think members understand what I mean —cannot be availed of by a co-operative society until it has some trading history. For instance, if it has been in existence for two years it would have become established and would have become fairly well known to the co-operative movement, the trading community and the people who actually deal with the co-operative itself. If we could combine some restriction which would make it obligatory for the co-operative to have two years history as a co-operative and at the same time make it obligatory for the co-operative company to be a member of the Co-operative Federation—or the Federation Trust Ltd., if that is the better organisation to name—we would find a way round the difficulty. If that were done we could be reasonably certain that there would not be an abuse of the hawking provisions and at the same time we would not be imposing undue hardship on the co-operative companies in having to comply with the existing provisions of the Act which were deliberately made exacting.

As far as the certification of legal documents is concerned, I remind members of the reason behind the present provisions in the Act. I am a member of an institute of accountants whose members are mainly practising in this State and we had some considerable bother at one time with members who felt that they had the ability to undertake certain legal work, without remuneration and just as part of their accounting duties. They undertook certain drafting and I must confess that they even went so far as to prepare articles of association and amendments to those documents.

There were some most unfortunate experiences; in fact, I think when they stopped doing it they deprived the legal profession of a considerable amount of its revenue because members of that profession must have made a considerable sum out of correcting the errors of those amateurs. The institute made a strict rule that its members would not engage in any legal work because they did not have the training, the knowledge or the experience to undertake it and that rule has been rigidly enforced. Some of our members objected and said that they knew as much about the Companies Act, and certain other Acts, such as the Bills of Sale Act, as the solicitors themselves.

Mr. May: And probably they were not far out, either.

Mr. COURT: They may have been right, but one must acknowledge that a person who sets himself up as an expert in a particular profession, trade or calling has claims superior to those of a person who has not had that specialised training or experience. Therefore I feel we should not accept the proposed amendment lightly. I am fully conscious of the practical difficulties that the sponsor of the Bill is attempting to overcome and he has my full support in any move which will overcome those difficulties, providing the necessary safeguards can be ensured. Therefore I trust that if, and when, he replies to the debate, he will give us some further information regarding the operations and the constitution of the Federation Trust Ltd. so that we can better determine its ability to accept this responsibility.

In particular, I am concerned about the continuity of that particular body. Admittedly, it is a limited company and therefore could carry on indefinitely even if some of its officers retired, resigned or died as the case may be. But therein lies a danger. While the present office-bearers obviously enjoy the confidence of the people who deal with them, we cannot forsee who will be the office-bearers in 10, 15 or 20 years time. We want to know more about the method of appointing those particular officers and I am rather anxious to hear of the peculiar relationship between the Co-operative Federation and the Federation Trust Ltd.

It appears that somewhere around that particular group of organisations is the hub of the co-operative movement in this State. They would be most jealous to see that the co-operative companies played the game and if we can devise some amendment which will bring the hawking provisions and the certification of legal

documents under suitable scrutiny, I think we can achieve the object that is desired by the member for Guildford-Midland.

MR. NORTON (Gascoyne) [9.50]: I think it will be a great pity if the provisions of the Bill are not incorporated in the Companies Act. Whilst the co-operative companies and the co-operative movement work along similar lines, their shares and the method of dealing with them are considerably different. The shares of a co-operative company are definitely limited in number and to a particular district or industry. They may be peculiar only to the crayfishing, the banana growing or the flax industry. Again, other co-operatives are peculiar to district such as Midland Junction, Collie and so on.

Therefore, the shares that are issued to the people in these industries or districts are of no value to those outside them. The brokerage of such shares is practically impossible and it is not encouraged because the dividend that is paid on the shares is only nominal and the shareholders derive their principal benefit from the trading rebate that is allowed by the co-operative company. The amendment suggested in the Bill will tend towards the smooth running of these companies which, in many instances, are far removed from the metropolitan area.

One at Carnarvon, with which I have had considerable experience, has to rely a great deal on the Co-operative Federation for advice and looks upon it as its legal adviser and guardian. This assistance is very necessary because there are many difficulties and peculiarities associated with the co-operative movement and individual co-operative companies. One of the amendments seeks to give that federation the power which lawyers now have to sign documents and make any alteration to the articles or memorandum of association of the various companies.

At present, after the federation has dealt with all the requirements necessary under the Act, it is obliged to submit the documents to a solicitor in order that his signature may be attached to meet the requirements of the law. The canvassing of shares could be absolutely peculiar to a co-operative society. Also, the manager of any co-operative is often the accountant, secretary, salesman and, in fact he practically controls the whole of the activities of the society. In the course of his duties he has of necessity to call on shareholders and other people in the district who are interested in the company.

