

was fraudulent during the course of their transmission to a returning officer or the Chief Electoral Officer."

**THE MINISTER FOR JUSTICE:** I do not oppose the amendment.

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

Clauses 27 to 29—agreed to.

Clause 30—Reinstatement on the roll of names of members of the Forces:

On motions by Mr. Doney, clause amended by inserting after the word "Forces" in line 2 the words "or person employed under the authority or direction of the Allied Works Council"; by striking out in line 4 the words "such member" and inserting in lieu the words "or employment under the authority or direction of the Allied Works Council such member or person" and by inserting after the word "member" in line 6 the words "or person."

Clause, as amended, agreed to.

Clauses 31 and 32—agreed to.

New Clause:

**Mr. DONEY:** I move—

That a new clause be inserted after Clause 23 as follows:—23A. Notwithstanding anything contained in this or any other Act any resident engineer, personnel officer, supervisor, foreman, member of the Civil Constructional Corps, or other person employed under the authority or direction of the Allied Works Council who is a British subject not under the age of twenty-one years and not subject to any of the disqualifications set out in section eighteen of the principal Act, shall be entitled to vote at any election as an elector of the district in which he was ordinarily resident immediately prior to the commencement of his employment under the authority or direction of the Allied Works Council and in respect of which he was then enrolled but shall not be entitled to vote at any election as an elector of any other district.

Members of the Civil Construction Corps are engaged in work that is linked up with our defence requirements. They must move at short notice from one place to another and from one electorate to another. It would plainly be improper—as a matter of fact it would be stupid—to require them to be constantly changing their registration from one electorate to another, as they must do under the principal Act. For those reasons it has been thought desirable to put them, for electoral purposes, upon the same basis in this Bill as are soldiers of the Forces. I believe the Minister is kindly disposed towards the new clause, so will say no more about it.

Progress reported.

*House adjourned at 11.7 p.m.*

## Legislative Council.

*Tuesday, 14th September, 1943.*

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

### BILL—PENSIONERS (RATES EXEMPTION) ACT AMENDMENT.

*Third Reading.*

**THE HONORARY MINISTER** [4.36]: I move—

That the Bill be now read a third time.

**HON. A. THOMSON** (South-East): I would like to draw the attention of the House—if it has not already been done—to the anomalous position which arises from the operation of this legislation. When the Act was passed in the Legislative Assembly in 1922, I think most of us were under the impression that it was definitely designed to provide for exemption from the payment of rates. However, it does nothing of the sort. It merely provides for a postponement of the payment of rates, and, at times, people who have contributed very materially to the erection of a home occupied by an old-age pensioner find on the death of the pensioner that there is an accumulation of unpaid road board or municipal rates which, in many instances, amount to quite a considerable sum.

I am sorry it is not possible to amend the Bill, but I nevertheless draw the attention of the Government to the anomaly that exists. It is entirely wrong. The measure is not an exemption Bill and should be called a postponement Bill. I know of cases in which sums amounting to £30, £40 and £50 have accumulated in respect of water rates, road board rates and land tax. If we are going to be generous—and I think

we should be—we ought to say, “Very well; we will exempt you from paying rates altogether.”

Hon. F. E. Gibson: That would not be a very good thing for local authorities which have a number of old-age pensioners in their districts.

Hon. A. THOMSON: But why speak of exemption from the payment of rates when we only postpone such payment and when the old-age pensioner passes on those succeeding him find they have to pay large sums of money? In one instance which came to my knowledge an amount of £50 had to be paid.

The Honorary Minister: What was the property worth?

Hon. A. THOMSON: It was sold for £450.

Hon. L. Craig: The pensioner is exempt but not his estate.

Hon. A. THOMSON: Yes; but it is not an exemption. The debt is allowed to accumulate.

Hon. L. Craig: The beneficiaries are not exempt.

Hon. A. THOMSON: That is so, and very often they provided the funds to build the houses occupied by the old-age pensioners.

Hon. G. Fraser: They can very well pay it.

Hon. A. THOMSON: I am drawing attention to the fact that I consider this is not an exemption but a postponement measure. The pensioner certainly receives a benefit but it is grossly unfair that complete exemption is not granted.

Hon. V. Hamersley: The Government is not giving away anything.

