Legislative Assembly.

Tuesday, 2nd February, 1943.

The SPEAKER took the Chair at 2.15 p.m., and read prayers.

QUESTIONS (2).

RUBBER.

As to Collection of Waste.

Mr. CROSS asked the Minister for Industrial Development: Will he inform the House in regard to the collection and use of old rubber, 1, What action was taken as a result of the motion carried on the 28th October, 1942? 2, Is he satisfied with the present position as disclosed by last Wednesday's debate? 3, If not, will he state what action either the State or the Commonwealth Government proposes in order to remedy the position?

The MINISTER replied: 1, I made personal representations to the Commonwealth Minister for Supply and Shipping (Mr. Beasley) who agreed to appoint Mr. T. C. Carlisle (retread expert not connected with any rubber company) to the committee set up to supervise the sorting of tyres and to make decisions as to what is to be done with them. 2, The committee in question is doing valuable work. However, the collection of used and scrap rubber which does not come under the committee's consideration is being carried on in a way which appears to be unsatisfactory. 3, It is understood local officers of the W.A. Branch of the Department of Supply and Shipping have referred proposals for the better collection of such rubber to the head of the department in Melbourne. The State Government is taking the question up with the Commonwealth Minister for Supply and Shipping (Mr. Beasley).

STREET LIGHTING.

As to Saving of Electricity and Coal.

Mr. NORTH asked the Minister for Works: Representations having been made to me to the effect that much electricity and consequently coal are wasted in the metropolitan area by reason of the practice of lighting street lamps on moonlight nights, will he take this matter up with the local authorities?

The PREMIER (for the Minister for Works) replied: Yes.

MOTION—COMMONWEALTH POWERS BILL SELECT COMMITTEE.

Standing Orders Suspension.

MR. WATTS (Katanning) [2.18]: I move—

> That in order to permit the Select Committee to which the Commonwealth Powers Bill was referred to make an authorised statement to the Press from time to time of its proceedings, the Standing Orders having reference to the publication of the proceedings and deliberations of a Select Committee should, for the purpose of this special case only, be suspended during the time the Committee is sitting.

I bring this motion forward as the result of the deliberations of the Select Committee, the members of which feel that it is in the public interest that some publicity should be given to the evidence tendered to the committee. To have Press reporters in attendance while the Select Committee is taking evidence would probably be impracticable, owing to the great shortage of manpower which is noticeable in that department, as in others. In any event, we feel that the committee itself might be the better authority to give publicity to that which takes place before it, because it is more capable of appraising the value of the evidence presented to it, as it knows along what lines of research it is engaged and probably has some rough idea of the nature of the information which the House seeks to obtain. In order that some publicity may be given to the evidence and that information may be made available in that way to the public, the committee desires that this motion should be carried, so that the Standing Orders, which prevent any publication being given to the proceedings, may be suspended.

HON. W. D. JOHNSON (Guildford-Midland): We do not, as a rule, deal lightly with the suspension of Standing Orders. These should only be suspended when some real public purpose can be served. I submit that in this particular case no such pur-

pose can be served by suspending the Standing Orders. The question is an Australia-wide one. While it is true that it involves the States very directly, still the fact remains that we have to regard the question from an Australia-wide point of view, and consequently the publication of matter in Western Australia will not have any particular bearing on the proposition throughout Australia.

The Premier: That does not follow.

Hon. W. D. JOHNSON: That is my opinion. Queensland has already passed this legislation, as has New South Wales, while the other three States have made such progress as to ensure the finalisation of the measure being in sight. Therefore, any deliberations in this State will not be of a constructive character from an Australia-wide standpoint upon an Australia-wide problem. Instead of helping the public by publishing the evidence, we shall be diverting the public mind. We shall be trying to divert public interest from the big national problem to pettifogging matters raised on behalf of vested interests and big business. I have already pointed out that this is a humanity question; it deals with the human problem and is centred on that problem.

Because certain vested interests in Western Australia have been able to secure the appointment of this Select Committee, it does not follow that the committee should get special privileges in regard to the suspension of Standing Orders. If the committee desires to propagate its ideas—which are against the Bill, as far as one can judge—it should do so in the same way as any ordinary person propagates his views. The ordinary person has to take the means at his disposal at the time to voice his opinions and get himself heard. It is not the custom of Parliament to allow the publication of evidence in anticipation of a report by a Select Committee. It is undesirable that that should be so, because the Select Committee is a Committee of Parliament specially appointed for the purpose of gathering information, not for the public, but for the members of this Chamber and possibly of another place. It is, therefore, in my opinion quite wrong to suspend Standing Orders. We would be giving to the public a preconceived idea as to what the committee may have in mind, and the committee would get information that might prejudice the mind of Parliament and have some bearing on the decision of Parliament. It often happens that these committees of inquiry are prejudiced by information leaking out, but the leaking information is not public information. Leakages are confined to those who are there to stop them or absorb them. Here the idea is to give to the Press not the views that Parliament would expect as a result of the inquiry, but the views of the committee as being of public interest. Is it desirable to divert the public mind from the huge question under discussion throughout Australia, namely the concentration on it from a Western Australian angle which, up to date, has not taken that broad view likely to elevate the public mind and do justice to humanity? I therefore enter my protest. I do not like the committee. It cannot be of any value. It is making a sort of Cinderella dance at the present time.

The Premier: Is the hon. member in order in stating that a committee of this House is of no value?

Mr. SPEAKER: The hon. member must not reflect on any committee or vote of the House.

Hon. W. D. JOHNSON: I withdraw! What I did say was that in my opinion it could be of no value. The facts are that there are six States dealing with this problem, and five have made such progress as to suggest that the question will be decided in the affirmative. Therefore, to use this occasion, in Western Australia, as an eleventh hour effort to distort the public mind and divert it from the reconstruction problem, which is a world-wide one, is wrong. Instead of allowing members of the public to read what will be constructive and of assistance, they are going to be diverted with evidence, possibly of a distorted character, that will be put up by individuals. It will not be of that educational value which we trust the committee's report will be when it returns to the House with its findings.

The Minister for Labour: You can appear before the committee.

Hon. W. D. JOHNSON: That is true, but I would be of no value to the committee.

Several members interjected.

Mr. SPEAKER: Order!

Hon. W. D. JOHNSON: I can appreciate that in the opinion of many I am of no value at all, and never have been, but the fact remains that I am a member of Parlia-

ment and have my rights and privileges. Although one has to go with the tide today to be a "Yes" man——

Mr. SPEAKER: Order! The hon. member is getting away from the subject.

Hon. W. D. JOHNSON: Exactly, but the interjection was unruly.

Mr. SPEAKER: Interjections are disorderly.

Hon. W. D. JOHNSON: That is so. I regret that at times I am led away by them, instead of ignoring them. I want to enter my protest and say that this is an extraordinary procedure, and should not be agreed to by the Government on this occasion. It is not helping our case, but is rather assisting to encourage people to keep on writing letters such as we are all receiving—I have already got my issue today—and trying to intimidate members by those letters into believing that vested interests, big business and the assets of particular individuals and companies are in jeopardy. They do not realise that the questions concern the elevation and restoration of homes and mankind! It is, therefore, quite possible that the publishing of this evidence will assist them and give them the idea that what they are doing is of value. Instead, it is misrepresenting the position, and by doing this we are not facing the problem of restoration after the ravages of war during the last few years, as we should. I can only enter my protest, and I do not mind doing so. It is not always entered on the popular side, but I do protest when I feel that a wrong is being done. On this occasion the public is not being assisted, but rather is it being misled into a belief that it can be of assistance when it is useless to imagine that any evidence given to a Select Committee will divert the Commonwealth Government from its determination to do justice in a broad and comprehensive manner in connection with post-war reconstruction. I oppose the motion.

THE PREMIER: As is becoming a habit with the member for Guildford-Midland, he gets distorted views with regard to public matters.

Mr. Marshall: Only those he is opposed to.

The PREMIER: All his views are getting distorted. I do not know whether he is like the boy in the regiment who was the only one in step. That seems to be the idea the member for Guildford-Midland is getting into his mind. I would advise him to come back to earth and not float around in the stratosphere to become asphyxiated through lack of oxygen. This Select Committee—and I agreed to it for the purpose of assisting the passage of this Bill—has been appointed because many people have grave doubts as to whether the Bill says what it purports to say. As a consequence, the committee will go exhaustively into that aspect and obtain legal opinions on it. The public has a right to know what the highest legal officer of the Crown in this State has to say. He is a legal officer and not a servant of the Government. He gives his legal opinion on the law to the best of his ability and does not manufacture or give biassed opinions.

My experience—and I have had a large experience, having been in Ministerial control of the Crown Law Department for 10 or 12 years—is that the Crown Law officers can be depended on to give the strictly legal meaning of the matters they are asked to interpret. The public of this State is entitled to know the opinion of a Crown Law officer who is paid and whose duty it is to give his opinion on legal points which arise in connection with any legislative matter. If the Solicitor General and perhaps the Crown Solicitor or some other legal officers of the Government are called by the Select Committee to give their opinions, which may or may not be favourable but certainly will not be biassed—

Hon. W. D. Johnson: And which may be in conflict with the other five States.

The PREMIER: No, because three out of the five States have already made decisions, so far as I can ascertain. South Australia has done so by introducing a Bill different from the draft Bill, the Victorian Government by the Premier giving notice of an amendment, and the Tasmanian Government by the Premier having stated publicly that he agreed that certain words in the original Bill should be altered. This is the only State that has not said so or passed the Bill.

Hon. W. D. Johnson: The Prime Minister has agreed to those amendments.

The PREMIER: He has no right to agree or disagree to them.

Hon. W. D. Johnson: You can put in amendments by agreement.

The PREMIER: We might adopt an amendment which the Prime Minister, if asked, would agree to.

Mr. Patrick: He has not expressed an opinion on them.

The PREMIER: Of course not! As I pointed out on the second reading debate, the Convention agreed that a Bill would be introduced in each State to carry out the agreement reached, namely, that the powers be referred to the Commonwealth for five years. The Prime Minister and everybody else at the conference agreed to that. However, serious doubts have arisen, and we are justified in resolving those doubts. The way to resolve them is to get other legal opinion. We have a right to call upon the legal advisers of the Crown, and the public has a right to know what they think regarding the constitutionality and the carrying out of the agreement honourably entered into by the Convention. A Select Committee as compared with a Committee of the House is a difference in name only.

Hon. W. D. Johnson: That is why I opposed a Select Committee.