Naturally he will take the opportunity to sell shares to them and as a result he becomes a hawker. Therefore, the amendment dealing with this particular situation is necessary to grant such a manager his legal rights when selling shares to those people who are interested. The registration of directors and shareholders also comes within the ambit of the manager whose time is fully occupied with many duties connected with the company. If this obligation were confined to the period during which the annual returns are forwarded to the registrar, it would make his duties a great deal easier because there is no doubt that co-operative companies experience great difficulty due to shortage of staff. As to the purchasing of shares by a co-operative company, I will have more to say on that subject in Committee and, for the present, I support the second reading of the Bill.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Moir in the Chair; Mr. Brady in charge of the Bill.

Clauses 1 and 2—agreed to.

Clause 3—Section 150 amended:

Hon. A. V. R. ABBOTT: I discussed this clause in the second reading and I do not propose to make much further comment. I consider the clause to be very inadvisable and therefore do not intend to vote for it.

Mr. BRADY: The point is that there is not only one director in the directorate of a co-operative company. There are generally five or six and I cannot imagine four or five resigning in a body. If all the directors resigned, the fact would soon become public property because the activity of a co-operative company is the interest of any community shareholder. The member for Mt. Lawley is taking the view that 12 months would elapse before any information could be obtained regarding the company directorate.

I would point out that returns are also forwarded to the registrar in March. It would be most unusual if a director got into trouble in, say, April and 12 months elapsed before the registrar could be acquainted with the position. Normally, if a registrar is of the opinion that a company is experiencing difficulty with staff problems, he shows leniency towards it. As one member has pointed out, such companies, in most instances, have neither a legal man nor a qualified accountant on the staff.

Very few legal men are inclined to go into the country to take up a position with a co-operative society. The registrar realises that and is inclined to be lenient with a company if it gets into any difficulty. I agree that there could be a weakness in the amendment if anyone were trying to indulge in sharp practices. I do not think there is a weakness here in that respect. There is not the temptation to play around with shares in the hope that they will go up in price. The inducement is not there to buy shares and then sell them at a profit. A co-

operative share is bought for £1 and sold for £1. Anybody who wishes to buy shares in a co-operative company puts his proposition to the director who sees if it is not possible to get shares transferred from somebody who is leaving the district. For the purpose of assisting country co-operatives that are up against staff troubles, I hope this will not be altered.

Clause put and passed.

Clauses 4 and 5—agreed to.

Clause 6—Section 369 amended:

Mr. COURT: I move an amendment—

That in line 5, after the word "company", the following words be inserted "which has been registered under this Act or under the repealed Acts for a period exceeding two years".

I have a very good reason for suggesting this time limitation. In fact, I would prefer the restriction to go further and to tie up with membership of the main co-operative body. I feel therein lies a great protection for these people who are in the co-operative federation. We have not heard from the member for Guildford-Midland of the legal complications he has in mind in not using the term "Co-operative Federation", although later in the Bill there is reference to "Federation Trust Limited".

The main reason for the suggested two-year limitation is that a co-operative company commencing in business should follow certain procedures. I do not think they object to that and there is no suggestion that they do object. In commencing their operations, it is important that they make adequate provision for the proper capitalising of their concerns during the initial period of 12, 18 or 24 months of their history. I feel sure the member for Guildford-Midland will admit that much trouble is caused with businesses, whether they be co-operative or otherwise, commencing their trading history without having made adequate provision for the capital to get themselves established.

It is reasonable to insist that they properly capitalise themselves for the first two years of their operations. During that time they will establish a history as a successful trading concern or as concerns giving satisfactory service in accordance with the co-operative ideals, and the people asked to subscribe, whether it be by one of the company executives or by one of the roundsmen, will know that this particular company has been conducting its affairs successfully over a period of two years.

Mr. May: They will make their inquiries in any case.

Mr. COURT: That is not always so. Some people do invest rather lightly. They do not invest in these co-operatives in large sums. The restrictive measure would not be an undue hindrance to the co-operatives before they were free to canvass for their share money in the manner proposed.

Mr. BRADY: I would like to accept the hon. member's amendment but it will not help the position. In the initial stages they would still have to float through the stock exchange. That is one of the difficulties the Co-operative Federation is trying to overcome by means of this Bill. I have a letter from the secretary of the Co-operative Federation of Western Australia in which he states, among other things, that the co-operative movement is precluded from getting the benefit of Section 117 of the Federal Taxation Assessment Act.

The member for Nedlands did say he would like to tie this section up with membership of the co-operative movement and members of the Co-operative Federation. I favour that proposition more than the amendment he has just moved. If the hon. member is prepared to let the Bill go through as it is, I promise to discuss this matter with the members of the Co-operative Federation and if they agree, I will endeavour to meet his wishes in another place. In the meantime I prefer to oppose the amendment.