Hon. A. THOMSON: That is so. Those who in many instances have contributed to the erection of a home have to pay the rates which have accumulated. I know of an instance in which three children actually provided the money for the erection of a home, and, now that their mother has passed on and the house has been sold for £450, they find that through having to find the money for unpaid rates they are receiving only £400. I am voicing my protest against the designation of the Bill, the effect of which is not to exempt, but merely to postpone the payment of rates.

**THE HONORARY MINISTER** (in reply): Mr. Thomson has mistaken the meaning and object of the Bill. There may be

isolated instances where children have built houses for their parents in the circumstances he has mentioned, but I do not think there would be many such.

Hon. H. Tuckey: No, there would be very few.

The HONORARY MINISTER: Surely it is reasonable that while pensioners should be exempt from rates as provided for in this legislation, beneficiaries should be asked to make the necessary payments after the sale of properties.

Members: Hear, hear!

Question put and passed.

Bill read a third time and *passed*.

### **BILLS (2)—THIRD READING.**

1, Financial Emergency Act Amendment.

2, Main Roads Act (Funds Appropriation).

*Passed.*

### **BILLS (2)—FIRST READING.**

1, Public Authorities (Postponement of Elections) Act Amendment.

2, Public Authorities (Retirement of Members) Act Amendment.

Received from the Assembly.

### **BILL—INDUSTRIES ASSISTANCE ACT CONTINUANCE.**

#### *Second Reading.*

**THE CHIEF SECRETARY** [4.46] in moving the second reading said: This is another continuance Bill that should require little explanation. The principal Act was passed about 28 years ago and has since been re-enacted each year to enable relief to be granted to primary producers suffering through drought conditions and from other disabilities. Moneys are advanced for these purposes under Section 15 of the Act, and an amending Bill is necessary to continue the authority required for the protection of advances previously made. The history of the Act is well known to members. From time to time it has met with opposition but none will deny that it is an important measure, under the provisions of which many farmers have benefited. Indeed, the suggestion has been made that it is the only piece of legislation which secures for the farmer in necessitous circumstances an opportunity of obtaining seasonal help.

The following table will give the House some indication of the extent to which the Act has been availed of by farmers—

Year ended 30th June.	No. of settlers assisted.	Amount ad- vanced.	Amount repaid.	Loss at date July, 1943.	Sundry debtors at date July, 1943.
1942 ....	1,079	£ 281,097	£ 398,583	£ ....	£ ....
1943 ....	585	56,431	150,709	....	....
July, 1943 (only)	585	1,469	4,118	265,219	110,354

From the figures I have quoted it will be seen that the receipts for 12 months have exceeded the advances. Last season, however, was fairly good; and the Commonwealth Government made advances at the rate of 3s. 10d. per bushel on all wheat up to 3,000 bushels. That undoubtedly has had a marked effect on the great majority of farmers working under this Act. A review of the situation since the payment of drought relief began in 1935-36 shows that losses have been incurred to the extent of £265,219, and that there is still £110,354 outstanding. The superphosphate supplied for the 1942-43 season amounted to 7,983 tons, but this season the Agricultural Bank is supplying only 1,381 tons. This is due in some measure to the rationing of superphosphate, and to settlers being able to arrange their own finance. I move—

That the Bill be now read a second time.

On motion by Hon. A. Thomson, debate adjourned.

### **BILL—PUBLIC SERVICE APPEAL BOARD ACT AMENDMENT.**

#### *Second Reading.*

Debate resumed from the 9th September.

**HON. L. CRAIG** (South-West) [4.53]: The reason why I claimed the adjournment of the debate on this Bill last Thursday was a statement made by the Chief Secretary. Previously the Appeal Board appointed for the Public Service, including teachers and railwaymen, was presided over by a judge of the Supreme Court. Owing to the members of the judiciary being engaged in their usual duties, and because of the fact that we are one judge short, a judge has not been available to devote the time required to this task which has been allocated to him. Personally I do not consider it a job which a

Supreme Court judge should have to do, but that is by the way. The Chief Secretary told us that there is an accumulation of appeals, and that it does not look at all likely that the judge will be able to attend to them. Therefore the Government proposes to appoint a stipendiary magistrate who, at the request of the judge, may act as chairman.