The PREMIER: Instead of calling legal men to the Bar of the House to give their opinions, the most satisfactory and expeditious way is to hold an inquiry by Select Committee.

Hon. W. D. Johnson: We have Parliament to make that inquiry.

The PREMIER: It has been the almost invariable custom here not to call people to the Bar of the House to give evidence.

Hon. W. D. Johnson: No, we have a Government to do the job.

The PREMIER: The hon. member is very inconsistent. On some days he roars that the Government is attempting to domineer Parliament; he says that Parliament has authority and should do this and that Parliament is being ignored. Now he says the Government should do this.

Hon. W. D. Johnson interjected.

Mr. SPEAKER: Order! The hon. member has already spoken.

The PREMIER: And he should be consistent.

Mr. SPEAKER: The Premier should take no notice of interjections.

The PREMIER: We are not out to get the opinions of people who wish to damn the Bill. The object is to get representative opinions as to the effect of the Bill on this State. Witnesses will not be confined to opponents of the Bill. People who are sincerely desirous of making these amendments to the Commonwealth Constitution for five years will be heard. If the member for Guildford-Midland can dig up anyone who has a valuable opinion to offer, such as the president or the secretary of the Trades Hall or somebody of that type, the committee will be only too pleased to give publicity to his views if the reports are published in the Press. The people will be well served by having these reports.

The public has a right to be assured on many points about which it is doubtful Many representative citizens have cast extreme doubt on the proposals to give effect to the agreement of the Convention. If those doubts can be resolved, it will assist the passage of the Bill. Some people say, "If the Bill in fact does what it purports to do, that is, carry out the agreement of the Convention, I am in favour of it," but other people have doubts. The member for Nedlands, for instance, expressed the view that the powers would be transferred for ever, and we all have a high regard for the opinion of the hon. member on constitutional questions. The member for Nedlands was not dogmatic on the point; he said he had a doubt. It is the duty of Parliament to resolve any doubts before the Bill is passed. If we passed the Bill hurriedly and willy-nilly and found later on that there was good reason for the doubts, we would be culpable. Instead of that, we have taken the proper course by holding an inquiry by Select Committee. The Select Committee having satisfied itself sufficiently to make a report, Parliament will be able to deal with the Bill.

As regards publicity, the hon. member has had serious cause for complaint in that the Press does not publish reports of his utterances. The rest of us have the same complaint, but that is due to lack of space. As the Leader of the Opposition stated, we consider that the Select Committee is a better judge of what should be published than perhaps somebody who might be detailed by a section of the Press to report something that might not be of nearly so much value as some other evidence. The motion is a sound one. The public is entitled to know what representative people think. It is a matter of controversy, and if the Select Committee can settle the controversy by getting all the facts, it will have done a good job. While the committee is investigating the matter, the people who take an interest in this legislation should

be given some knowledge of the facts on which the committee will base its recommendations to the House.

Question put and passed.

BILL—COAL MINE WORKERS (PENSIONS).

Read a third time and transmitted to the Council.

BILL—LICENSING ACT AMENDMENT (No. 2).

Second Reading—Defeated.

Order of the Day read for the resumption from the 9th December of the debate on the second reading.

Question put and negatived.

Bill defeated.

Hon. N. Keenan rose to speak.

Mr. SPEAKER: Order! The hon. member cannot speak now.

Hon. N. Keenan: I did not know that the order had been called on.

Mr. SPEAKER: I cannot help that. The hon. member is not entitled to speak now.

Hon. N. Keenan: Not entitled to make a personal explanation?

Mr. SPEAKER: Not entitled to do anything at present.

RESOLUTION—GOLDMINING INDUSTRY.

As to Compensation and Basic Wage Variations.

Message from the Council now considered requesting the Assembly's concurrence in the following resolution—

That in the opinion of this House compensation payable under the Miner's Phthisis Act and the Mine Workers' Relief Act should be so adjusted as to ensure to beneficiaries that the rates of compensation payable to them under these Acts shall be subject to any rise and fall in the current basic wage.

MR. TRIAT (Mt. Magnet) [2.44]: I move—

That the resolution be agreed to.

I should like to direct attention to the fact that when the Miner's Phthisis Act originally came into operation, it provided that the basic wage ruling in the district should be payable to the beneficiaries. That prevailed until 1932 when new legislation was introduced known as the Mine Workers' Relief Act. The Council's resolution suggests provisions differing from those of the Act. Men today suffering from miner's disease in any of its forms, perhaps the advanced state of silicosis or of tuberculosis, are sufferers from a really severe illness. Miners' phthisis, resulting from dust on the lungs, in the first place fills the lungs with fine silica. Frequently the lungs, after death, have been found to be solid. That solidity, by the introduction of a small instrument, can be broken up; but 13 milligrams of dust have been found in one lung alone. Once a man becomes dusted, medical science can do nothing to relieve him by removal of the dust. Tuberculosis in its ordinary forms can be cured, but this form of the disease is incurable. Dust has penetrated the membranes of the lungs, and remains there for the rest of the man's life. When he leaves the mining industry, his condition does not improve; on the contrary, it becomes worse.

Tuberculosis supervening on dust makes a man very ill indeed. Its alleviation calls for stimulants not required by ordinary people. Many experts on dust state that the heart becomes affected owing to the inability of the lungs to clear it of dust. A sufferer from this form of the disease cannot eat ordinary food; he must have a special diet. As a consequence, his cost of living is greater than that of ordinary men, although his consumption of food is not so great. One of his requirements is brandy. At present brandy is almost unprocurable, and in any case its price puts it beyond the means of the man in receipt of only 50 per cent. of the basic wage. The present proposal is to increase the benefits now payable, their maximum being £3 10s. per week. The Mine Workers' Relief Board is empowered to increase that scale of relief to the amount of the basic wage. That, however, is not what the Council's resolution suggests. What it does suggest is that the difference between the present basic wage and the amounts of former basic wages be made up to the pensioner. When a man is taken out of the industry because of occupational disease, the relief granted to him is based on the current basic wage. In 1932 the basic wage was reduced from £4 6s. to £3 17s. per week. Later, 1s. was added to the amount of the basic wage ruling in Kalgoorlie, making it £3 18s. per week. The relief granted to a man receiving that amount would on the terms of the resolution be increased by 17s.

per week as a maximum. But the man who went out of the mining industry when the basic wage was £4 6s. per week would receive an increase of 19s. 7d. In the greater number of cases the increase would be about 17s.

Members: Nineteen shillings.

Mr. TRIAT: The current basic wage on the goldfields is £5 5s. 7d. per week. The men who were put out of the industry because of dust should be put on the existing basic wage. When the basic wage is raised from £4 6s. to £5 5s. 7d., these pensioners obviously suffer grave disabilities, because on the goldfields the increase in the basic wage has been from £4 6s. to £5 5s. 7d. Obviously, men on the £4 6s. basis cannot possibly live. And £4 6s. is the basic wage applied to these miners. The difference between the former basic wage and the current one should be granted to them.

Hon. W. D. Johnson: The difference should be added to their compensation.

Mr. TRIAT: The intention of the mover of the motion elsewhere is that the miner who went out on a pension of £3 18s. should receive an addition of £1 7s. 7d. The man who is ill, and quite unable to work, at present is £1 7s. 7d. per week worse off than the ordinary man who can work. The disabled miner should not be under that disability. A man who has lost his health in the Western Australian mining industry is entitled to the amount of the increase in the basic wage granted to the ordinary worker. The effect of the resolution before members is that as the basic wage rises or falls, the benefit to the disabled miner should also rise or fall.

MR LEAHY (Hannans): I have great pleasure in seconding the motion. My feeling is that the member of the Legislative Council, in dealing with this question, stated the facts of the situation clearly and definitely. I feel sure that every member of this Chamber will agree with him and the member for Mt. Magnet and me that some consideration is due to the men concerned. It may be well to describe what happens in the case of men afflicted with miner's disease. Such men are merely hanging on to life and, in fact, are not of much further use in this world. They have done their all. They have helped to make Western Australia what it is today. In striving for that end they have even sacrificed their health and their lives. In the days when they worked in the mines of Western Australia, conditions were not comparable to those of today. I know many of Western Australia's mining fields, and the Minister for Mines also knows them very well. As to some of those mines, the lives of the miners working in them were limited in many cases to three years. Simply consider that! The young men of 40 years ago working in the Great Fingal Mine were often doomed after working in them for three or four years.

At that time not much was known about miner's disease. Several people endeavoured to throw some light upon the subject, but those in control at the time knew nothing about it. As a consequence, the working man got to know very little about it. Young men, after having worked perhaps four or five years in a mine, decided to take a few days' holiday at Christmas time. They usually went to Geraldton, but they did not return; we did not see them again. Immediately they got into a humid atmosphere they were stricken down. Those are the type of men on whose behalf we are appealing today; they are down and out. They did everything humanly possible for their families and for the progress of the State. I do not wish to hear any quibbling about this matter; I wish to see something done and done quickly. These men are fast dying out. As was pointed out by my colleague, they are in need of nourishing food which they are unable to buy.

Only today I received letters reminding me of the fact that brandy is unprocurable. Imagine that! These unfortunate men are unable to obtain brandy in order that they may keep the old heart ticking over. I have been definitely informed that they are unable to buy brandy; even so, they have not the wherewithal to procure it. I would like to see some scheme evolved like the scheme for the provision of emulsion to these men. I believe it can be evolved. I believe the Minister will do something in the matter. Brandy should be obtainable for these men on doctors' orders, although these are not really required. It is simply a matter of making the evening of the lives of these men as easy for them as possible. God knows, it is not too easy in the best of circumstances! As I pointed out when speaking on the Estimates, some of these friends of mine have had to sit up for the last nine months of

their lives in order to get sleep. Yet we quibble and say the Commonwealth Government should do something. It is time we ourselves did something. The Commonwealth Treasurer might argue that, if we take this action, all people in receipt of superannuation will demand similar treatment. But there is no comparison. The man on superannuation, in 80 per cent. of cases, is in good health and probably in possession of a little money. The miner is down and out. He is on his last legs. The least we can do for him is to give him sufficient to keep him from worrying about these matters, because he has enough worries about his health. He must not have financial worry in addition. I feel convinced that the Mine Workers' Relief Board—of which I have been a member—is prepared to increase the payments. Not only the representatives of the workers, but the representatives of the vested interests—the Chamber of Mines—are also anxious to help.