Mr. COURT: I do not think the member for Guildford-Midland has got the import of my amendment. If there is a dangerous period with the public, it is in the initial floating of the co-operative. It would not be known to the people of the district so well. There may be reputable people in it, but they will not know it for its trading performance and for the service it is able to give. The co-operative movement could not well object to some delay and formality at the inception of a company, and there is adequate protection in Section 369. After the two years' period, the company would be free to canvass in the way proposed, and I am in favour of that. The greatest protection required and the one of most value to the public is in the initial period, and I ask the member for Guildford-Midland to reconsider his approach to the question.

Mr. May: Would not the first two years be the most critical period in the history of a company?

Mr. COURT: Yes, as far as the public is concerned. If the company acted under Section 369, it would get the desired exemption after having satisfied the authorities that it was a fit and proper concern to have the exemption. When the hawking and canvassing provisions were introduced, exemptions were included. The formalities are a necessary protection at that stage of a company's history. If a company can get the approval, the public can invest with confidence, and at the expiration of two years, the company would have made a reputation as a trading concern.

Mr. BOVELL: In view of the doubt in the mind of the member for Guildford-Midland, I suggest that we report progress, which would allow time for him to con-

sider the matter further. He will not gain anything by forcing the measure through tonight.

Mr. BRADY: The Bill has been on the stocks for three weeks and it might be as well for me to accept the amendment. The co-operative movement was originally formed of all the co-operatives with a view to having a central body to assist with the problems that arose in the early stages of their existence. This scheme has worked successfully and, as numerous co-operatives have been formed, they have joined up. The Collie Industrial Co-operative did not join up for the greater part of 20 years, but ultimately appreciated the benefit of so doing.

It became necessary to have a legal body to put into operation various plans from time to time, and as the co-operative body could not be registered as such, it was registered as a secondary body known as the Federation Trust Ltd. The principal object of the federation is to have an expansion fund for co-operative movements generally. Funds subscribed by members are used to administer such schemes as those for employees' retirement, managers' long service leave and matters of that sort, and by being registered, it has legal standing.

Hon. A. V. R. Abbott: Who are the shareholders of the trust?

Mr. BRADY: The co-operative bodies throughout the State.

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

Clause 7—Section 397 amended:

Hon. A. V. R. ABBOTT: I commented on this clause during the second reading. The Committee would be ill-advised to accept it and I shall vote against it.

Mr. BRADY: The terrible things visualised by the member for Mt. Lawley are not likely to occur. We are not proposing to exclude solicitors; all we wish to provide is that the secretary of the Federation Trust Ltd. should have power to sign Form 8 when a co-operative society is registered. That form is prescribed at the end of the Companies Act and provision is made that it be submitted with the memorandum and articles of association. In most instances the companies accept in their entirety the articles of association as laid down in the Act.

Provision is also made in one of the schedules regarding the number of directors, their occupations, the number of shares held and the objectives of the company. Thus there is hardly any requirement that calls for the services of a solicitor. Under the Act, there are at least 100 forms or regulations prescribing the requirements, and 80 per cent. are signed by the secretary or an officer of the company. Solicitors are required to sign only in the matter of about two documents prescribed in the Act.

Hon. A. V. R. Abbott: That is not correct. There is a large number of documents.

Mr. BRADY: Well, those are the main ones; the hon. member can tell us the others. Probably another would relate to the holding of the annual meeting and the fact that the shareholders had been duly notified of the meeting. There may be one other document that might have to be certified by a solicitor and that would be the terms of agreement in the taking over of a business. A co-operative company might take over an existing business and a copy of the contract drawn up for the purpose would have to accompany the memorandum and articles when they were placed before the registrar, who has certain obligations under the Act. He must satisfy himself that the company is formed correctly. He can insist on certain matters being carried out by the company. The Act also provides for the appointment of inspectors, and they are on the look-out to see that there are no weaknesses.

A co-operative company is virtually a community concern in which everyone is watching to see that the right thing is done. There is no excluding of a solicitor here, but it gives the company the option to have a solicitor or the secretary of the Federation Trust. The main reason for this provision is because the Federation Trust helps about 80 per cent. of the co-operative companies that are formed today, and the officer of that body is in a better position to certify that the documents are correct than is a solicitor who might be 50 or 100 miles from where the co-operative company is being formed. The member for Mt. Lawley will realise that a man handling the formation of companies from week to week and year to year must become a greater expert than a solicitor who scutinises documents once in 12 months or two years. I hope the Committee will not alter the clause.

Clause put and passed.

Title—agreed to.

Bill reported with an amendment.

House adjourned at 10.24 p.m.