The stipendiary magistrate will be appointed a deputy chairman, and he is to carry out all the functions of the judge and preside at the hearing of appeals. That is all right, but then the Chief Secretary went on to state that this arrangement would not apply to the Teachers' Union. The union has been asked, apparently, to express an opinion as to whether it will be satisfied with a stipendiary magistrate presiding over the appeals of its members; and seemingly it has replied that it will not be satisfied but wants a Supreme Court judge. On the other hand, the Public Service said, "If we cannot have a judge, we have no objection to the substitution of a stipendiary magistrate." I take great objection to the fact that the teachers have really been allowed to select their own chairman. The exception made for teachers means, in effect, that while a judge has not time to devote to all appeals listed, the teachers shall have priority for a full claim on a Supreme Court judge. It means that whilst stipendiary magistrates will hear all Public Service appeals, a Supreme Court judge will hear all appeals lodged by members of the Teachers' Union.

It is not alleged that a stipendiary magistrate is not competent to deal with appeals from the Teachers' Union. So the question arises: Why do the teachers insist on having a judge? The Appeal Board, I understand, consists of a judge, a member appointed by the Government and a third member appointed by the union or association concerned. Thus the stipendiary magistrate is considered quite good enough for the public servants, but not good enough for teachers. It is wrong in principle to allow any union or organisation to declare, "We want to pick our own chairman." The Teachers' Union has already picked its own member on the board, and now it wants to pick its own chairman. I understand the teachers claim they have a right to a Supreme Court judge as chairman. So keen are they on having a Supreme Court judge as chairman that they say, "Never mind how long our

appeals are delayed. We will have a judge, and not a magistrate. We do not care how long we have to wait." So in effect, while a magistrate is dealing with Public Service appeals, the judge, when he can find the time, will deal with all appeals by teachers. Why the difference?

Do the teachers think they will get juster treatment from a judge? Do they think they will receive more sympathetic treatment? There must be some reason. It is said that the higher the salary of the man who presides over appeals for higher pay, the more sympathetic he is towards such claims. Judges are very highly paid men, and a judge presiding over teachers' appeals may think in much higher pecuniary terms than a stipendiary magistrate. I repeat, there must be a reason for the preference for a judge. I am not sure that the Government is doing the right thing in saying to one section of the Public Service, "You shall have a judge," and to another section, "You shall not have a judge." If the judges are unable to do all the work allotted to them, then a stipendiary magistrate should be appointed as deputy chairman and should take all the appeals that are offering at the time when no member of the judiciary is able to carry out this particular task.

It should not be left to any organisation to say, "We prefer a judge and therefore will not have appeals heard by a magistrate." I shall not oppose the second reading. I do not consider I know enough about the subject. I am not fully informed respecting all the details. However, it does not seem to me a right principle that preference, if there is any preference, should be given to one union or organisation as against another.

**THE CHIEF SECRETARY** (in reply): The facts are that many years ago, by agreement between the Government of the day and the public servants' and teachers' organisations, it was resolved that a judge should be the chairman of this tribunal. The teachers have always insisted that their appeals differ somewhat from those of the Public Service because of the fact that there is frequently a necessity for interpretations in regard to the appeals they make. The Teachers' Union has stated that during 30 years, or whatever period that organisation has been in existence, it has only bothered a Supreme Court judge for some-

thing like 27 days. So far as the public servants are concerned, their appeals are mostly of a personal nature against individual classifications, and there are many hundreds of these. Delays in the hearing of appeals have occurred over many months.

In an endeavour to bring things up to date, efforts have been made to find a solution of the difficulty arising from the fact that it is not possible to have a judge to hear and determine such a large number of appeals. The Chief Justice allocates to the judges the work they shall perform. In recent times judges have been fully occupied in matters other than this particular one. That is all there is to it. We are anxious to make up the leeway in regard to the number of appeals that have been pending for a long while. We are, however, not providing in this Bill that a stipendiary magistrate shall be chairman of the tribunal; but only that he shall be the chairman in the event of a judge not being able to take the work and himself appointing a magistrate to be the chairman.

Hon. L. Craig: He has all the powers of the chairman whilst acting in that capacity?

The CHIEF SECRETARY: Yes.

Question put and passed.

Bill read a second time.

#### *In Committee.*

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

### **BILL—FARMERS' DEBTS ADJUSTMENT ACT AMENDMENT.**

#### *Second Reading.*

Debate resumed from the 9th September.