It has been said that if we do advance this money, the Commonwealth Government will immediately take steps to reduce the pensions of the men. We boast about the new order of which we hear every day. Much is said about national security and new ideas. It would not hurt if some of us healthy persons did a little for these unfortunate sick men. If there is any honesty in the statements of those who say that they intend to do something for the people, to relieve them of their worry and to treat the sick as well as they possibly can, here is a golden opportunity for them to do so—the greatest opportunity they could have. Here is a chance for them to help these poor chaps. That is our duty. I doubt whether there is a member in this House who does not feel in his heart that a duty devolves upon him to help to do everything possible for these men. This is only a minor affair. Effect will be given to this suggestion. There will be no trouble about it. But we want a further advance and better conditions generally. These men are dying out very quickly and they are not being replaced very quickly, thank God!

Ninety-seven per cent. of the men in the mines are now clean, and our funds may not be called upon to such a great extent in the future as has been the case in the past. I hope that everybody will seriously consider this matter. I feel more keenly about it than I can express. Here is our opportunity, and I feel that we in this Chamber should have a desire to see that no stone is left unturned to do all possible for these men. On several occasions since I have been in this Chamber I have asked for passes for these poor, unfortunate fellows. I have merely asked for one pass per year. I went into the figures, and pointed out that if we took three or four on the train at a time the lot would have been catered for in a few months. It is not necessary to have them sent to Bunbury or some faraway place. It will be sufficient to send them to their nearest port. People may say that that will not do them much good, but a change is as good as a rest and environment makes all the difference in a person's life. If only they could be taken for a month or two away from the sordid, hot and humid conditions under which they are living it would be a help to them. It is said that the only redeeming feature about the place in which they work is that the beer is cool! But these poor men cannot drink beer when they are sick. That may be news to some members, but it is true. These men have lived all their lives doing hard work.

No man—I do not care what his occupation is—works half as hard as miners. Their condition is the result of the contract system, which should never have been allowed. We have the flower of Australia under the soil in the goldfields of the State and contracting caused it. The curious fact is that beer is almost a necessity for miners working in very hot places. I know it from experience. A drink bucks a miner up after a hard day's work. But these unfortunate men who really need their glass or pot of beer are unable to drink it. That is how sick they are. They are unable to take the nourishment to which they have been accustomed all their lives. The conditions of everybody else are spoken about. Recently we have been discussing the Coal Mine Workers (Pensions) Bill. I am very pleased to know that such a Bill has been introduced, but I would be much more pleased if something were done for the goldminers. The incidence of disease in the two fields of mining is incomparable. Now that we have started to change things, now that we have become imbued with the desire of the Commonwealth Government to improve conditions for all people, if possible, we should go ahead. There is no harm in that, and I want a start to be made with those people who really need and deserve assistance.

I want these men to be lifted to a higher standard. In three years' time 25 per cent. of them will be dead. To give assistance to these miners is not like providing a pension for a judge who is able to retire on an immense income. We desire to do something to help these men towards the end of their lives, so that they will be able to spend the remaining year or two that is left to them without having to worry about whether they are going to get an ounce of brandy a day. Brandy is prescribed for some of these men. If they do not receive it they have bad heart attacks. The lungs are not doing their job with the result that the whole of the work is thrown on the heart. It is like one man doing the work of two men. I could go on howling about this business, because I feel deeply about it. I hope we shall not stop at the first hurdle and that there will be no difficulty about this matter. The Minister for Mines knows as much about the mines as I do. He is aware of the conditions that existed in the bad old days and knows that everything I have said is true, because he was in the same place as I and worked in the same mine. I know he will do everything possible to be of assistance. I hope that representations will be made to the Federal Treasurer and that all the weight possible will be put behind our argument, and that everybody will talk about the matter until we get something done.

MR. DONEY (Williams-Narrogin): I think our sense of fair play and decency, to say nothing of the eloquence of the two goldfields members who have spoken, will be sufficient to lead us to support the resolution. I personally, in countries other than this, have had considerable and close experience—and fairly harrowing experience—of the ravages of this terrible scourge, and I imagine that every member will agree with me that the utmost sympathy is due to those afflicted by miner's phthisis. It needs to be remembered that this resolution of itself is of very little consequence unless it leads to something more. As it stands it is merely an expression of opinion. I hope that members in another place and here who were responsible for bringing the matter forward will pursue it, through the Premier, the Minister for Mines and the relevant Ministers on the other side. I am as anxious as are the two members who have already spoken to give affected miners what little relief there is contained in this resolution, and I express the hope that no time will be lost in pursuing the matter.

MR. SEWARD (Pingelly): I am not going to say anything against the motion but I want to draw attention to the mess I think we are getting into. When the Coal Mine Workers (Pensions) Bill was before the House I expressed the opinion that instead of bringing in piecemeal legislation——

Mr. SPEAKER: The hon. member is not in order in mentioning what he has already said.

Mr. SEWARD: I did so only by way of making comparisons. Instead of having pensions for coal miners, provisions for relief of those suffering from miner's phthisis, and provisions for men engaged in other industries we should do the whole thing on a set plan so that anomalies will not arise. Under the New South Wales Coal and Oil Shale Mine Workers (Pensions) Act, which was used by the Minister in framing the measure discussed last week, provision is made that all pensions payable shall vary to accord with fluctuations in the total sum which comprises the needs basic wage assessed on the index number for the weighted average of the five towns of New South Wales, together with the fixed loading addition applicable to the needs basic wage so assessed. Under that the pensioner receives the fluctuations in the basic wage.

Under the Bill we have just passed, for some reason better known to the Minister than to me, three subsections of that particular section of the New South Wales Act have been included, but Section 4, which allows the mine pensioners the right to the fluctuations, has been excluded. That is the position we are getting into today. Certain of these people will have provision made so as to receive the fluctuations while others provided with pensions under some other Act will be deprived of them. That will create an anomaly, and I draw attention to the fact that this is a specific instance occurring under this particular Act. I fully sympathise with the objectives of this motion.

Mr. Patrick: Strictly speaking, it is not a pensions scheme.

Mr. SEWARD: That is so, but it is closely allied to one and, where it is made available to one particular beneficiary, claims will be received from other beneficiaries or pensioners.

THE MINISTER FOR MINES: After the eloquent speech by the member for Hannans we could almost say, "Let it go." It is not so easy as that, however, and I entirely disagree with the interpretation of the member for Mt. Magnet.

Mr. Patrick: Read the recommendation.

The MINISTER FOR MINES: I have read the minutes of the committee that brought down this proposition, and I listened with care to a deputation which came away from that meeting and waited on me in regard to the matter. My reading of the motion before us now is that it seeks to give, under the current Act, the rises and falls of the basic wage.

Mr. Doney: To apply proportionately.

The MINISTER FOR MINES: Yes. We have two Acts at present in force. One is the Miner's Phthisis Act, and there would not be more than 300 people covered by it, most of whom are widows. That Act provides that out of the industry they get the basic wage for the district in which they are working. The widow gets £2 a week after her husband has passed away.

Mr. Doney: Subject to the basic wage.

The MINISTER FOR MINES: No. For years they went out on the basic wage existing in the district, and in the period 1930 to 1933 they went down and for some reason they have never come back, but the Mine Workers' Relief Fund Act which, to all intents and purposes, has taken the place of the Miner's Phthisis Act is a different matter altogether. Under that Act the man gets 25s. a week, his wife £1 a week and each child under a certain age 8s. 6d. a week. This fund is a contributory one and is not exactly a pension. It is contributed to by the Government, the companies and the men. They each pay 9d. per week. The fund is administered by a committee consisting of one Government appointee, two from the Chamber of Mines and two from the workers themselves. If this motion is carried—and the Government has no objection to its being carried—before anything is done the matter will have to go to the board because all sorts of complications will arise.

There are varying amounts being paid under the Miner's Phthisis Act and the Mine Workers' Relief Fund Act. If a man is getting 25s. a week and the basic wage goes up by 1s., and he gets the 1s. a week rise or only a portion of the 25s., that brings about one complication for a start. But the big complication is—and both goldfields members who have spoken have been on the board and will appreciate it—the fact that the majority of the increases made under this motion will be by way of a donation to the Commonwealth Government, because that Government has definitely and decisively ruled through its Pensions Department at any rate, and I presume it speaks for the Government, that if a man receives 25s. a week he is only entitled to another £32 a year increase. If we pay him £78 a year then the Commonwealth department will not pay him anything. If he is not on £78 a year and we give him another 10s. a week, they reduce his pension by that amount. Under the Old-Age and Invalid Pensions Act provision was made to exclude the New South Wales Worn Out Miners' Fund. When we discovered that, we wrote to the then Treasurer asking him to exclude our fund. He pointed out that that fund had been excluded in the early days and had gone out of existence in 1916. He also said that they were asked to exclude so many funds that they were not prepared to exclude any.

Mr. Marshall: The Broken Hill miners were on strike for two years to get that.

The MINISTER FOR MINES: We tried on several occasions and the last letter I received from the present Prime Minister, Mr. Curtin, said that the New South Wales Fund, which was in no way analagous to ours, had gone out of existence. It simply means that if a man and his wife are getting the old-age pension, then any increase we make is simply a donation to the Commonwealth Government. Therefore if this motion is carried it may not be brought into operation immediately. It will have to be sent on to the board, which will go into its ramifications and its effect on the men and widows. One of the men at the meeting I mentioned said, "We have £250,000 in the fund; why cannot we have some of that before we die?" That is a pretty logical argument. I have often heard it raised in regard to friendly societies, but I point out now that there is an obligation and a liability on the fund. Less than three years ago we had 15,000 men working in the goldmining industry. Every one of those men was a potential liability on the fund. Today we have just on 5,000. Last year with our eyes open we passed certain legislation protecting any of these men who enlisted in the services. If a man went away silicotic and

came back in the same state, providing he did not get T.B. he could, under our legislation, claim on the fund. Those 10,000 are a potential liability on the fund, but only 5,000 workers are contributing. I do not say we will strike trouble with the 15,000.

Mr. Leahy: There will not be a big percentage of those men away on service who will come back and claim against this fund.

The MINISTER FOR MINES: No. Any man who comes back—and who was not a miner before he went away—will not be able to get into the industry unless he passes an examination and is found to be a cleanskin, that is, without dust. But the men who enlisted—and I am informed by medical men that long before they commenced to x-ray recruits numbers of men, who were early silicotics, were accepted—can go on becoming progressively worse while they are away and, when they return, under our legislation they can go straight down below and work on the machines they were previously operating. We have provided for that. Such a man could become silicotic advanced or tubercular very quickly but, provided he is not tubercular when he returns, he may resume his occupation and he is a potential liability on the fund.