**HON. E. H. H. HALL** (Central) [5.5]: It is not often that I ask the House to agree to the adjournment of a debate as I did in connection with this measure last Thursday. I find this afternoon that it is not open to me to ask the Chamber to consider the matters I intended to place before it under a continuance Bill. I am, therefore, unable to bring before members a question which I consider is of rather serious moment. To my mind, an important omission was made when the Act was passed, both by this House and another place. I cannot bring this forward in connection with a continuance Bill because, as is the case with many measures of that kind, this is not a Bill to amend the

parent Act. In short, one finds oneself cramped on every side by the dead hand of "May," by custom, and by Parliamentary procedure. There is, however, I think, a ray of hope for me. After consultation with the Parliamentary Draftsman and other legal luminaries, it may be determined that my suspicions about this omission are confirmed, and that, provided my proposed amendment to the law does not clash with the Standing Orders, with "May," or with Parliamentary procedure, I may be allowed to bring it forward for the consideration of members. Meanwhile, I should have liked some member to move that the debate be adjourned until tomorrow, although I know the Chief Secretary is anxious to get on with the business of the House. In due course, I hope to bring down the amendment to the Act to which I have referred.

Question put and passed.

Bill read a second time.

#### *In Committee.*

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

### **BILL—TRADE UNIONS ACT AMENDMENT.**

#### *Second Reading.*

Debate resumed from the 9th September.

**HON. H. S. W. PARKER** (Metropolitan-Suburban) [5.9]: This Bill appears to be very simple but, when analysed, is found to have far-reaching effects. Originally, trade unions were illegal, but the Act of 1902 made it lawful to form them. That Act also provided that members of unions could not be sued for their dues. In other words, their membership had to be absolutely voluntary. This Bill alters that procedure and provides that members can be sued for their dues, just as can members of ordinary clubs who do not pay their subscriptions. As I have said, the Trade Unions Act did not give power to sue. Now comes the question whether we should agree to a man being forced to pay into the funds of an organisation that he may have been compelled to join. As the law stands, membership of a union is purely a voluntary arrangement.

The point is: Are we not assisting compulsory unionism first by forcing a man to join one of these free organisations and then

by compelling him to pay his dues? I think that will be the effect of this Bill, presuming that a man is forced to join the union. We know that in the case of the Commonwealth a man is compelled to join a union if he is employed as a civilian in any of the Commonwealth services. If he fails to do that, he does not derive the benefits of any awards, etc. Are we, then, going to force a man to pay his dues in these circumstances? That, however, is not the most serious aspect of this Bill. It goes further than does any other law passed in this State. In 1932, an Act was passed providing that there shall be no imprisonment for non-payment of dues to any union. Prior to that year it was no uncommon thing to find a union prosecuting a man in the police court for arrears of his subscriptions, and even for the non-payment of fines.

Hon. C. B. Williams: How often has that occurred?

Hon. H. S. W. PARKER: He was charged with having failed to pay so much arrears of his subscription, and the magistrate would then make an order for payment and, in default, imprisonment. The order for imprisonment was according to the scale in the Justices Act, namely, either one day for £3 due or three days for £1 due, I am not sure which. As that seemed to be extremely burdensome to some people, the then Attorney General, the late Mr. Davy, brought down a Bill, which became an Act known as the Justices Act Amendment Act, 1932. It provided that there would be no imprisonment for debt, and especially provided in the Schedule the various Acts affected, these including the portion of the Industrial Arbitration Act which relates to the recovery of fines, fees, levies, and dues payable to industrial unions, etc.

This Bill provides that the dues owing to a union may be sued for and recovered in the local court or a court of summary jurisdiction, the latter being the police court. The Justices Act provides that if a man does not pay the amount he is found to be owing, he is sent to prison. It is possible that the words "or court of summary jurisdiction" crept in in error; I assume so. Therefore, if this Bill passes the second reading I shall move to strike out those words as otherwise the measure will not be in keeping with the rest of the existing legislation in this State. I oppose the second reading.

**HON. C. B. WILLIAMS** (South): I move an amendment—

That the word "now" be struck out and the words "this day six months" added.

Amendment put and a division called for.

The **PRESIDENT**: As this is a somewhat unusual amendment, I point out that the carrying of it will finally dispose of the Bill in accordance with Standing Order 183.

Division resulted as follows:—

Ayes .. .. .	8
Noes .. .. .	13
Majority against .. ..	5

**AYES.**

Hon. J. A. Dimmitt	Hon. W. J. Mann
Hon. E. H. E. Hall	Hon. H. S. W. Parker
Hon. V. Hamersley	Hon. A. Thomson
Hon. J. G. Hislop	Hon. C. B. Williams
	(Teller.)

**NOES.**

Hon. C. R. Cornish	Hon. G. W. Miles
Hon. L. Craig	Hon. H. V. Plesse
Hon. J. M. Drew	Hon. H. L. Kocus
Hon. G. Fraser	Hon. F. R. Welsh
Hon. F. E. Gibson	Hon. G. B. Wood
Hon. E. H. Gray	Hon. H. Tuckey
Hon. W. H. Kitson	(Teller.)

Amendment thus negatived.

**HON. C. B. WILLIAMS**: I oppose the second reading. Any trade union in this country can be registered under the Trade Unions Act or the Industrial Arbitration Act. The Electrical Trades Union has been refused registration for reasons best known to the court. This House has definitely stood by the court—when it suited members, apparently! As far as the Railway Officers' Union is concerned, its secretary is one of the chief executive officers of the Labour movement. Why has it not been registered under the Trade Unions Act? The Eastern Goldfields Tributaries' Union is a union of employers and not of employees. I admit that its members are workers, but they do not come under the Industrial Arbitration Act. The Government has introduced a Bill to legalise what is termed a union, the members of which are really employers. The Bill seeks to give them the right to sue one another for unpaid contributions. I am opposed to the second reading and will divide the House on it when the question is put. There is not a trade union—if it is a genuine Western Australian trade union—in the State that cannot secure registration under the Arbitration Act. That is definitely true.

The Chief Secretary: No.

**HON. C. B. WILLIAMS**: The Chief Secretary can say what he likes. Some unions are controlled from the Eastern States. I do not want to give the game away, but no-one in this Parliament or anyone else has it on me when it comes to trade union affairs. I know the mistakes that have been made by trade unions in Western Australia, and I know that we have one of the best Arbitration Court judges in the world! I pay that compliment. The miners have had their troubles with him, but there is not a union in this State that could not be registered under our Industrial Arbitration Act, subject to the decision of Mr. President Dwyer, who, I say, is one of the best judges in the world, and is certainly the best for Western Australia.

I find opposition from the Chief Secretary, but I must be honest and not be run by two or three people who think differently from me. Why cannot the Electrical Trades Union and the Railway Officers' Union be registered under this Act? I know why the Eastern Goldfields Tributaries' Union is unable to be registered. We might as well ask that the farmers' party be registered. They are definitely employers. They want to sue their fellow employers. That should not be allowed. Trades unionism and "employerism" are quite different matters. The President of the Arbitration Court will not allow the Electrical Trades Union to be registered. I do not know why the Labour Party wants to do it. I expect I am as good a Labour man as any, but I oppose the second reading.

On motion by Hon. A. Thomson, debate adjourned.

## **BILL—COMPANIES.**

### *Second Reading.*

Debate resumed from the 9th September.

**HON. L. B. BOLTON** (Metropolitan) [5.28]: This Bill is purely one for the Committee stage. It is not my intention to speak at any length on it, although I am in hopes that some members of this Chamber who were on the Joint Select Committee will give us the benefit of their deliberations so that we may a little better understand some of the clauses. I commend the Government for having stuck to its guns and persevered so that, after many days, the Bill has reached the stage of being before this House for consideration. I expect that the second

reading debate will not take a great amount of time but many clauses will require consideration. Some will need to be amended a little. I am quite certain that members will give the measure every attention. The Government is to be commended for having undertaken this work. For many years the company law of this State has been out of date and not in keeping with that of other States. Even at this stage I cannot help but feel it would be better in a case like this to have one law for the Commonwealth instead of each State having legislation a little different from the rest.

Hon. G. Fraser: This is getting fairly close to uniformity.

Hon. L. B. BOLTON: I understand that that is so, but several clauses are still not in keeping with what is in force in the other States, and some of them are not in keeping with the best interests of our business community. However, this Chamber can, as it has done in the past, amend them and I hope that the amendments will be acceptable to the Government. When the Committee stage is reached I hope that the clauses I have referred to will be amended in a satisfactory manner.

The Chief Secretary: Will you put your amendments on the notice paper?