I have given these facts because the matter is not as easy as it might appear to be. The Government is sympathetic and the board is sympathetic. I believe the board is prepared to recommend that variations in the basic wage should be taken into consideration, but I issue a warning. The present is not a good time to bring this matter forward; it should have been introduced two years ago. Today the basic wage on the goldfields is falling. Hundreds of men have been withdrawn from the goldfields, and the factor that used to keep the basic wage high was mainly the high rents. The member for Hannans could tell us that rents in Kalgoorlie are not anything like as high as they were. Consequently that has the effect of bringing about a fall in the basic wage. If effect is given to the resolution and the basic wage declines, these payments will be affected. Everything points to the basic wage on the goldfields being likely to fall on account of one factor on which it is based. I undertake on behalf of the Government to forward the resolution to the board with a request that it investigates the matter and considers what complications are likely to arise. We will do everything possible to assist in the direction indicated in the Council's resolution.

MR. MARSHALL (Murchison): I can subscribe to the arguments advanced by all the speakers, including the Minister. Goldfields members can speak feelingly on this subject. There is not one of us but has had someone near and dear who has lost his life through this disease. My father and several uncles lie in the Kalgoorlie cemetery, and my father was the oldest of the lot, namely 48, at the time of death; a comparatively young man. Such were the ravages of this complaint in the early days of the goldfields, when we were largely ignorant of its effects as compared with our knowledge today. The Minister fully elaborated one aspect of the subject only——

The Premier: Oh no!

Mr. MARSHALL: ——that is where payments are made by the Mine Workers' Relief Board. But two other forms of compensation are being paid, and it is quite a tragedy that there should have been any departure from the previous practice. In other words, it is a tragedy that the old Miners' Phthisis Act should have been repealed. But for political trickery, it would never have been repealed.

The Minister for Mines: In what year was that?

Mr. MARSHALL: In 1932. The late Mr. Scaddan introduced the Mine Workers' Relief Bill, which repealed the Miners' Phthisis Act. It is well for members who have entered the Chamber in recent years to understand that three forms of payment are being made to mine workers, or their dependants, who are termed beneficiaries. The first is to those men who are prohibited from working in mines under the Miners' Phthisis Act, and who receive compensation from the Consolidated Revenue Fund. Those payments were not interfered with. Though the Act was repealed, the beneficiaries are still being paid from Consolidated Revenue. When the Mine Workers' Relief Bill came before Parliament, two goldfields representatives in this Chamber, Mr. (now Senator) Cunningham and myself, and one member in another place, Hon. C. B. Williams, voted against it. We objected to repealing the Miners' Phthisis Act because of the liberal compensation payable under it.

Under that Act a man who was prohibited from working underground received the ruling rate of pay he was earning when prohibited. If he was found to be capable of doing other work, the Treasury paid him the ruling rate he was receiving at the time of being prohibited until the Government found him a job. Consequently he did not cease to receive the full reward in the interim. When he became unable to work any longer, he retired on a rate equal to the basic wage in the district. The Act also provided for the payment of £1 a week to the wife, and 8s. 6d. for each child under 16 years of age. As I stated, the Act was repealed, although the beneficiaries are still enjoying the benefits. Mr. Seaddan told us in 1932 that, if we did not want the Bill, all we had to do was to say so and it would be dropped. Unfortunately, other representatives of mining areas agreed to support the Bill. I have a lively recollection of what happened. What influenced members to support the Bill, I believe, was the prospect of relieving Consolidated Revenue and the possibility of a change of Government.

Under the Mine Workers' Relief Act, the benefits were reduced. It provides, as the member for Mt. Magnet has said, for a maximum payment of £3 10s. per week. In 1932, it was 8s. below the basic wage for the goldfields. In special circumstances, a little more could be paid by the Mine Workers' Relief Board, but the applicant had to prove his case. The maximum was £3 10s.; only half wages were payable to single men, nothing was provided for the wife, and only 7s. 6d. per week was allowed for each child under 16 years of age. A married man with two children reached the maximum immediately he was incapacitated for work. Those rates have been paid ever since. Thus there are three different payments. I took strong exception at the time, as I take now, to the fact that the men receiving benefits under the Third Schedule of the Workers' Compensation Act are doing something that is contrary to the spirit of compensation, and they are doing it because the law compels them. They are subscribing one-third of their own benefits by weekly payments. That is not compensation though it might be called superannuation. If a man injures his hand or gets his leg broken, he receives the same rate under the Second Schedule of the Workers' Compensation Act, although he contributes nothing. But because he works in a mine and becomes affected in the lungs, he is obliged to contribute 9d. a week in order to be eligible for compensation.

It was deception from the outset, and a departure from the spirit of compensation in that it was more in conformity with superannuation. There are three different forms of payment. I want the Minister to understand that had it not been for the Mine Workers' Relief Act there would have been only two forms of payment, the Mine Workers' Relief Board payments, and the Miners' Phthisis payments, which would have been well justified. If the Minister intends to go on with this proposal it will be necessary for him to amend at least two Acts, and probably revise some of the regulations emanating from the Mine Workers' Relief Board. I have to subscribe to the arguments advanced by the Minister. I also interviewed this morning the member of another place who moved the motion now before the House, and after doing so I came to the same conclusion as did the Minister, namely that what was required and what the motion intends is that the present compensation rates paid under the three different headings shall have added to them the increase in the basic rate, whatever that may be. The member for Mt. Magnet subscribes to another idea. He suggests that the motion means, and that what is really required, is that the three payments must come up first to the basic rate and then fluctuate with it.

The Minister for Mines: There would not be much left of the fund then.

Mr. MARSHALL: I cannot say whether that would be the end of the fund or not, but it is the contention advanced by the hon. member. That contention is not revealed in the resolution. I subscribe to the argument that not less than the basic rate should be paid to the Third Schedule beneficiaries. The member for Hannans drew a graphic picture of the sufferings and of the disadvantages experienced by those men who are affected so seriously internally from the effects of mining. There are people who argue that compared with recipients of invalid pensions these people are somewhat better off. I admit that, but two wrongs do not make a right. Here we have in many instances men who are merely spitting their lives away for years on end. They even have to sit up in order to sleep because they cannot get comfort in any other way. It is at that time that the sufferers require

all the money that is available for the purchase of necessities to relieve their pain and misery. When I last saw my father he was tearing to pieces the blankets that were there to cover him, while he was gasping in agony for breath. He tore the blankets as if they were pieces of calico. He was in so much pain that during the last few minutes of his life he was simply gasping for breath. For some five or six years before that he had lived in a state of misery and pain. Although he had no compensation, for none was being paid in those days, fortunately he had a family the members of which were all working, and we were thus able to provide for him.

The men I speak of require increased emoluments now, in the present state of their health. In substance the motion is logical enough. It says that the payments should at least vary with the increase in the cost of living. Most of the beneficiaries have a wife and some children under 16 years of age, or at least they have a wife. The cost of living affects their income. The higher the cost of living goes the less they have with which to buy emulsions and oils of various kinds, but more particularly to buy brandy. At the Wooroloo Sanatorium brandy is prescribed by the doctors who recommend it for sufferers from this disease. It goes without saying, therefore, that it is most essential the sufferers should be provided with brandy. However, with the gradual increase in the cost of living ability to buy brandy, which is so essential in cases of this kind for the relief of misery and pain, is considerably lessened. Slowly but surely these patients are being deprived of that easement as the cost of living goes on soaring.

The contention of the member for Mt. Magnet must surely be the right one, that all these emoluments, particularly as applied to the Third Schedule beneficiaries, as well as to those people who come under the Mine Workers' Relief Board, should be enjoying at least the basic wage, and that this should fluctuate with the cost of living. We will have an opportunity to discuss any legislation the Minister may introduce as the outcome of this resolution. If the argument of the member of another place from whom this motion emanated, is that the benefits now enjoyed by these beneficiaries should have added to them any increase in the basic rate, and that these benefits should go up or down with the rise or fall in the basic rate, I will subscribe to that. If we cannot get the basic rate, as suggested by the member for Mt. Magnet, and this is all we can get, namely that the increase in the basic rate shall be added to these emoluments, so far as the word "full" in the resolution is concerned, I will not subscribe to any legislation that will take these benefits below the statutory limits that appear in the various Acts. I want those benefits to remain at a normal figure. I do not want them to go below a certain figure, and do not care whether the cost of living falls or rises.

The Minister for Mines: Then you do not agree with the resolution?

Mr. MARSHALL: I agree with it.

The Minister for Mines: But you do not want the rate to fall?

Mr. MARSHALL: I do not mind its falling until it reaches the statutory limits that are stated in the Acts, but it must stop there. If there is any rise then the beneficiaries should get that rise. There is a minimum sum on which a family can live.

Mr. Patrick: That would not be fair unless you went back a few years.

Mr. MARSHALL: When the Third Schedule men were paid under the Mine Workers' Relief Fund they were started at 8s. below the basic rate.

Mr. Patrick: It would not be fair to start now.

Mr. MARSHALL: To allow the basic rate to come down below the limits now set forth in the Acts and regulations concerned would be criminal. These men were down below the basic rate when these benefits were first introduced. We accepted the position because we wished to establish the principle of compensation. Since then we have departed from that principle by passing the Mine Workers' Relief Act, and have now reached a form of superannuation. I hope the interpretation placed on the resolution by the member for Mt. Magnet is the correct one. I subscribe to that principle, but am doubtful whether it is the correct interpretation.

The Minister for Mines: You are going to make a donation to the Commonwealth of a fair amount of money if you adopt that.

Mr. MARSHALL: We hear that a new order is coming into being. I point out that we have a Labour Government in office at Canberra, and that it is a humane Government. It subscribes to the new order.

The Minister for Mines: Does it?

Mr. MARSHALL: It would be a shock to me if it did not do so. I hope, however, that would not deter the Minister from an endeavour to bring about the new order, and that he would not take the first refusal as being a permanent one.

The Minister for Mines: I will have another go.

Mr. MARSHALL: I would then agree that the Minister was doing all that was possible. The severe handicap under which we now labour is that we have not the power to tax our people with the object of bringing these benefits up to a fair and just amount. In my opinion the Minister should continue his negotiations regarding old age pensions, and wherever possible the Mine Workers' Relief Board should set an example by increasing rates of compensation to the maximum. The Act regulating the fund will have to be amended to make payments under the Third Schedule more liberal, in conformity with this resolution. The basic wage is the least amount of benefit that should be granted, in view of the difference between it and, on the one hand, the Second and Third Schedules, bad as they are, and, on the other hand, the Third Schedule. The Minister should not despond. When he does introduce legislation bearing on the subject, he should regard this resolution as meaning that when the statutory limit on the down-grade is reached, we should not go below that limit. It would not be fair to go below it. In the circumstances I support the motion for the adoption of the resolution.