Hon. L. B. BOLTON: Amendments are being carefully prepared and will be put on the notice paper. Copies of the Bill have been in the hands of members for only a few days. The measure is lengthy, and many of the clauses need consideration and they are receiving all possible attention. There is no desire to delay the passage of the Bill unnecessarily.

HON. L. CRAIG (South-West): I was a member of the Joint Select Committee appointed to consider the Bill. At the outset I wish to pay a tribute to the Minister for Justice for the close attention he gave to his work as chairman. It was a most difficult job for a layman to undertake, and members of the Joint Select Committee, most of whom were laymen, were appreciative of the work of the Minister.

It is nearly three years since the Bill was referred to the Joint Select Committee, and with the lapse of time we cannot be expected to remember the reasons for all the amendments that were proposed. Evidence was called from all and sundry. Public notices were inserted in the Press inviting people

interested in company law to submit evidence. As the Chief Secretary told the House, evidence was submitted on behalf of every important body in the State. I regret that, although this opportunity was given to people to tender evidence at that time, some did not wake up until the last moment and now they want considerable amendments made. I am sure that any proposal that will improve the measure will receive the careful attention of this House. As Mr. Bolton remarked, it is essentially a Committee Bill. I agree with him that a Federal law would have been better for the good government of the companies of Australia, but I am certain that whatever Commonwealth legislation may be adopted, if ever it is, will not be satisfactory to every State. Each State has industries with peculiarities of their own, which must be affected by legislation of this sort, so that a Federal Act could not wholly satisfy each State, although it might be the best thing for the Commonwealth as a whole.

Hon. G. W. Miles: Commonwealth legislation would supersede our company law and should be satisfactory.

Hon. L. CRAIG: Yes, so long as proper provision was made for mining companies.

Hon. H. S. W. Parker: Mining companies in the main are registered in England.

Hon. L. CRAIG: Not by a long way; there are many in South Australia that are not. As I have remarked, the Joint Select Committee gave close attention to the subject. We had before us as witnesses men engaged in business, men trained in company law, accountants and auditors, and we believe that we have done the best possible in the circumstances. If careful consideration and close attention to duty have not produced the job some members would like, we cannot help it.

Hon. H. S. W. Parker: The Bill was amended in another place.

Hon. L. CRAIG: Yes, slightly, and perhaps even after this new legislation is adopted it will need to be amended from time to time. Let me now deal with the principal alterations made to the first draft of the Bill. Close attention was given to the provisions in the existing Act for both private and proprietary companies. We found that there was very little difference between them, so little in fact that we decided to eliminate the proprietary companies and deal entirely with private companies.

We considered carefully the matter of company prospectuses to ensure that they should be issued honestly and faithfully and that the subject matter contained in them should be true in fact. Attention was given to the matter of company charges and priority of debts. It has been laid down that wages owing shall be a first charge. Co-operative companies and foreign companies received consideration. We provided that foreign companies trading in Western Australia should have a local register. There may be some objection to this, but when a testator in Western Australia holds shares, say, in Victoria, probate has to be re-sealed and probate duty has to be paid in both States. On an estate quite recently, probate duty had to be paid in three States.

Restrictions have been imposed upon persons offering shares for sale. Much consideration was given to this phase mainly on account of the Litchfields (A/sia), Ltd's. operations and one or two other cases. We took pains to ensure that persons offering shares for sale should be bona fide. Provision has been made for the registration of the sellers of shares. We believe that they should be reputable people of some substance. Persons undertaking the duties of auditors and liquidators, in our opinion, should be qualified; this work should not be left to any Tom, Dick or Harry. An adjustment has been made in the times allowed to companies for the filing of notices. Under the existing Act companies were given seven, 14, 30 days and so on. We have provided for uniform times right through, and companies will now know that they have either 14 days or 28 days. In all our work we endeavoured to simplify matters. Special provision has been made dealing with the rights of minority shareholders, and so forth.

Companies offer a most important form of investment and, to my mind, they do not receive the sympathetic consideration of Governments to which they are entitled. I believe that public companies should be greatly encouraged by all sections of the community. This is one way in which large enterprises can be entered upon and in which small investors may, as a rule with safety, invest their money in industry. There is very little difference between a company and a partnership, except that the shareholder of a company is liable only for the face value of his shares. That is why

the term "limited" is used. If a man takes one hundred £1 shares and pays £1 each for them, he has no further liability. He knows that his liability is at an end, and people dealing with the company know exactly the position of the concern.