MR. W. HEGNEY (Pilbara): I naturally sympathise with the desire that disabled miners should be granted benefits in accordance with the Legislative Council's resolution; but the adoption of the resolution will in the long run do those miners, whom we seek to aid, a serious disservice. The motion needs further consideration before it goes to the vote. In fact, it needs redrafting. Other words should be substituted for "current basic wage." What is the current basic wage on the goldfields? The answer is £5 5s. 7d. Under National Security Regulations, all remuneration including wages, has been pegged. From my observation I judge that on the goldfields the basic wage has practically reached its zenith. The determination of the latest basic wage ruling there has been responsible for bringing it much higher than basic wage rates ruling in cities and towns and in the country districts.

The great reduction in the number of employees in the mining industry will tend to cause a decrease in the basic wage rather than an increase. We must work from some base. I believe I am safe in saying that the miners themselves would not agree that £5 5s. 7d. should be taken as a base. I believe the basic wage figure of some years ago, £3 18s., should be adopted. The words "current basic wage" should be struck out, so far as mining is concerned, and £3 18s. accepted as a base. Thus the resolution will indicate to the Government more clearly what the objective of the miners is. But if £5 5s. 7d. is taken as a base, then, in view of the tendency for the basic wage to drop, those whom we are trying to benefit will have everything to lose and nothing to gain from our concurring in the Council's resolution in its present form. I would hesitate to vote in that direction.

Question put and passed and a message accordingly returned to the Council.

BILL—VERMIN ACT AMENDMENT.

Council's Amendments.

Schedule of three amendments made by the Council further considered.

In Committee.

Resumed from the 28th January. Mr. Marshall in the Chair; Mr. Seward in charge of the Bill.

No. 1. Clause 2: Delete the word "such" in line 14.

Mr. SEWARD: At the previous sitting of the Committee I moved that the amendment be agreed to. In the interim it has been decided that effect could be given more easily to the object of the Bill if, instead of Clause 59, a different clause altogether were amended. In the circumstances our only course is to disagree with the Legislative Council, in the hope that eventually a conference will be held and a more acceptable amendment produced. Therefore I ask members to defeat my motion.

The CHAIRMAN: The member for Pingelly moved to agree to the Council's amendment No. 1, but now desires the Committee to vote against it. The question before the Committee is that the Council's amendment No. 1 be agreed to.

Question put and negatived; the Council's amendment not agreed to.

No. 2. Delete the words "as comprises the whole of the land in one or more titles" in lines 14 and 15.

No. 3. Delete the words "comprises the whole of the land in one or more titles and" in lines 18 and 19.

On motions by Mr. Seward, the foregoing amendments were not agreed to.

Resolutions reported and the report adopted.

A committee consisting of the Minister for the North-West, Mr. Watts and the mover drew up reasons for not agreeing to the Council's amendments.

Reasons adopted and a message accordingly returned to the Council.

BILL—COMPANIES.

In Committee.

Resumed from the 27th October. Mr. Marshall in the Chair; the Minister for Justice in charge of the Bill.

Clause 144—Powers and duties of auditors:

The CHAIRMAN: Progress was reported after Clause 143 had been agreed to.

Hon. N. KEENAN: I move an amendment—

That at the end of Subclause (1) a new paragraph be added as follows:—(d) whether in their opinion, the amount set down for depreciation and/or for bad and doubtful debts is, having regard to the nature of the business, sufficient.

The clause deals with the powers and duties of auditors. I submit that one of the most important duties has inadvertently been omitted, because, if there is anything vital for the shareholders to know, it is that provision has been made for bad and doubtful debts and for depreciation. I do not think it necessary to give elaborate reasons for the amendment.

The MINISTER FOR JUSTICE: I agree to the amendment, which I think will be helpful, as it affects not only shareholders but also the Taxation Department. If a company has been negligent or fraudulent in these matters then the responsibility will be thrown upon the auditors The amendment will tighten up the Bill.

Amendment put and passed.

Hon. N. KEENAN: I move an amendment—

That a new subclause be added as follows:—"(6) Every auditor of a company who neglects to discharge the duties above in this clause more particularly set out, shall, apart from any liability which by any rule of law attaches to the discharge of the duties of his office, be liable to a penalty of not exceeding five hundred pounds."

It might be said that the penalty suggested is very high, but the auditor's duties, if not properly discharged, may lead to a very grave loss on the part of the shareholders and also of all people dealing with the company. Whereas in various other clauses of this Bill provision is made for penalties outside ordinary damages arising from negligence of directors, secretaries or any other officers of the company, strange to say, no provision is made for any penalty in respect of neglect to carry out his statutory duties by the auditor, except that he is liable at common law, as are also the other officers.

The MINISTER FOR JUSTICE: I agree to the amendment, but think the penalty is too high. Auditors should exercise maximum care. Negligent or fraudulent auditors may be liable to damages in the civil court, but difficulties and expense are entailed in court proceedings. That is one of the reasons why I welcome the amendment, which will make auditors more conscious of their responsibility. I have given the matter consideration and discussed it with the member for Nedlands. I have gone into all the other amendments and discussed them also with my officers at the Crown Law Department. Most of them are corrections or clarifications, and I intend to oppose only a few. I move—

That the amendment be amended by striking out the word "five" and inserting the word "one" in lieu.

Amendment on amendment put and passed.

Amendment, as amended, agreed to.

Clause, as amended, put and passed.

Clause 145—Investigation of affairs of company by inspectors:

Hon. N. KEENAN: I move an amendment—

That in line 3 of Subclause (8) the word "authorised" be struck out and the word "registered" inserted in lieu.

This is an instance of somewhat careless drafting. There is no such person as an "authorised" auditor. If members will look

at the beginning of the Bill they will find that in the definition clause the word is "registered" auditor.

The MINISTER FOR JUSTICE: I agree to the amendment. This is obviously a typographical error.

Amendment put and passed.

The CHAIRMAN: The word "authorised" occurs again in the same line.

Hon. N. KEENAN: I understood you to say previously, Mr. Chairman, that consequential amendments would automatically be made.

The CHAIRMAN: That may be so, but I would like the hon. member to move the amendment now that he is on his feet.

Hon. N. KEENAN: If that is so, there are many more consequential amendments I shall have to move.

The CHAIRMAN: Very well, I will accept this as a consequential amendment.

Clause, as amended, put and passed.

Clause 146—Proceedings on report by inspectors:

Hon. N. KEENAN: I move an amendment—

That in lines 3 to 6 of Subclause (2) the words "and further, that it is desirable in the public interest that the proceedings in the prosecution should be conducted by him," be struck out.

This clause deals with proceedings taken on the report of an inspector, and I propose to make the matter simple. The Attorney General does not take these proceedings because he thinks it desirable, but because he is the person who has to deal with these matters. He is not going to ask himself, "Is it desirable?", but, "Are the facts of the case, as appear from the report made by the inspectors, such as to warrant action by the Crown." If so, he takes action.

The MINISTER FOR JUSTICE: Again I agree. It is undesirable that the Attorney General should be able to use his discretion in deciding whether a person should be prosecuted or not in the public interest. This should be similar to other Acts. If a prima facie case is proven he should have no discretionary powers. It should be mandatory. He should see that justice is done.

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

Clause 147—agreed to.

Clause 148—Power of Governor to appoint inspector:

Hon. N. KEENAN: This clause is only referred to as having been adopted from a similar clause in the South Australian Act. That does not mean that it has not considerable merits, but it is a strange clause and might lead to a great deal of expenditure of public funds with no real compensating results. According to it the Attorney General has to make a recommendation, after receiving a report from the Commissioner of Police or the Registrar, and if the information contained in that report is such that he has reasonable cause to suspect that the company is not carrying on business in good faith in the interests of the shareholders. One could almost imagine being in the Police Court! This is something which should be determined at a general meeting of the shareholders, or in some other formal way, but has nothing to do with the police.

The Attorney General has to make a recommendation also if he has cause to suspect that the directors, managers or officers of the company have been guilty of fraudulent or negligent conduct which has caused or is likely to cause serious loss to the company or the shareholders. There are other provisions in the Bill giving protection to the shareholders in a complete manner from fraudulent conduct on the part of any officers of the company, whether directors or officials, and which impose severe penalties. The clause goes on to provide that the Attorney General must make this recommendation if he suspects that the company is endeavouring to raise capital from the public by unlawful or dishonest means. That is a matter for criminal prosecution and not for company law. It is a matter for prosecution in the Police Court for obtaining money by false pretences. I do not propose to go through the remainder of the clause which is wholly inappropriate to a Bill of this character. It belongs to the criminal jurisdiction and is not part and parcel of the company law.

The MINISTER FOR JUSTICE: This is something with which I cannot agree. This clause empowers the Government to appoint an inspector. We have had proof of the need of this clause since I have been in this Chamber. I was a member of the Select Committee that inquired into the operations of investment companies. There is nothing in this for those who are honest to fear.

The Attorney General must get a written report from the Registrar or Commissioner of Police. They are responsible officers and will first make exhaustive inquiries. This might be something new, but it will be a very good safeguard. The Committee should give this serious consideration. The Governor should have power to appoint inspectors to enter the offices of companies that appear to be getting money under false pretences and by fraudulent means as were Barker's, and Alcock's companies. These responsible officers would then report to the Attorney General and give reasons why the affairs of such companies should be investigated. Had this provision been in the present Act probably those companies which exploited the public of Western Australia would not have carried on as they did. This clause is a step in the right direction. It gives the people further protection, and I welcome it for that reason.

Mr. HUGHES: I support the deletion of the clause, with the history of which I am familiar. When the mining boom broke out eight or nine years ago many people in Adelaide were prepared to buy shares in anything. They did not bother to investigate their investment so long as there was an alleged hole in the ground and there was an agreement with someone to purchase the option for so much.

Mr. Patrick: And Adelaide was not the only place where that was done.

Mr. HUGHES: No. It was not a matter of a mining investment, but a case of turning money over and taking advantage of the rise—a pure unadulterated gamble.

The Minister for Justice: That applied mostly to no-liability companies.

Mr. HUGHES: No. I went to Adelaide in connection with three and they were limited liability companies. The share-brokers ran the market up and burst the bubble, with the result that many people who were left with valueless scrip on their hands set up a howl. We should not bother about that type of investor. At that time they fell into two sections, one of which said, "We have had our gamble and we backed a dead-un. Forget it"; the other set up a howl and wanted someone put in gaol. There was an outcry for an amendment of the Companies Act and Mr. Frisby Smith was engaged to draft the legislation. He got scissors and paste and cut out sections from all the Acts, scattered them round the floor and pasted them together in a comprehensive measure, and any that were left over had to be jammed in somewhere. A man was given the task to do in two months what would normally take two years to accomplish. The only reason for the appearance of the clause under discussion is that it appears in the South Australian Act where it has remained for six or seven years without being operative.

The Minister for Justice: But it is in their Act!

Mr. HUGHES: Such a provision can be availed of for acts of oppression.

Mr. Tonkin: How?

Mr. HUGHES: A person may feel disposed to complain that a company has not been carried on in good faith in the interests of the shareholders, and a police officer can be sent along to investigate its affairs with a view to getting someone convicted on some charge or another. But the officer would not know the first thing about such an investigation! His report would be sent from the Commissioner of Police to the Attorney General, who would order an investigation and much hardship could be inflicted. It might go to the extent of a rival company buying shares and by that means using its power to injure its opponent. If shareholders, with all the additional powers they are to be given, cannot look after their own interests, is Parliament to make such provision that the shareholders themselves will have no responsibility? One of the difficulties about companies is that shareholders will not attend meetings. The Minister was associated with one Select Committee that investigated the affairs of companies, and knows that in one instance shareholders were asked to attend a meeting at which some information was to be supplied to them and 90 per cent. refused to attend. If we endeavour to protect such people we shall not succeed. Two Select Committees of this House have found that shareholders could not be induced to take a reasonable interest in their own affairs.

The Minister for Justice: Are you not in favour of stopping exploitation by companies?

Mr. HUGHES: If I were, I would vote against the Bill lock, stock and barrel because it will provide one of the best means by which people will be taken down.

The CHAIRMAN: The hon. member cannot discuss the Bill as a whole but only the clause before the Chair.

Mr. HUGHES: The Bill provides a real opportunity for exploiters.

The CHAIRMAN: Will the hon. member confine his remarks to the clause?

Mr. HUGHES: I regard the clause as the product of hysteria. I do not think the Commissioner of Police has an officer capable of investigating the affairs of a company. Look at all the inconvenience and damage that could result through a police officer being sent to make inquiries into a company's affairs! There are several matters respecting which investigations may be carried out. The first relates to a business not being carried on in good faith in the interests of the shareholders. Surely it should be left to the shareholders themselves to see that the business is carried on properly. The next matter relates to the directors or officers of a company being guilty of fraudulent or negligent conduct. There is plenty of law already to deal with fraud and negligence. Another matter relates to a company endeavouring to raise capital from the public by unlawful or dishonest means. There is already a law that deals with that phase.

Mr. Patrick: It does not afford too much protection.

Mr. HUGHES: Shareholders have not bothered themselves about these matters and have been mostly concerned about securing quick profits. The clause will provide no one with additional protection and I hope it will not be agreed to.

Mr. TONKIN: I am glad the Minister is opposed to the deletion of the clause, which contains provisions under which an inspector may be appointed. Generally speaking, shareholders know very little about the conduct of companies in which they are interested. There are a number of lawyers in Perth who are shareholders in companies but they have not the slightest idea of what those companies are doing. They accept them in good faith. They are too busy to concern themselves with giving proper attention to their interests in those companies. If all companies were properly conducted there would be no need for the clause. There are fairly numerous instances of businesses not being properly conducted in good faith, and it is therefore essential that adequate protection should be afforded shareholders. Last week-end I read in the "Sunday Times" of a certain building society that has got into a mess, and the people interested are in dire trouble and likely to lose their money, not because they were not capable people with commonsense, but because, like the average shareholder, they knew little of business administration and did not attend annual meetings. This clause makes it possible for the Commissioner of Police, if he has good reason to believe that a business is not being carried on in good faith—I could name a few such businesses in recent years—to direct the attention of the Attorney General to the matter and, if he is satisfied that a good case has been made out, he may request the Governor to appoint an inspector. The Attorney General would not ask for the appointment of an inspector without having good grounds for so doing. There is every necessity and justification for the clause because it affords definite protection.

Hon. N. KEENAN: There is much to be said in favour of the argument of the Minister in part supported by the member for North-East Fremantle, but after the inspector is appointed and the report is presented, there is no provision for further action. Hence the clause would be completely futile. I objected in the first instance to the Attorney General's acting on improper information—information given by the Commissioner of Police.

The Minister for Justice: Or the Registrar.

Hon. N. KEENAN: Yes, but the Commissioner of Police is first named. The chief objection, however, is that the clause would be futile because, when the investigation has been made, there is no provision for further action.

Mr. SHEARN: I support the attitude of the member for North-East Fremantle. There is merit in the clause if we provide against the possibility of some person, on flimsy ground, placing a company or its executive officers in an impossible position. We should require the information to be based on reasonable grounds and provide for appropriate action to be taken. I suggest that further consideration of the clause be postponed to permit of the drafting of necessary amendments.

Mr. WATTS: I support the retention of the clause, which should be followed by some provision in order to take advantage of an adverse report from the investigating in-

spector. I believe there is no such clause in the Bill, but that is not sufficient reason for deleting this clause. The Attorney General having received information that a company was carrying on its business to the disadvantage of shareholders might be put in a position to apply for the liquidation of the company. The South Australian law contains a similar provision, which was highly recommended to us by the South Australian Registrar of Companies on the ground that an inquiry of the kind was likely to serve a very useful purpose. The very fact that an inquiry could be made would be a deterrent to dishonesty in the conduct of companies.

Mr. TONKIN: This clause, it has been argued, does not provide what is to be done after an investigation has been held and therefore is futile, whilst other clauses do not help much in this respect. The intention is that the report should in the first instance be referred to the Attorney General; but the report is also referred back to the company, which may or may not act on it. If the Governor orders an inspection by inspectors, they will report back to him, as the clause provides. The report would then be available to the Crown Law authorities, and the police, who drew attention to the matter in the first instance, would then have available an expert report showing whether they were justified or not in asking the Crown Law Department to take action. Without this clause the position will be that the police, while feeling sure that improper practices are going on, will not be competent themselves to hold an inquiry. They will have only certain reasons for believing, but will have no proof, and therefore will not take any action. But if the police had good reason for believing that a company was not being carried on in good faith, then the Governor could appoint inspectors; and if it was discovered that the business was not being carried on properly, the police could say to the Crown Law Department, "We ought to take some action." Thus there is every reason for retaining the clause, though it does not mention any follow-up or penalty.

Clause put and passed.

Clause 149—agreed to.

Clause 150—Number of directors:

Hon. N. KEENAN: In the early stages of the Bill we fought hard to abolish proprietary companies. To show that I have not repented, I formally move an amendment—

That in line 1 of Subclause (1) the words "not being a proprietary company" be struck out.

The MINISTER FOR JUSTICE: I fail to see any real objection to directors being proprietors of a proprietary company. The minimum for proprietary companies is two members; and if there are only two members they will both be directors. Proprietary companies or private companies exist throughout the Commonwealth, some States having both descriptions of company; and England has proprietary companies.

Amendment put and negatived.

Clause put and passed.

Clause 151—Restrictions on appointment or advertisement of director:

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

That Subclause (4) be struck out.

The amendment is formal because the Committee has already struck out companies not having a share capital. Thus the subclause would be automatically removed.

The MINISTER FOR JUSTICE: The clause contains restrictions on the appointment of directors. There is no reason why proprietary companies and part-proprietary companies should not suffer those restrictions. The Bill provides for a company which was a proprietary company and has become a public company.

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

Clause 152—agreed to.

Clause 153—Provisions as to undischarged bankrupts acting as directors:

Hon. N. KEENAN I move an amendment—

That the proviso to Subclause (1) be struck out.

The clause contains provisions relating to undischarged bankrupts acting as directors. Obviously, the Bill takes a very serious view of an undischarged bankrupt acting in the capacity of a director, or even indirectly taking part in the management of a company, unless he has the leave of the Bankruptcy Court. The effect of the proviso will be that, although apparently it is considered most undesirable for a man to act as a director while he is an undischarged bankrupt, he can do so, before the passing of this measure, he was in fact a director of a

company and continued so to act. Is that logical? If it is a wholly undesirable state of affairs for an undischarged bankrupt to act as a director, is it removed from being an undesirable state of affairs if he were an undischarged bankrupt before the passing of this measure and was acting as a director then? Either the first part of the clause is a wrong application of some new principle, or the second part is illogical. I approve of the first part and consequently disapprove of the second part.

The MINISTER FOR JUSTICE: I disagree with the member for Nedlands. The existing status quo should not be altered. An undischarged bankrupt who may be acting as the director of a company, or who may be concerned in its management, may be doing his work well and would not be interfered with. If the proviso is struck out, such a person would have to make application to the court—should this Bill become an Act—in order to obtain leave to act. That is not fair. The proviso is specifically designed to protect those men who are now honourably discharging their duties. They have recovered, as it were, from some little or big mistake they made. They may have been in their position for the past 15 or 20 years. The striking out of the proviso would interfere with their livelihood.

Hon. N. Keenan: Do you approve of undischarged bankrupts being directors?

The MINISTER FOR JUSTICE: Yes, provided they have been in that position for the past 10 or 15 years and there is nothing against them.

Mr. Hughes: Then you admit that an undischarged bankrupt may do a good job as a company director?

The MINISTER FOR JUSTICE: Yes. Traders in country districts who have helped farmers by giving them credit from year to year may have been called upon, in the long run, by their creditors to pay up and have not been in a position to do so. But they have acted as directors of companies and have faithfully carried out their duties.

Mr. Hughes: You are now going to put them to greater disadvantage by depriving them of the right to act as directors.

The MINISTER FOR JUSTICE: No. Under the proviso the present status quo will not be altered.

Mr. Watts: But such a man could not be a director in the future without the leave of the court.

The MINISTER FOR JUSTICE: No.

Hon. N. Keenan: But the director to whom you refer could get the leave of the court.

The MINISTER FOR JUSTICE: I have heard members speak against retrospective or retro-active legislation.

Mr. Hughes: This is not retro-active.

The MINISTER FOR JUSTICE: But a person who, although a bankrupt, has acted as a director in good faith would be penalised.