Anyone entering into a partnership, however, would be foolish if he did not realise that each partner is liable for the whole of the debts of the partnership. Thereby hang many tales. Let me tell one to indicate why I favour companies as against partnerships. It relates to a man known to several members of this House. He was reasonably well off, and he sold several thousand sheep to a partnership. He delivered them, but received no payment. He pressed for payment and was told, "We cannot pay you. What we will do in lieu of payment is to give you a quarter share in the partnership." He, poor mutt, reasoned in this way, "I cannot get cash for my sheep, so I had better take the quarter share in the partnership." This he did; the concern became bankrupt, and he found himself liable for all the debts of the partnership. He got nothing for his sheep and was called upon to pay all the debts of the partnership. He accepted the offer of the quarter share in good faith and is left with nothing at all. This shows why people need to be careful in going into partnerships. Companies are a safer form of investment.

In the Bill we have endeavoured to separate private companies from public companies. Public companies are those in which the public is invited to subscribe, and the shares, generally speaking, are quoted on the Stock Exchange. We have endeavoured in every possible way to protect shareholders. Private companies consist of a few members, and we have treated them differently. These are companies that impose restrictions upon the sale of their shares; the public is not invited to come in. Thus the public is not concerned, excepting those people who have dealings with private companies. Therefore we have recommended that fewer restrictions be imposed upon a private company because it is a private affair. In anything concerning the public, however, we have provided that all requisite restrictions be imposed. In so doing, we have been careful not to make conditions so onerous as to restrict the flow of capital into the State; on the other hand, we have done our best to encourage capital



to come here while insisting upon conditions that will ensure strict honesty.

The taxation of companies is an important matter. The tendency nowadays is for private companies to go into liquidation, if they can, with a view to forming partnerships because the taxation of companies is so high. A company may be taxed up to 15s. in the pound for company tax, leaving only 5s. for distribution by way of dividends to shareholders, and those dividends again may be taxed up to 18s. 6d. in the pound. Had that been a partnership—it is the same thing except in name—there would not have been that additional taxation. Why Governments insist on so taxing companies I do not know, because companies mostly comprise large numbers of people whose incomes are small. Such people are called upon to pay tax twice on the same income, and this they would not be compelled to do were they members of a partnership. They are also called upon to pay a higher rate of taxation on their dividends.

The greatest discouragement is given today to limited companies, yet they are the best and safest form of investment. Their accounts are filed and open to inspection. People can ascertain what the capital of a company is and what cash is held by it. Business men desiring to trade with a company can find out what its financial position is. Yet Governments discourage companies! Should one snide company, or one body of directors or a secretary, be proved to be dishonest, then, though that company may be only one in thousands, immediately all other companies come under a cloud and the rumour spreads that companies are very dangerous indeed. That is not the case at all. Companies should be encouraged by Governments. It must be remembered that the United States of America was mostly settled by means of companies in the earlier days. Money was raised for the purpose by subscription in England.

Hon. H. S. W. Parker: What do you mean by "settled"?

Hon. L. CRAIG: Not what the hon. member means! I refer to the pioneers who successfully settled huge areas of the United States. Vast tracts of country were taken up there with the help of money publicly subscribed in England. I hope members will not treat the Bill lightly; it is essentially a Committee measure and I trust it will pass

into law before the election about to be held. I urge members to give the Bill the closest consideration and I support the second reading.

On motion by Hon. J. A. Dimmitt, debate adjourned.

*House adjourned at 5.49 p.m.*

## Legislative Assembly.

*Tuesday, 14th September, 1943.*

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

### QUESTIONS (2).

#### DAMAGE TO PROPERTY BY SOLDIERS.

##### *As to Compensation.*

Mr. SEWARD asked the Premier: 1, Has his attention been drawn to the two cases recently heard in which the owners of orchards were denied compensation for damage done to their property by soldiers? 2, Will he make urgent representations to the Prime Minister with a view to having an alteration made in any laws or regulations so as to give protection to property owners in such instances?

The PREMIER replied: Enquiries are being made into this matter.

#### POTASH SUPPLIES.

##### *As to Deliveries.*

Mr. WATTS: (without notice) asked the Minister for Industrial Development: 1, Is it correct that the delivery of potash from Lake Campion was to have been commenced