Mr. Hughes: Anyway, the provision is in the other Act and it has to go in here.

The MINISTER FOR JUSTICE: I have heard a good deal about scissors and paste; but other members, had they attempted to draft this measure, would perforce have had recourse to scissors and paste also. They would not have been original. What they say is unfair to the draftsman of this Bill, who I think has done a good job.

Mr. TONKIN: I agree with the member for Nedlands. The clause sets out distinctly that an undischarged bankrupt cannot, except with permission of the court, act as a director. A man who is acting now and is a bankrupt is in no different category from a man who becomes a bankrupt for some reason after the Bill is passed. Surely the Minister is not going to set up the position that if there are two men both of whom become bankrupt for exactly the same reason—one of whom was acting as a director before the passing of the Act and the other was not—in the case of the man who was acting as a director he should continue to act but the other should not be allowed to become a director! If it is undesirable that a bankrupt shall be a director of a company it is undesirable that he shall be a director in any circumstances whether or not he was a director prior to the passing of the Act. The proviso is definitely contradictory and should not find a place in the Bill.

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

Ayes	13
Noes	18
Majority against	5

Ayes.	
Mrs. Cardell-Oliver	Mr. North
Mr. Fox	Mr. Sampson
Mr. W. Hegney	Mr. Shearn
Mr. Hughes	Mr. Tonkin
Mr. Keenan	Mr. Warner
Mr. McDonald	Mr. Willmott
Mr. McLarty	*(Teller.)*

Noes.	
Mr. Berry	Mr. Panton
Mr. Boyle	Mr. Patrick
Mr. Coverley	Mr. Perkins
Mr. Cross	Mr. Seward
Mr. Doney	Mr. Triat
Mr. Hawke	Mr. Watts
Mr. J. Hegney	Mr. Willcock
Mr. Lenhy	Mr. Withers
Mr. Nulsen	Mr. Wilson
	(Teller.)

Amendment thus negatived.

Mr. HUGHES: I move an amendment—

That a new subclause be added as follows:—"(4) If any person being indebted to a company in a sum exceeding the nominal value of his share acts as a director or directly or indirectly takes part in the management thereof, he shall be guilty of a misdemeanour within the meaning of the Criminal Code and be liable to imprisonment with hard labour for one year."

I move this amendment with the object of trying to deal with those people who have evaded paying taxation by borrowing money from a company—particularly proprietary company gentlemen! Instead of drawing wages or dividends upon which they would have to pay income tax these men, being directors of a company, have borrowed money from the company—in one case of which this House knows to the extent of £90,000 and in other instances within my knowledge to the extent of £50,000. Frequently because a man in this position was the majority shareholder in a company he has done a great injury to the minority shareholders by refusing to pay the debt, and by his voting strength and position as director has prevented the company from taking action. Such men virtually withdraw from the company all the capital plus the profits, and still remain to have the privilege of being company directors and so deprive minority shareholders of the opportunity to obtain dividends. Ethically the position of a director in a company should be that he manages the affairs of the company in the company's interests for which he gets his director's remuneration and dividends on his shares. If a director owes a company £50,000 and has the voting strength—he might be the sole director in a proprietary company—he is not going to carry a resolution of the company that he be sued and made to pay up, because his private interest is in conflict with his duty as company director. All through this measure the guiding principle has been to throw a great responsibility on directors and to give shareholders all the protection possible against their own mistakes and the mistakes of other people. Are we going to allow to continue this reprehensible practice, which has cost the Treasury thousands of pounds in taxation, of allowing a director to go on borrowing money from a company and using his voting strength and position as a director to prevent the company from recovering the money and forcing the minority shareholders to go without dividends? It is a very much worse position for a director to be heavily indebted to a company than for him to be an undischarged bankrupt. The amendment is designed to remove a director from a position in which his personal interest is in direct conflict with that of the rest of the shareholders. This would be a boon to many small companies in which minority shareholders have been induced to invest money and, because of the control by one man, have not been able to get any dividend.

The MINISTER FOR JUSTICE: I ask the hon. member to give notice of this amendment. The Bill will be recommitted and consideration can be given to it then. Offhand I do not know what effect it will have.

Mr. HUGHES: In that case, I ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause put and passed.

Clauses 154 and 155—agreed to.

Clause 156—

Hon. N. KEENAN: I move an amendment—

That in line 3 of Subclause (1) after the word "carried" the words "at any ordinary general meeting or extraordinary general meeting of shareholders whether held before or after the passing of this Act" be inserted.

This amendment is purely a formal one.

The MINISTER FOR JUSTICE: I have no objection to it.

Amendment put and passed.

Mr. McDONALD: I move an amendment—

That in line 4 of Subclause (1) the word "three" be struck out and the word "one" inserted in lieu.

This clause is intended to deal with the remuneration of a director where it is plain that the amount is unreasonable or unconscionable or detrimental to the best interests

of the company and its shareholders. The idea of the clause, as printed, is that any three members may apply to a judge in Chambers to investigate the amount of the remuneration, and the judge, if the remuneration is unreasonable, has power to order what is a fair amount to be paid to the director. I want to provide that any one shareholder may have the matter reviewed by a judge, whereas the Bill says that it cannot be done unless three shareholders join in the application. The reason is that in small companies it is possible that one shareholder is a director and owns a large number of shares. There may be one other shareholder who owns a large number of the shares, but not quite as many as the director-shareholder. But the director-shareholder can always command the necessary voting power to determine his remuneration. It may not, therefore, be possible if the other three or four shareholders are friends of the director, to obtain three shareholders to approach the court for the purpose of having the remuneration reviewed. Take, for example, a company of six shareholders earning £3,000 a year. The director has, say, 1,600 shares and another member 1,300 shares, and three or four friends of the director own the remaining shares. In that case, it is possible for the director to have his remuneration fixed at say, £1,500 a year —half the earnings of the company—and by so doing reduce the dividend to the other shareholders to an unfair extent. The clause contains two safeguards. The first is that it only arises if the remuneration complained of has been fixed at a meeting with the aid of the votes of the director interested. If he does not vote, and his remuneration is fixed by the other shareholders the clause cannot operate. The second safeguard against any unfairness is that the judge has discretion as to costs. If he thinks that the matter has been frivolously or unreasonably brought before him, he would promptly tell the shareholder that he must pay the expenses. That is, I think, sufficient deterrent against any frivolous complaints being brought in connection with a director's remuneration. I may add finally that this is not academic; such a case has arisen, and there has been no means of redress by the other shareholders against the director who commanded the voting power, and who took an unreasonably large amount of the company's earnings for the purpose of his own remuneration.

The MINISTER FOR JUSTICE: I have no objection.

Amendment put and passed.

Hon. N. KEENAN: I move an amendment—

That Subclause (4) be struck out.

This subclause is of a most peculiar nature. The clause now provides that one single shareholder may make application to the court for an order to vary the rate of remuneration of the director. It is an entirely new departure and against the long-established law. Since the case of Foss, which has come down from 1660, the courts have always held that the shareholders should determine for themselves what they should pay their directors. We are now departing from that principle and giving any one shareholder the right to ask the court to determine the amount of remuneration to be paid to a director. The subclause to which I particularly object provides that—

In the hearing and determination of every appeal under this section the court may act according to equity, good conscience and the substantial merits of the case, without regard to technicalities or legal forms, and shall not be bound by any rules of evidence, but may inform its mind on the matter in such a way as it thinks just.

This represents an entirely new procedure in a court of law. We are to ask the court not to proceed in accordance with well-established practice but to accept all sorts of evidence, such as hearsay and guesswork. I submit it represents an extraordinarily revolutionary departure from established law and one that has never before been adopted in any part of the British Empire.

Mr. Hughes: It is native to Western Australia.

The Minister for Justice: There is no reason why we should not do something new.

Hon. N. KEENAN: There is no reason why we should not be inventors, but it is interesting to note that we have been asked to accept other parts of the Bill because they have been adopted elsewhere. Now we are to break new ground altogether. Such matters should be decided by the rules of law and of evidence which have been framed to avoid abuses.

The MINISTER FOR JUSTICE: I cannot accept the amendment. If a layman desires to lodge an appeal under this legislation, he will wish to avoid technicalities, and

I think the first portion of paragraph (a) should remain. I would have no objection to deleting the latter portion which provides that the court shall not be bound by any rules of evidence but may inform its mind on the matter in such a way as it thinks just. The paragraph, if amended with the latter part deleted, would then provide that the court could act according to equity, good conscience and the substantial merits of the case without regard to technicalities or legal forms.

Mr. HUGHES: I think the Minister would be well advised to agree to all the words being deleted except those that provide that in the hearing and determination of appeals the court may act according to equity. The term "equity" means that the court will not allow legal forms and technicalities to overrule the equity of the issue.

The Minister for Justice: If the term "equity" has the effect you say, I would be inclined to accept that.

Mr. HUGHES: Equity means in good conscience.

The Premier: Equity means equitable dealing as between people.

Mr. HUGHES: Yes, not taking legal or technical points.

The Premier: We have courts of equity and courts of law, and people get a better deal in the equity court than in the law court.

Mr. HUGHES: It all depends on the side the individual is on! In this State, our courts have jurisdiction both in equity and in law, and if law conflicts with equity, equity prevails. Is it permissible, Mr. Chairman, to move an amendment on the amendment?

The CHAIRMAN: The amendment is to strike out the whole of Subclause (4), and therefore no amendment can be moved unless the one before the Chair is withdrawn.

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

Amendment, by leave, withdrawn.

Mr. HUGHES: I move an amendment—

That in line 3 of paragraph (a) after the word "equity", the words "good conscience and the substantial merits of the case without regard to technicalities or legal forms, and shall not be bound by any rules of evidence, but may inform its mind on the matter in such a way as it thinks just" be struck out.

Mr. WATTS: I think the Committee would be well advised to leave the subclause as it stands. I agree that this represents a precedent, but it was very definitely brought before the Select Committee, supported by evidence, that certain persons holding a substantial proportion of shares in small companies or companies with few shareholders and under their articles of association, having thereby a preponderance of the voting strength, at shareholders' meetings, had succeeded on occasions in having their remuneration as directors fixed at a figure that represented a very substantial proportion, or practically the whole of the profits of the companies. The Select Committee came to the conclusion that cases of this nature should not be encouraged because the other shareholders, probably a minority of the voting strength of the concern, were not able to dictate a reasonable remuneration for the director. The committee tried to find a way of solving the difficulty, and this proposal was put up by the Crown Law officers as the only one that would make the provision practicable and effective. I understand that the words proposed to be struck out were taken from our industrial arbitration law in order to enable the court to consider all aspects of the matter. If the paragraph is stopped at the word "equity," we might as well strike out the whole of Subclause (4) because, if there is a conflict between law and equity, the rules of equity already prevail.

Mr. HUGHES: The argument of the Leader of the Opposition was directed mainly to the principle of the clause. An aggrieved shareholder could tell the judge his side of the case and no objection could be taken, because the court might inform its mind in such a way as it thinks fit and the other side would not be heard.

Hon. N. Keenan: That would be like asking a judge to listen to hearsay.

Mr. HUGHES: It should be fundamental that whatever is put before the judge by one party should be open to being contested by the other party. We would be well advised so to word the paragraph as to give both sides equal opportunity, and then the judge would decide.

Amendment put and negatived.

Hon. N. KEENAN: I move an amendment—

That the following subclause be inserted:—"(5) The court shall, before the hearing of any such appeal, require the appellant to give security to an amount not exceeding one hun-

dred pounds for payment of the costs of the appeal if appellant is adjudged to pay same on the hearing."

We have now reduced the number who may bring the appeal to one shareholder—one nark. If anyone was launching proceedings and desired to escape responsibility for costs, he could secure a penniless nark to make the complaint and there would be no money to answer any order for costs. Protection should be afforded by requiring the complainant to give security for costs, if awarded. Further on provision is made for a company to give security when action is taken to vindicate certain rights. The same principle applies here. In order to prevent harassing actions this provision is necessary.

The MINISTER FOR JUSTICE: If the amendment is passed, the whole clause will be nullified. For many shareholders who might be aggrieved it would be impossible to find security to the extent of £100.

Hon. N. Keenan: The amendment says, "not exceeding £100."

The MINISTER FOR JUSTICE: The amount is too high altogether. Only persons of wealth and influence could take action under the proposed amendment. A fair amount would be £10—or even no amount whatever. An unsuccessful appellant would be ordered to pay the other party's costs. In connection with an appeal to the Federal High Court the amount of security required is only £50.

Mr. WATTS: I hope the Minister will agree to an amendment such as that of the member for Nedlands, even if the amount is reduced to £50. Ten pounds is a ridiculous amount to suggest. A director should be sure that he would be able to recover costs in the event of an unsuccessful action against him. However, some security ought to be provided. To test the feeling of the Committee I move—

That the amendment be amended by striking out the words "one hundred" and inserting the word "fifty" in lieu.

Mr. McDONALD: The amendment before the Committee is reasonable, and affords protection to a director against any unreasonable shareholder. I support the amendment on the amendment. This matter of remuneration can only be brought before a judge. If the amount of remuneration complained of has been arrived at with the aid of votes controlled by the director concerned, it may be disallowed. A director ought not to vote on a question affecting his remuneration.

Mr. Patrick: Directors generally vote on questions of their own remuneration.

Mr. McDONALD: Then the vote can be changed.

The MINISTER FOR JUSTICE: The clause was discussed very fully by the Select Committee. There is no desire to put anything in the way of a shareholder who is anxious to provide a safeguard. If an action against a director were lost by a shareholder, costs would be given against him.

Hon. N. Keenan: Is £50 too high?

The MINISTER FOR JUSTICE: That would be the maximum, and there is a possibility of the costs being considerably less. However, I agree to the amendment on the amendment.

Amendment on amendment put and passed.

Amendment, as amended, agreed to.

Clause, as amended, put and passed.

Clause 157—Statement as to remuneration of directors to be furnished to shareholders:

Hon. N. KEENAN: I move an amendment—

That paragraph (b) of the proviso to Subclause (1) be struck out.

This is a new provision making it compulsory to disclose in the accounts of a company presented to the shareholders at the usual half-yearly or yearly meeting, the amount of the remuneration of the directors. Unless a person went to the Companies Office he could not possibly discover what remuneration the directors were getting. An undesirable state of affairs which we should stop is where one director is probably getting nearly all the remuneration, while the shareholders think it should be spread over a number. It is desirable that shareholders should get full information on this point. Naturally, the chairman of directors would get a higher remuneration than would the ordinary directors, but the shareholders would want to know whether the chairman was getting 90 per cent. of the amount, whilst the remaining 10 per cent. was spread over five or six other directors. This paragraph would not give them the information.

The MINISTER FOR JUSTICE: It is necessary that shareholders should have all the information possible so far as directors are concerned. The amendment seems to me to be desirable and I agree to it.

Mr. TONKIN: I desire to safeguard a position which is not clear in my mind. I have an example on my desk of a memorandum of a company under which the shareholders, in general meeting, decide the amount of remuneration to be paid to the directors as a whole, but the directors themselves decide how the amount shall be apportioned. The memorandum contains a further provision by which a certain person is appointed managing director. He has the right to appoint a substitute at any time and to resume his place as managing director of his own volition. The memorandum fixes his remuneration at £1,000 per annum, but says the amount can be varied at the discretion of the directors. The point is that this man is the sole director of the company; he has not seen fit to appoint other directors; he has appointed himself and fixed his own salary. At any time he could have a meeting with himself and decide to increase his salary. How could anybody take steps under this measure to prevent such an action? The shareholders would have no say, because they have adopted the memorandum. Is the Minister prepared to consider reporting progress so that we can look into this point? I would like to have the opportunity later to insert something in this provision.

The Minister for Justice: The hon. member can give notice of an amendment.

Amendment put and passed.

Hon. N. KEENAN: I move an amendment—

That Subclause (5) be struck out.

I submit that the managing director is a servant of the company; he is not merely a director, but a manager, and the remuneration he receives is simply a matter of a contract between him and the company. He is not paid as a director only, but principally because he is manager, although he happens to be filling the office of director. If every officer in a company were brought under the rule that this provision lays down, what inquiry would be held? Any shareholder could drag an officer into court to try to show that the amount allotted to him for salary was in excess of the services he rendered. There would be no end to the matter.

The MINISTER FOR JUSTICE: A managing director is still only a director, although a managing director. The provision would not affect all the officers of a company as the member for Nedlands said. This is a very important subclause and I cannot agree to its deletion, because we want all the protection we can give, and, as pointed out by the member for North-East Fremantle, these managing directors at times play havoc with funds. This is a safeguard and I do not see any reason why we should not have a detailed statement as to the emoluments and perquisites of the managing director, as is required in the case of ordinary directors.

Mr. HUGHES: It does not seem to me to matter very much whether this is in or out. According to the definition, a director includes any person occupying the position of director, by whatever name he is called, so a sensible director would have himself appointed manager, in which case he would receive a salary which he would not have to disclose.

Amendment put and negatived.

Clause, as previously amended, agreed to.

Clause 158—agreed to.

Clause 159—Provisions as to payments received by directors for loss of office or on retirement:

Hon. N. KEENAN: I move an amendment——

That in lines 6 to 10 of Subclause (1), the words "unless particulars with respect to the proposed payment, including the amount thereof, have been disclosed to the members of the company and the proposal approved by the company" be struck out.

This provision dealing with payments to be received by a director through loss of office or on retirement seems to me to be extremely liberal. Directors, like other people, must take their chance. If their employment comes to an end, so should their remuneration. Those who have had experience know that company meetings are almost always stuffed. The chairman has enough proxies in his pocket to carry anything, so that under this provision a director could get all the compensation his heart could desire. If we take out the words I suggest should be deleted, it would be unlawful for compensation to be paid at all. A director is well paid for all he does, but because there is no longer room for him to operate it is proposed that he should be paid for going away. That is an objectionable form of remuneration.

The MINISTER FOR JUSTICE: I agree with the hon. member. A director may have lost office through his own fault, and might have sufficient friends to provide for his being paid compensation. There is no reason why a man, on retirement from such a posi-

tion, should receive extra payment after having been paid well as a director for many years.

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

Clause 160—agreed to.

Progress reported.

House adjourned at 6.8 p.m.

Legislative Council.

Wednesday, 3rd February, 1943.

The PRESIDENT took the Chair at 2.15 p.m., and read prayers.

QUESTIONS (2).

FIREWOOD SUPPLIES.

Hon. E. H. H. HALL asked the Chief Secretary: What action, if any, has the Government taken to endeavour to prevent a shortage of firewood supplies, during the coming winter, to people in the metropolitan-suburban areas and in country towns?

The CHIEF SECRETARY replied: Everything possible is being done by the Government in an endeavour to assure adequate supplies of firewood for all essential purposes. The question is principally one of manpower, but contributing factors such as shortage of railway trucks, motor transport, and motor parts seriously hamper its efforts. Employees of the Forests Department will, as far as possible, be engaged on firewood cutting, and camps of enemy aliens have been established under the control of the Forests Department at Jarrahdale, Dwellingup, and Mundaring Weir to cut firewood.

LAND RENTS.

As to Departmental Notices.

Hon. J. CORNELL asked the Chief Secretary: Are notices being sent out by the Lands Department threatening forfeiture of locations in the Lakes areas east of Newdegate for non-payment of land rents? If so, for what reason?

The CHIEF SECRETARY replied:—There has been no general action in this direction; each case is treated on its merits. It is impossible to say how many lessees in this area have been threatened with forfeiture without investigating each account, which would take several days, but the number would certainly be few. The authorised practice is only to threaten forfeiture where information obtained reveals that the lessee should be able to make some payment, or where he will not supply information or reply to correspondence.

LEAVE OF ABSENCE.

On motion by Hon. W. R. Hall, leave of absence for six consecutive sittings granted to Hon. E. M. Heenan (East) on the ground of urgent private business.

RESOLUTION—GOLDMINING INDUSTRY.

Assembly's Message.

Message from the Assembly received and read notifying that it had concurred in the Council's resolution.

BILL—BUSINESS NAMES.

Report of Committee adopted.

BILL—VERMIN ACT AMENDMENT.

Assembly's Message.

Message from the Assembly received and read notifying that it had disagreed to the Council's amendments.

BILL—COAL MINE WORKERS (PENSIONS).

Second Reading.

THE CHIEF SECRETARY [2.24] in moving the second reading said: For many years the coal miners in Australia have been advocating better working conditions in the coalmining industry and they have claimed that, as a result of the disabilities suffered by them through underground working conditions, workers should be compulsorily retired from the mines upon reaching the age of 60 years, and that, in view of the fact that few miners are able to provide for their old age during their working life it was necessary to make provision for some form of pension which, to some extent, would compensate for their withdrawal from industry.